

1 AN ACT concerning 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 901 and by adding Section 208.2 as follows:

6 (35 ILCS 5/208.2 new)

7 Sec. 208.2. Restructured homeowners' tax relief rebate.

8 (a) An individual taxpayer who paid residential real
9 property taxes in 1999 on the taxpayer's principal Illinois
10 residence is entitled to a rebate. The rebate shall be in an
11 amount equal to 5% of those taxes originally due and paid in
12 1999 or \$300, whichever is less, minus the amount of any
13 rebate paid to the taxpayer under Section 208.1.

14 (b) On or before December 31, 2001, the Department shall
15 prepare and make available an application form for the rebate
16 authorized under this Section. The Department shall begin
17 accepting application forms for the rebate on January 1,
18 2002. To be eligible for a rebate under this Section the
19 applicant must submit a completed application form postmarked
20 on or before March 1, 2002.

21 (c) Before April 1, 2002, the Comptroller shall order
22 transferred and the Treasurer shall transfer an additional
23 \$24,000,000 from the Tobacco Settlement Recovery Fund to the
24 Homeowners' Tax Relief Fund. Subject to appropriation, the
25 Department shall make the rebate payments out of the
26 Homeowners' Tax Relief Fund.

27 (d) On or before April 1, 2002, the Department shall
28 certify the names of the taxpayers eligible for the rebate
29 under this Section whose application forms were postmarked on
30 or before March 1, 2002 and the rebate amounts to the
31 Comptroller. The Comptroller shall mail the rebate warrant

1 to these taxpayers by May 1, 2002.

2 (e) Any unencumbered amount in the Homeowners' Tax
3 Relief Fund by June 1, 2002 shall be transferred to the
4 Budget Stabilization Fund, and any amount remaining in the
5 Homeowners' Tax Relief Fund on December 1, 2002 shall be
6 transferred to the Budget Stabilization Fund.

7 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

8 Sec. 901. Collection Authority.

9 (a) In general.

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

26 (b) Local Governmental Distributive Fund.

27 Beginning August 1, 1969, and continuing through June 30,
28 1994, the Treasurer shall transfer each month from the
29 General Revenue Fund to a special fund in the State treasury,
30 to be known as the "Local Government Distributive Fund", an
31 amount equal to 1/12 of the net revenue realized from the tax
32 imposed by subsections (a) and (b) of Section 201 of this Act
33 during the preceding month. Beginning July 1, 1994, and

1 continuing through June 30, 1995, the Treasurer shall
2 transfer each month from the General Revenue Fund to the
3 Local Government Distributive Fund an amount equal to 1/11 of
4 the net revenue realized from the tax imposed by subsections
5 (a) and (b) of Section 201 of this Act during the preceding
6 month. Beginning July 1, 1995, the Treasurer shall transfer
7 each month from the General Revenue Fund to the Local
8 Government Distributive Fund an amount equal to 1/10 of the
9 net revenue realized from the tax imposed by subsections (a)
10 and (b) of Section 201 of the Illinois Income Tax Act during
11 the preceding month. Net revenue realized for a month shall
12 be defined as the revenue from the tax imposed by subsections
13 (a) and (b) of Section 201 of this Act which is deposited in
14 the General Revenue Fund, the Educational Assistance Fund and
15 the Income Tax Surcharge Local Government Distributive Fund
16 during the month minus the amount paid out of the General
17 Revenue Fund in State warrants during that same month as
18 refunds to taxpayers for overpayment of liability under the
19 tax imposed by subsections (a) and (b) of Section 201 of this
20 Act.

21 (c) Deposits Into Income Tax Refund Fund.

22 (1) Beginning on January 1, 1989 and thereafter,
23 the Department shall deposit a percentage of the amounts
24 collected pursuant to subsections (a) and (b)(1), (2),
25 and (3), of Section 201 of this Act into a fund in the
26 State treasury known as the Income Tax Refund Fund. The
27 Department shall deposit 6% of such amounts during the
28 period beginning January 1, 1989 and ending on June 30,
29 1989. Beginning with State fiscal year 1990 and for each
30 fiscal year thereafter, the percentage deposited into the
31 Income Tax Refund Fund during a fiscal year shall be the
32 Annual Percentage. For fiscal years 1999 through 2001,
33 the Annual Percentage shall be 7.1%. For all other
34 fiscal years, the Annual Percentage shall be calculated

1 as a fraction, the numerator of which shall be the amount
2 of refunds approved for payment by the Department during
3 the preceding fiscal year as a result of overpayment of
4 tax liability under subsections (a) and (b)(1), (2), and
5 (3) of Section 201 of this Act plus the amount of such
6 refunds remaining approved but unpaid at the end of the
7 preceding fiscal year, the denominator of which shall be
8 the amounts which will be collected pursuant to
9 subsections (a) and (b)(1), (2), and (3) of Section 201
10 of this Act during the preceding fiscal year. The
11 Director of Revenue shall certify the Annual Percentage
12 to the Comptroller on the last business day of the fiscal
13 year immediately preceding the fiscal year for which it
14 is to be effective.

15 (2) Beginning on January 1, 1989 and thereafter,
16 the Department shall deposit a percentage of the amounts
17 collected pursuant to subsections (a) and (b)(6), (7),
18 and (8), (c) and (d) of Section 201 of this Act into a
19 fund in the State treasury known as the Income Tax Refund
20 Fund. The Department shall deposit 18% of such amounts
21 during the period beginning January 1, 1989 and ending on
22 June 30, 1989. Beginning with State fiscal year 1990 and
23 for each fiscal year thereafter, the percentage deposited
24 into the Income Tax Refund Fund during a fiscal year
25 shall be the Annual Percentage. For fiscal years 1999,
26 2000, and 2001, the Annual Percentage shall be 19%. For
27 all other fiscal years, the Annual Percentage shall be
28 calculated as a fraction, the numerator of which shall be
29 the amount of refunds approved for payment by the
30 Department during the preceding fiscal year as a result
31 of overpayment of tax liability under subsections (a) and
32 (b)(6), (7), and (8), (c) and (d) of Section 201 of this
33 Act plus the amount of such refunds remaining approved
34 but unpaid at the end of the preceding fiscal year, the

1 denominator of which shall be the amounts which will be
2 collected pursuant to subsections (a) and (b)(6), (7),
3 and (8), (c) and (d) of Section 201 of this Act during
4 the preceding fiscal year. The Director of Revenue shall
5 certify the Annual Percentage to the Comptroller on the
6 last business day of the fiscal year immediately
7 preceding the fiscal year for which it is to be
8 effective.

9 (3) The Comptroller shall order transferred and the
10 Treasurer shall transfer from the Tobacco Settlement
11 Recovery Fund to the Income Tax Refund Fund (i)
12 \$35,000,000 in January, 2001, (ii) \$35,000,000 in
13 January, 2002, and (iii) \$35,000,000 in January, 2003.

14 (d) Expenditures from Income Tax Refund Fund.

15 (1) Beginning January 1, 1989, money in the Income
16 Tax Refund Fund shall be expended exclusively for the
17 purpose of paying refunds resulting from overpayment of
18 tax liability under Section 201 of this Act, for paying
19 rebates under Sections ~~Section~~ 208.1 and 208.2 in the
20 event that the amounts in the Homeowners' Tax Relief Fund
21 are insufficient for that purpose, and for making
22 transfers pursuant to this subsection (d).

23 (2) The Director shall order payment of refunds
24 resulting from overpayment of tax liability under Section
25 201 of this Act from the Income Tax Refund Fund only to
26 the extent that amounts collected pursuant to Section 201
27 of this Act and transfers pursuant to this subsection (d)
28 and item (3) of subsection (c) have been deposited and
29 retained in the Fund.

30 (3) As soon as possible after the end of each
31 fiscal year, the Director shall order transferred and the
32 State Treasurer and State Comptroller shall transfer from
33 the Income Tax Refund Fund to the Personal Property Tax
34 Replacement Fund an amount, certified by the Director to

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

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

20 (4.5) As soon as possible after the end of fiscal
21 year 1999 and of each fiscal year thereafter, the
22 Director shall order transferred and the State Treasurer
23 and State Comptroller shall transfer from the Income Tax
24 Refund Fund to the General Revenue Fund any surplus
25 remaining in the Income Tax Refund Fund as of the end of
26 such fiscal year; excluding for fiscal years 2000, 2001,
27 and 2002 amounts attributable to transfers under item (3)
28 of subsection (c) less refunds resulting from the earned
29 income tax credit.

30 (5) This Act shall constitute an irrevocable and
31 continuing appropriation from the Income Tax Refund Fund
32 for the purpose of paying refunds upon the order of the
33 Director in accordance with the provisions of this
34 Section.

1 (e) Deposits into the Education Assistance Fund and the
2 Income Tax Surcharge Local Government Distributive Fund.

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

25 (Source: P.A. 90-613, eff. 7-9-98; 90-655, eff. 7-30-98;
26 91-212, eff. 7-20-99; 91-239, eff. 1-1-00; 91-700, eff.
27 5-11-00; 91-704, eff. 7-1-00; 91-712, eff. 7-1-00; revised
28 6-28-00.)

29 Section 99. Effective date. This Act takes effect upon
30 becoming law.