

1 AN ACT concerning taxation.

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

4 Section 5. The Gas Revenue Tax Act is amended by  
5 changing Sections 2 and 2a.1 as follows:

6 (35 ILCS 615/2) (from Ch. 120, par. 467.17)

7 Sec. 2. A tax is imposed upon persons engaged in the  
8 business of distributing, supplying, furnishing or selling  
9 gas to persons for use or consumption and not for resale at  
10 the rate of 50% of 2.4 cents per therm of all gas which is so  
11 distributed, supplied, furnished, sold or transported to or  
12 for each customer in the course of such business, or 50% of  
13 5% of the gross receipts received from each customer from  
14 such business, whichever is the lower rate as applied to each  
15 customer for that customer's billing period, provided that  
16 any change in rate imposed by this amendatory Act of 1985  
17 shall become effective only with bills having a meter reading  
18 date on or after January 1, 1986. However, such taxes are not  
19 imposed with respect to any business in interstate commerce,  
20 or otherwise to the extent to which such business may not,  
21 under the Constitution and statutes of the United States, be  
22 made the subject of taxation by this State.

23 Nothing in this amendatory Act of 1985 shall impose a tax  
24 with respect to any transaction with respect to which no tax  
25 was imposed immediately preceding the effective date of this  
26 amendatory Act of 1985.

27 The changes made by this amendatory Act of the 92nd  
28 General Assembly are exempt from the provisions of Section  
29 2a.3.

30 (Source: P.A. 84-307; 84-1093.)

1 (35 ILCS 615/2a.1) (from Ch. 120, par. 467.17a.1)  
2 Sec. 2a.1. Imposition of tax on invested capital. In  
3 addition to the taxes imposed by the Illinois Income Tax Act  
4 and Section 2 of this Act, there is hereby imposed upon  
5 persons engaged in the business of distributing, supplying,  
6 furnishing or selling gas and subject to the tax imposed by  
7 this Act (other than a school district or unit of local  
8 government as defined in Section 1 of Article VII of the  
9 Illinois Constitution of 1970), an additional tax in an  
10 amount equal to 50% of .8% of such persons' invested capital  
11 for the taxable period. If such persons are not liable for  
12 such additional tax for the entire taxable period, such  
13 additional tax shall be computed on the portion of the  
14 taxable period during which such persons were liable for such  
15 additional tax. The invested capital tax imposed by this  
16 Section shall not be imposed upon persons who are not  
17 regulated by the Illinois Commerce Commission. Provided, in  
18 the case of any person which is subject to the invested  
19 capital tax imposed by this Section and which is also subject  
20 to the tax on the distribution of electricity imposed by  
21 Section 2a.1 of the Public Utilities Revenue Act, for taxable  
22 periods beginning on or after January 1, 1998, the invested  
23 capital tax imposed by this Section shall be the lesser of  
24 (i) an amount equal to 50% of 0.8% of such person's invested  
25 capital for the taxable period multiplied by a fraction the  
26 numerator of which is the average of the beginning and ending  
27 balances of such person's gross gas utility plant in service  
28 and the denominator of which is the average of the beginning  
29 and ending balances of such person's gross electric and gas  
30 utility plant in service, as set forth in such person's  
31 annual report to the Illinois Commerce Commission for the  
32 taxable period, or (ii) an amount equal to 50% of 0.8% of the  
33 person's invested capital for the taxable period ended  
34 December 31, 1996 multiplied by a fraction the numerator of

1 which is the average of the beginning and ending balances of  
 2 the person's gross gas utility plant in service and the  
 3 denominator of which is the average of the beginning and  
 4 ending balances of the person's gross electric and gas  
 5 utility plant in service as set forth in the person's annual  
 6 report to the Illinois Commerce Commission for the taxable  
 7 period ended December 31, 1996 modified by an adjustment  
 8 factor. The adjustment factor is a ratio the numerator of  
 9 which is the average of the beginning and ending balances of  
 10 the person's gross gas plant in service for the taxable  
 11 period and the denominator of which is the average of the  
 12 beginning and ending balances of the person's gross gas plant  
 13 in service for the taxable period ended December 31, 1996, as  
 14 set forth in the person's annual reports to the Illinois  
 15 Commerce Commission for such taxable periods.

16 The changes made by the amendatory Act of the 92nd  
 17 General Assembly are exempt from the provisions of Section  
 18 2a.3.

19 (Source: P.A. 90-561, eff. 1-1-98; 91-596, eff. 1-1-00.).

20 Section 10. The Public Utilities Revenue Act is amended  
 21 by changing Section 2a.1 as follows:

22 (35 ILCS 620/2a.1) (from Ch. 120, par. 469a.1)

23 Sec. 2a.1. Imposition of tax on invested capital and  
 24 on distribution of electricity.

25 (a) In addition to the tax imposed by the Illinois  
 26 Income Tax Act, there is hereby imposed upon every taxpayer  
 27 (other than an electric cooperative, a school district or  
 28 unit of local government as defined in Section 1 of Article  
 29 VII of the Illinois Constitution of 1970), an additional tax  
 30 as follows:

31 (i) For the first 500,000,000 kilowatt-hours  
 32 distributed by the taxpayer in this State during the

1 taxable period, 50% of 0.031 cents per kilowatt-hour;

2 (ii) For the next 1,000,000,000 kilowatt-hours  
3 distributed by the taxpayer in this State during the  
4 taxable period, 50% of 0.050 cents per kilowatt-hour;

5 (iii) For the next 2,500,000,000 kilowatt-hours  
6 distributed by the taxpayer in this State during the  
7 taxable period, 50% of 0.070 cents per kilowatt-hour;

8 (iv) For the next 4,000,000,000 kilowatt-hours  
9 distributed by the taxpayer in this State during the  
10 taxable period, 50% of 0.140 cents per kilowatt-hour;

11 (v) For the next 7,000,000,000 kilowatt-hours  
12 distributed by the taxpayer in this State during the  
13 taxable period, 50% of 0.180 cents per kilowatt-hour;

14 (vi) For the next 3,000,000,000 kilowatt-hours  
15 distributed by the taxpayer in this State during the  
16 taxable period, 50% of 0.142 cents per kilowatt-hour; and

17 (vii) For all kilowatt-hours distributed by the  
18 taxpayer in this State during the taxable period in  
19 excess of 18,000,000,000 kilowatt-hours, 50% of 0.131  
20 cents per kilowatt-hour.

21 (b) There is imposed on electric cooperatives that are  
22 required to file reports with the Rural Utilities Service a  
23 tax equal to 50% of 0.8% of such cooperative's invested  
24 capital for the taxable period. The invested capital tax  
25 imposed by this subsection shall not be imposed on electric  
26 cooperatives not required to file reports with the Rural  
27 Utilities Service.

28 (c) If, for any taxable period, the total amount  
29 received by the Department from the tax imposed by subsection  
30 (a) exceeds \$145,279,553 plus, for taxable periods subsequent  
31 to 1998, an amount equal to the lesser of (i) 5% or (ii) the  
32 percentage increase in the Consumer Price Index during the  
33 immediately preceding taxable period, of the total amount  
34 received by the Department from the tax imposed by subsection

1 (a) for the immediately preceding taxable period, determined  
2 after allowance of the credit provided for in this  
3 subsection, the Department shall issue credit memoranda in  
4 the aggregate amount of the excess to each of the taxpayers  
5 who paid any amount of tax under subsection (a) for that  
6 taxable period in the proportion which the amount paid by the  
7 taxpayer bears to the total amount paid by all such  
8 taxpayers. This calculation shall be made as of December 1 of  
9 the year following the immediately preceding taxable period  
10 and shall consist of only those returns with payment then on  
11 file with the Department. All future amendments to returns  
12 and monies covering this period received after December 1 of  
13 the year following the taxable period will not be included in  
14 the calculation of the affected taxable period or any other  
15 taxable period. The provisions of this subsection are not  
16 subject to the Uniform Penalty and Interest Act. Any credit  
17 memorandum issued to a taxpayer under this subsection may be  
18 used as a credit by the taxpayer against its liability in  
19 future taxable periods for tax under subsection (a). Any  
20 amount credited to a taxpayer shall not be refunded to the  
21 taxpayer unless the taxpayer demonstrates to the reasonable  
22 satisfaction of the Department that it will not incur future  
23 liability for tax under subsection (a). The Department shall  
24 adopt reasonable regulations for the implementation of the  
25 provisions of this subsection.

26 (Source: P.A. 90-561, eff. 1-1-98; 90-624, eff. 7-10-98;  
27 91-357, eff. 7-29-99.)

28 Section 15. The Electricity Excise Tax Law is amended by  
29 changing Section 2-4 as follows:

30 (35 ILCS 640/2-4)

31 Sec. 2-4. Tax imposed.

32 (a) Except as provided in subsection (b), a tax is

1 imposed on the privilege of using in this State electricity  
2 purchased for use or consumption and not for resale, other  
3 than by municipal corporations owning and operating a local  
4 transportation system for public service, at the following  
5 rates per kilowatt-hour delivered to the purchaser:

6 (i) For the first 2000 kilowatt-hours used or  
7 consumed in a month: 50% of 0.330 cents per  
8 kilowatt-hour;

9 (ii) For the next 48,000 kilowatt-hours used or  
10 consumed in a month: 50% of 0.319 cents per  
11 kilowatt-hour;

12 (iii) For the next 50,000 kilowatt-hours used or  
13 consumed in a month: 50% of 0.303 cents per  
14 kilowatt-hour;

15 (iv) For the next 400,000 kilowatt-hours used or  
16 consumed in a month: 50% of 0.297 cents per  
17 kilowatt-hour;

18 (v) For the next 500,000 kilowatt-hours used or  
19 consumed in a month: 50% of 0.286 cents per  
20 kilowatt-hour;

21 (vi) For the next 2,000,000 kilowatt-hours used or  
22 consumed in a month: 50% of 0.270 cents per  
23 kilowatt-hour;

24 (vii) For the next 2,000,000 kilowatt-hours used or  
25 consumed in a month: 50% of 0.254 cents per  
26 kilowatt-hour;

27 (viii) For the next 5,000,000 kilowatt-hours used  
28 or consumed in a month: 50% of 0.233 cents per  
29 kilowatt-hour;

30 (ix) For the next 10,000,000 kilowatt-hours used or  
31 consumed in a month: 50% of 0.207 cents per  
32 kilowatt-hour;

33 (x) For all electricity in excess of 20,000,000  
34 kilowatt-hours used or consumed in a month: 50% of 0.202

1           cents per kilowatt-hour.

2           Provided, that in lieu of the foregoing rates, the tax is  
3 imposed on a self-assessing purchaser at the rate of 50% of  
4 5.1% of the self-assessing purchaser's purchase price for all  
5 electricity distributed, supplied, furnished, sold,  
6 transmitted and delivered to the self-assessing purchaser in  
7 a month.

8           (b) A tax is imposed on the privilege of using in this  
9 State electricity purchased from a municipal system or  
10 electric cooperative, as defined in Article XVII of the  
11 Public Utilities Act, which has not made an election as  
12 permitted by either Section 17-200 or Section 17-300 of such  
13 Act, at the lesser of 50% of 0.32 cents per kilowatt hour of  
14 all electricity distributed, supplied, furnished, sold,  
15 transmitted, and delivered by such municipal system or  
16 electric cooperative to the purchaser or 50% of 5% of each  
17 such purchaser's purchase price for all electricity  
18 distributed, supplied, furnished, sold, transmitted, and  
19 delivered by such municipal system or electric cooperative to  
20 the purchaser, whichever is the lower rate as applied to each  
21 purchaser in each billing period.

22           (c) The tax imposed by this Section 2-4 is not imposed  
23 with respect to any use of electricity by business  
24 enterprises certified under Section 9-222.1 or 9-222.1A of  
25 the Public Utilities Act, as amended, to the extent of such  
26 exemption and during the time specified by the Department of  
27 Commerce and Community Affairs; or with respect to any  
28 transaction in interstate commerce, or otherwise, to the  
29 extent to which such transaction may not, under the  
30 Constitution and statutes of the United States, be made the  
31 subject of taxation by this State.

32           (d) The changes made by this amendatory Act of the 92nd  
33 General Assembly are exempt from Section 2-6 of this Act.

34           (Source: P.A. 90-561, eff. 8-1-98; 91-914, eff. 7-7-00.)