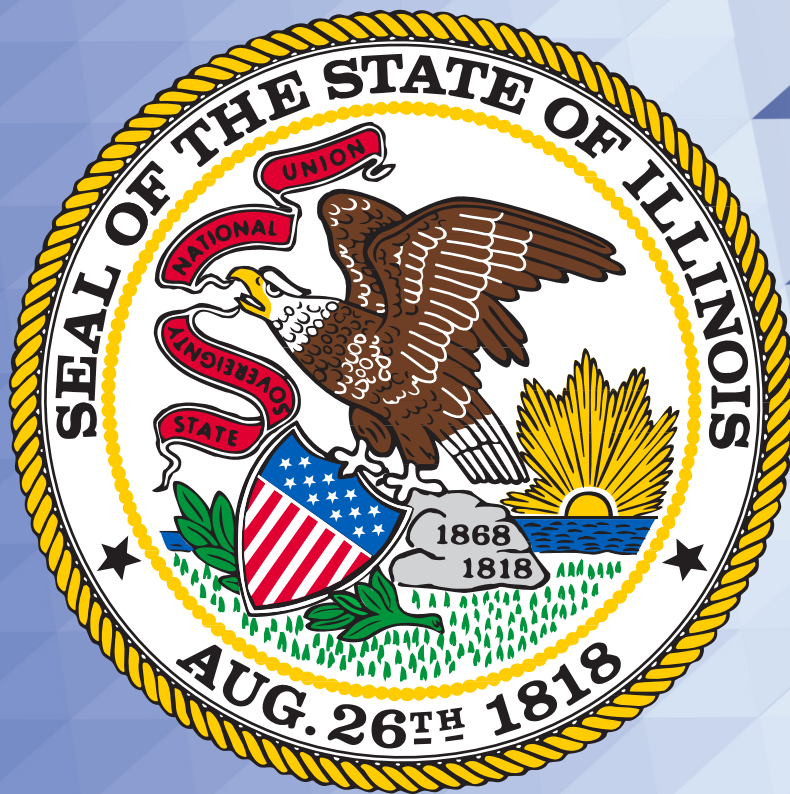


ILLINOIS DEPARTMENT OF REVENUE

# Annual Report

## Fiscal Year 2018





# Annual Report FY2018

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# Annual Report FY2018

## Collections Remitted to the State Comptroller - All Revenue Sources

	Total
<b>Collections by tax/type <sup>1</sup></b>	
Sales.....	\$15,304,852,295.39
Motor Fuel .....	1,368,739,485.68
Cigarette .....	745,544,313.50
Senior Citizen Deferral.....	7,196,824.69
Liquor.....	295,938,293.58
Public Utility .....	1,469,551,832.88
Hotel .....	420,596,312.96
Liquor Control Commission .....	19,966,685.50
Real Estate .....	92,529,283.22
Gaming.....	5,736,589.71
Private Vehicle Use.....	52,262,776.68
General Office / Misc. ....	6,921,182.38
Business Income .....	4,704,633,892.25
Individual Income.....	20,308,950,088.82
Racing .....	5,939,959.51
Automobile Renting .....	81,716,675.97
Live Adult Entertainment .....	448,483.43
Intergovernmental.....	<u>68,385,013.84</u>
	<b>\$44,959,909,989.99</b>

### **Collections deposited into State Treasury and in-transit to State Comptroller at year end:**

Current year.....	324,308,599.45
Prior year .....	<u>427,394,380.64</u>
Net change	<b>\$ (103,085,781.19)</b>

### **Comptroller fund receipts <sup>2</sup>**

Sales.....	15,417,489,150.75
Motor Fuel .....	1,369,095,565.97
Cigarette .....	764,294,791.04
Senior Citizen Deferral.....	7,067,761.22
Liquor.....	296,162,531.67
Public Utility .....	1,477,401,719.57
Hotel .....	421,310,900.41
Liquor Control Commission .....	19,990,591.23
Real Estate .....	93,779,129.73
Gaming.....	5,898,740.57
Private Vehicle Use.....	52,725,555.71
General Office / Misc. ....	6,950,644.33
Business Income .....	4,708,506,454.52
Individual Income.....	20,265,835,092.27
Racing .....	5,936,490.20
Automobile Renting .....	81,715,227.46
Live Adult Entertainment .....	450,410.69
Intergovernmental.....	<u>68,385,013.84</u>
	<b>\$45,062,995,771.18</b>

### **Collections reconciled to receipts <sup>3</sup>**

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# Annual Report FY2018

## Additional Information

### <sup>1</sup> **Collections by tax/type**

Taxpayers remit their payments to the Department using prescribed payment vouchers. The monies collected are deposited into bank accounts held in the custody of the State Treasurer's Office. The amounts showing in the "**Collections by tax/type**" section reflect the payments received from taxpayers.

### <sup>3</sup> **Comptroller fund receipts**

The monies collected are then receipted into State funds maintained by the State Comptroller's Office. The fund receipts are reflected in the section titled "Comptroller fund receipts". The allocation of specific monies to specific funds is governed by various tax acts. Additional information regarding fund receipts can be found in the State Ledger on the Comptroller's website.

### <sup>3</sup> **Collections reconciled to receipts**

The line "**Collections reconciled to receipts**" demonstrates all money collected by the Department from taxpayers and is ultimately receipted into State funds. Variances between collections and receipts are due to timing differences related to changes in the amount of deposits in-transit to the State Comptroller at the end of the period. This information is provided in the section titled "**Collections deposited into State Treasury and in-transit to State Comptroller at year end.**"

Information regarding the taxes imposed, rates, form/filing requirements, payment requirements, and statutory authority can be found in the Research/Tax Information section of the Department's website at [tax.illinois.gov](http://tax.illinois.gov). A more detailed version of this schedule with monthly amounts, collections by voucher type, and receipts by fund and revenue source can be found in the Research/Raw Tax Statistics section of the Department's website.

Also, updated tax statistics are available at the Research section of the Department's website. Please see the report "Monthly Collections Remitted to the State Comptroller." This report provides additional details about monthly amounts, collections by voucher type, and receipts by fund and revenue source.



# Annual Report FY2018

## Illinois Department of Revenue Legislative Summary

### Income Tax

#### **House Bill 162, Public Act 100-0511**

EDGE tax credit - Extends the EDGE tax credit to June 30, 2022. Redefines "credit" to limit the credit's scope. Provides for claw back provision if taxpayer ceases principal operations with the intent to shut down the project. Makes other related changes.

**House Bill 821, Public Act 100-0303** - See electronic filing mandates section.

#### **House Bill 3342, Public Act 100-0587**

- **Hospital Tax Credit** - Extends the hospital credit to tax years ending on or before December 31, 2022. The hospital credit provides for a credit in an amount equal to the lesser of the amount of real property taxes paid during the tax year on real property used for hospital purposes during the prior tax year or the cost of free or discounted services provided during the tax year.
- **Adoption Tax Credit** - Creates an adoption credit of \$2,000 for children residing out-of-state and of \$5,000 for children residing in state for tax years ending on or after December 31, 2018.
- **Natural Disaster Tax Credit** - Extends the natural disaster credit to tax years beginning prior to January 1, 2019. The natural disaster credit provides for a credit not to exceed \$750 for taxpayers who experienced damage to qualified real property it owns. Requires the damage resulted from the natural disaster and the property is in a county in Illinois that was declared a State disaster area by the Governor due to flooding in 2017 or 2018.

#### **House Bill 4751, Public Act 100-0905**

**College Savings Pool and ABLE (Achieve a Better Life Experience) Accounts** - Amends the State Treasurer Act. Provides that the State Treasurer may establish and administer a College Savings Pool as a qualified tuition program under the Internal Revenue Code, and that the Pool may consist of one or more college savings programs. Provides that the State Treasurer, in administering the College Savings Pool, may receive, hold, and invest moneys paid into the Pool and perform such other actions as are necessary to ensure that the Pool operates as a qualified tuition program under the Internal Revenue Code. Provides provisions concerning administration, availability, fees, and investment restrictions of the Pool. Modifies the way in which investments, distributions, contributions, and bonds are made regarding the Pool. Provides that funds contained in a College Savings Pool account may be rolled over into an eligible ABLE account to the extent permitted by specified provisions of the Internal Revenue Code.

Amends the Illinois Income Tax Act. Provides for a modification to adjusted gross income concerning the transfer of moneys from a qualified tuition program that is administered by the State to an ABLE account established under an out-of-state ABLE account program. Effective for tax years beginning on or after January 1, 2018.

#### **Senate Bill 9, Public Act 100-0022**

- **Rate increase** - Increases the income tax rate on individuals, trusts and estates to 4.95% and increases the income tax rate on corporations to 7% for tax years beginning on or after January 1, 2017.
- **Limitations for the Standard Exemption and Property Tax deduction** - For taxable years beginning on or after January 1, 2017, the Standard Exemption and the Property Tax deduction are not allowed if income is greater than \$250,000 for individual returns and \$500,000 for joint returns.
- **Earned Income Tax credit** - For taxable years beginning on or after January 1, 2017, and beginning prior to January 1, 2018, increases the Earned Income Tax credit to 14%. For taxable years ending on or after January 1, 2018, increases the Earned Income Tax credit to 18%.
- **Instructional Materials and Supplies tax credit** - For taxable years beginning on and after January 1, 2017, creates a \$250 credit for Instructional Materials and Supplies, which can be carried forward 5 years.
- **Education Expense tax credit** - For taxable years beginning on or after January 1, 2017, increases the Education Expense credit from \$500 to \$750; however, this credit not allowed if income is greater than \$250,000 for individual returns and \$500,000 for joint returns.

# Illinois Department of Revenue Legislative Summary

- **Research & Development credit** - Extends the Research & Development credit to December 31, 2021 (previously January 1, 2016) and indicates it should be treated as a continuous credit.
- **Domestic Production Activities deduction** - Provides that the Domestic Production Activities deduction allowed federally shall be added back when determining a taxpayer's Illinois base income.
- **Non-combination rule** - Limits the non-combination rule to taxable years ending prior to December 31, 2017.
- **Definition of "United States"** - For taxable years ending on or after December 31, 2017, provides the definition of "United States" means the 50 states, the District of Columbia, and any area over which the United States has asserted jurisdiction or claimed exclusive rights with respect to the exploration for or exploitation of natural resources.

## ***Senate Bill 403, Public Act 100-0555***

**Natural Disaster tax credit** - Creates an income tax credit in an amount equal to the lesser of \$750 or the deduction allowed (rather than the loss realized) with respect to qualified property under the Internal Revenue Code for each taxpayer who owns qualified real property located in a county in Illinois that was declared a State disaster area by the Governor due to flooding in 2017.

## ***Senate Bill 652, Public Act 100-0408***

**New Markets Development Program Act changes** – Various changes are described in the miscellaneous section.

## ***Senate Bill 852, Public Act 100-0415***

**Live theater production tax credit** - Extends the Live theater production tax credit to tax years beginning on or after January 1, 2012, and beginning prior to January 1, 2022 (previously January 1, 2017, pursuant to the Act's automatic five-year sunset provision).

## ***Senate Bill 1783, Public Act 100-0236***

**River Edge Redevelopment Zone tax credit** - Extends the River Edge Redevelopment Zone tax credit to tax years beginning on or after January 1, 2012, and ending prior to January 1, 2022 (previously January 1, 2018).

## ***Senate Bill 1437, Public Act 100-0865***

**Standard Exemption** - Amends the Illinois Income Tax Act. Extends the standard exemption Cost Of Living Adjustment (COLA) to taxable years ending on or before December 31, 2023.

## ***Senate Bill 1947, Public Act 100-0465***

**Invest in Kids tax credit** - Establishes an income tax credit for qualifying donations to a scholarship granting organization. Defines scholarship granting organizations. The credit cannot exceed \$1 million per taxpayer or \$75 million total in any given calendar year. Other limitations apply. Effective January 1, 2018.

## ***Senate Bill 2012, Public Act 100-0328***

**Angel investment credit** - Extends the credit to taxable years ending on or before December 31, 2021. Other related changes.

## ***Senate Bill 2046, Public Act 100-0329***

**Thriving Youth and Illinois Police Memorial checkoffs** - Creates the Thriving Youth and Illinois Police Memorial checkoffs for taxable years ending on or after December 31, 2017.

## ***Senate Bill 2868, Public Act 100-1014***

**Income Tax Checkoff** - Creates an income tax checkoff for contributions to the Hunger Relief Fund. Effective for tax years ending on or after December 31, 2018.



# Illinois Department of Revenue Legislative Summary

## ***Senate Bill 3527, Public Act 100-0629***

**River Edge Redevelopment Credit** - Amends the Illinois Income Tax Act. Provides that the total amount of qualified expenditures used in determining a credit for such expenditures incurred in the restoration and preservation of a qualified historic structure located in a River Edge Redevelopment Zone, (i) must equal \$5,000 or more and (ii) must exceed the adjusted basis of the qualified historic structure on the first day the qualified rehabilitation plan begins. Provides that the taxpayer must submit a certification of costs prepared by an independent certified public accountant. Provides that the Department of Natural Resources shall determine the amount of eligible rehabilitation costs and expenses. Provides that the determination shall be made within 45 days of receipt of a complete application. Contains provisions concerning third-party audits. Provides that the River Edge Redevelopment Credit for phased projects may be granted upon completion of each phase. Provides that moneys in the Historic Property Administrative Fund shall be used to hire a qualified third party to prepare a biennial report to assess the overall economic impact to the State from qualified River Edge Redevelopment Zone rehabilitation projects. Provides for a 5-year carry forward.

**Historic Preservation Tax Credit Act** - Creates the Historic Preservation Tax Credit Act. For tax years beginning on or after January 1, 2019 and on or before December 31, 2023, creates an income tax credit equal to 25% of the qualified expenditures incurred by a qualified taxpayer undertaking a qualified rehabilitation plan of a structure that is located in Illinois and is defined as a certified historic structure under Section 47(c)(3) of the federal Internal Revenue Code. Provides that, to be eligible for the credit, the taxpayer must apply with the State Historic Preservation Office. Provides that the credit is limited to an aggregate annual cap of \$15 million and a per plan cap of \$3 million. Provides for recapture in certain situations.

## **Sales and Related Taxes**

### ***House Bill 821, Public Act 100-0303***

See the electronic filing mandates section for additional changes.

### ***House Bill 2801, Public Act 100-0009***

Amends the Motor Fuel Tax Law. Provides that the tax imposed on the privilege of operating motor vehicles that use liquefied natural gas or propane is 21.5 cents per gallon. Provides that the tax imposed on compressed natural gas is 19 cents per gallon. Provides that, in the case of liquefied natural gas and propane, "gallon" means a diesel gallon equivalent. Provides that liquefied natural gas used as motor fuel shall be sold in diesel gallon equivalents, and compressed natural gas shall be sold in gasoline gallon equivalents. Provides that propane used as motor fuel shall be sold in actual measured gallon volumetric units, subject to adjustment for the purposes of determining the diesel gallon equivalents that are subject to the tax rates under the Motor Fuel Tax Law.

Amends the Environmental Impact Fee Law. Provides that no fee is imposed on the importation or receipt of liquefied natural gas (i) sold to or used by a rail carrier or (ii) consumed or used in the operation of ships, barges, or vessels that are used primarily in or for the transportation of property in interstate commerce for hire on rivers bordering Illinois if the natural gas is delivered to the ship, barge, or vessel by a licensed receiver.

### ***House Bill 3342, Public Act 100-0587***

**Marketplace Fairness Act** - Creates the Marketplace Fairness Act. Beginning October 1, 2018, provides retailers whose cumulative gross receipts from sales of tangible personal property to Illinois purchasers of \$100,000 or more in a 12-month period or retailers who enter into 200 or more transactions for the sale of tangible personal property to purchasers in Illinois in a 12-month period are considered to have nexus in Illinois and thus are required to collect and remit use tax on those sales.

# Illinois Department of Revenue Legislative Summary

## ***House Bill 4415, Public Act 100-0594***

**Coal and Mining Equipment Exemption** - Extends the exemption for coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment by providing it now sunsets on June 30, 2023.

## ***House Bill 4507, Public Act 100-1032***

Amends the **Retailers' Occupation Tax Act**. Provides that from March 1, 2010 to July 31, 2012 the exemption for manufacturing, assembling, or graphic arts machinery or equipment shall also apply to a business enterprise which (i) complies with certain job creation and investment criteria, (ii) receives certification from the Department of Commerce and Economic Opportunity, (iii) was a Department of Commerce and Economic Opportunity certified business enterprise in 2009, and (iv) retained a minimum of 500 full-time equivalent jobs in Illinois in 2009 and 2010, 675 full-time equivalent jobs in Illinois in 2011, 850 full-time equivalent jobs in Illinois in 2012, and 1,000 full-time equivalent jobs in Illinois in 2013. Provides that those jobs must have been created in the manufacturing sector as defined by the North American Industry Classification System.

## ***House Bill 4724, Public Act 100-1006***

**Hydraulic Fracturing Exemption Certificate** - Provides that first purchasers shall not be required to obtain exemption certificates from the producer until the first high volume horizontal hydraulic fracturing permit has been approved by the Department of Natural Resources after the effective date of the amendatory Act.

## ***Senate Bill 587, Public Act 100-0213***

Makes changes to the **Hotel Operators' Occupation Tax Act** to provide for an exemption for an entity that is organized and operated exclusively for religious purposes and possesses an active Exemption Identification Number issued by the Department of Revenue pursuant to the Retailers' Occupation Tax Act when that entity acts as a hotel operator renting, leasing, or letting rooms (i) in furtherance of the purposes for which it is organized or (ii) to an entity that is organized and operated exclusively for religious purposes and possess an active Exemption Identification Number issued by the Department pursuant to the Retailers' Occupation Tax Act when the room is rented in furtherance of the purposes for which the entity is organized. Provides that retreat centers, conference centers, and hunting lodges are also considered "hotels" for the purposes of the Act.

## ***Senate Bill 1434, Public Act 100-0437***

**Rental Purchase Agreement Occupation and Use Tax Act** - Creates the Rental Purchase Agreement Occupation and Use Tax Act. Provides that an occupation tax is imposed upon persons engaged in this State in the business of renting merchandise under a rental-purchase agreement in Illinois, at the rate of 6.25% of the gross receipts received from such business. Provides that a corresponding use tax is imposed upon the privilege of using merchandise rented under a rental-purchase agreement in Illinois at the rate of 6.25% of the gross receipts received from such business. Provides for electronic registration, filing, and payment. Creates a credit provision for use tax paid during the 6 months prior to implementation. Effective January 1, 2018.

## ***Senate Bill 1871, Public Act 100-0321***

**Rolling Stock** - Amends the **Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act**. Provides that, for motor vehicles other than limousines, "use as rolling stock moving in interstate commerce" means that: (1) the motor vehicle or trailer is used to transport persons or property for hire; (2) the purchaser certifies that the motor vehicle or trailer will be used by an interstate carrier or carriers for hire who hold an active USDOT Number with certain classifications; and (3) for motor vehicles, the gross vehicle weight rating exceeds 16,000 pounds. Provides active US Department of Transportation Number with certain classifications does not apply to a motor vehicle or trailer used at an airport to support the operation of an aircraft moving interstate commerce that meets the other requirements of the definition of "use as rolling stock moving in interstate commerce". Effective August 24, 2017.

# Illinois Department of Revenue Legislative Summary

## ***Senate Bill 9, Public Act 100-0022***

- **Gasohol and alternative fuels** - Provides gasohol shall be taxed at 100%. Extends exemption of majority blended ethanol fuel. Extends exemption of 100% biodiesel and biodiesel blends.
- **Graphic Arts Machinery and Equipment exemption** - Includes Graphic Arts Machinery and Equipment exemption with the Manufacturing Machinery and Equipment exemption.

## ***Senate Bill 3141, Public Act 100-0940***

Amends the **Use Tax Act**, the **Service Use Tax Act**, the **Service Occupation Tax Act**, the **Retailers' Occupation Tax Act**, the **Cigarette Tax Act**, and the **Cigarette Use Tax Act**. Sets forth penalties for failure to keep or produce certain books and records. Requires distributors and secondary distributors who purchase cigarettes for shipment into Illinois from a point outside this State to make the invoices available for inspection upon demand by a duly authorized employee of the Department. Provides that the Department may assess taxes, penalties, and interest on original packages of cigarettes that do not contain property tax stamps. Provides that, if a person fails to produce records for inspection by the Department upon request, a prima facie presumption shall arise that the person has failed to keep the records so required. Provides that the sale of individual or loose cigarettes is prohibited. Amends the Tobacco Products Tax Act of 1995 to make changes concerning penalties for failure to keep and produce books and records.

## Electronic Filing Mandates

### ***House Bill 821, Public Act 100-0303***

- Allows the Department of Revenue to require by rule that withholding income taxes and W-2s be electronically filed. Allows for hardship waivers.
- Requires electronic filing of sales and use tax returns for retailers and servicemen whose annual gross receipts average \$20,000 or more. Allows for hardship waivers. Provides that vendor discounts are only allowed for returns filed electronically.
- Requires electronic filing of taxes as provided for under the Prepaid Wireless 9-1-1 Surcharge Act, the Illinois Telecommunications Access Corp. provisions of the Public Utilities Act, and the Tire User Fee provisions of the Environmental Protection Act.

## Lien Registry Act

### ***Senate Bill 9, Public Act 100-0022***

Creates the **State Tax Lien Registration Act**, effective January 1, 2018. Requires the Department of Revenue to create and maintain a public registry for filing notices of tax liens. Provides that Department of Revenue may file a notice of tax lien in the registry within 3 years from the date of the final tax liability. Provides that the lien is perfected upon filing in the registry. Contains provisions concerning the format of the registry, and sets forth information that must be included in the registry. Effective July 6, 2017.

# Illinois Department of Revenue Legislative Summary

## Business Tax Registration / Certificates of Registration

### ***House Bill 819, Public Act 100-0302***

Certificates of registration that are issued or renewed on or after July 1, 2017, shall expire in one year, rather than five years, after the issuance or last renewal of that certificate of registration. Effective August 24, 2017.

### ***House Bill 821, Public Act 100-0303***

Provides that publicly traded corporations do not need to disclose the last 4 digits of the Social Security number of their Chief Financial Officer, Chief Operating Officer, or other employee responsible for preparing tax returns.

## Property Tax

### ***House Bill 2813, Public Act 100-0379***

Amends the Property Tax Code. In the definition of “wooded acreage”, provides that the property must be defined as “woodlands” by the United States Department of the Interior (currently, defined as “wooded acreage” by the Department of Labor). Provides that the change is intended as a clarification. Effective August 25, 2017.

### ***House Bill 5176, Public Act 100-0685***

Amends the Code of Civil Procedure. In provisions concerning notices of judicial sale, provides that, in counties with a population of more than 3,000,000, the notice that appears in the section of the newspaper in which real estate other than real estate that is being sold as part of a legal proceeding is commonly advertised must be published in a newspaper that is (i) different from the newspaper that publishes other notices required by those provisions and (ii) published in the township in which the real estate is located.

### ***Senate Bill 486, Public Act 100-0781***

Amends the Property Tax Code. Provides that, beginning in assessment year 2018, the fair cash value of commercial solar energy system improvements in counties with fewer than 3,000,000 inhabitants shall be determined by subtracting the allowance for physical depreciation from the trended real property cost basis. Provides that “allowance for physical depreciation” means (i) the actual age in years of the commercial solar energy system on the assessment date divided by 20 years multiplied by (ii) its trended real property cost basis. Provides that “trended real property cost basis” means the commercial solar energy system real property cost basis multiplied by the trending factor. Provides that “trending factor” means a number equal to the Consumer Price Index for the December immediately preceding the assessment date, divided by the Consumer Price Index for December of 2017. Provides that commercial solar energy systems subject to that valuation are not subject to equalization factors applied by the Department of Revenue or any board of review, assessor, or chief county assessment officer. Contains provisions concerning economic incentives for commercial solar energy systems. Provides that the Division applies for assessment years 2018 through 2033.

### ***Senate Bill 473, Public Act 100-0401***

Amends the Property Tax Code. In counties with 3,000,000 or more inhabitants, increases the maximum reduction for the Senior Citizen Homestead Exemption, the Senior Citizen Assessment Freeze Homestead Exemption, and the general homestead exemption. Increases the maximum income limitation for the Senior Citizen Assessment Freeze Homestead Exemption. Provides that the maximum reduction for the Senior Citizens Assessment Freeze Homestead Exemption shall be: (1) for taxable year 2017, (i) \$65,000 for qualified property located in a county with 3,000,000 or more inhabitants and (ii) \$55,000 for qualified property located in a county with fewer than 3,000,000 inhabitants; and (2) for taxable years 2018 and thereafter, \$65,000 for all qualified property. Effective August 25, 2017.

# Illinois Department of Revenue Legislative Summary

## ***Senate Bill 585, Public Act 100-1070***

Amends the Property Tax Code. Provides that each tax purchaser shall pay to the county collector an automation fee set by the county collector of not more than \$10 for each item purchased (currently, each county collector may assess such a fee). Provides that the indemnity fee in counties with less than 3,000,000 inhabitants shall be not more than \$20 (currently, the fee is \$20). Makes changes concerning the fee imposed by the county board on each person purchasing property at a sale under the Code for payment of interest and costs. In a Section concerning tax sale procedures, provides that county collectors may, when applicable, eject tax bidders who disrupt the tax sale or use illegal bid practices.

## ***Senate Bill 1593, Public Act 100-0455***

Amends the Property Tax Code. Provides that parking areas owned by religious institutions, when leased or rented to a municipality for the purpose of providing free public parking, are exempt. Effective August 25, 2017.

## ***Senate Bill 1598, Public Act 100-0456***

Amends the Property Tax Code. Provides that the valuation procedures for Public/Private Venture leases sunset on January 1, 2056 (currently, January 1, 2016). Provides that the valuation procedures in the engrossed bill apply absent a separate settlement agreement entered into under a particular provision of the Code. Provides that, for tax year 2017 and thereafter, for naval training facilities, naval bases, and naval support facilities, "net operating income" means all revenues received minus the actual expenses before interest, taxes, depreciation, and amortization (currently, the lesser of (i) 62% of all revenues or (ii) actual expenses before interest, taxes, depreciation, and amortization). Provides that, to determine the fair cash value of a PPV Lease, the net operating income is divided by (i) a rate of 12% (currently, 7.75%) plus (ii) the actual or most recently ascertainable tax load factor. Effective August 25, 2017.

## ***Senate Bill 2274, Public Act 100-0834***

Amends the Property Tax Code. Provides that a transfer between spouses does not disqualify wooded acreage from the provisions for the assessment of un-transferred wooded acreage.

## ***Senate Bill 2306, Public Act 100-0869***

Amends the Property Tax Code. Provides that the homestead exemption for veterans with disabilities shall be prorated if the person qualifying for the exemption does not occupy the qualified residence as of January 1 of the taxable year.

## ***Senate Bill 2539, Public Act 100-0975***

Amends the Property Tax Code. In a Section requiring a receipt for payment of certain fees and costs incurred by a certificate holder, provides that the county clerk shall write or stamp the date of receiving upon the receipt. In a Section concerning notice of an extended period of redemption, provides that the county clerk shall write or stamp the date of receipt upon the notice, and provides that the county clerk is not required to extend the period of redemption unless the purchaser or his or her assignee obtains that acknowledgment of delivery.

## ***Senate Bill 3085, Public Act 100-1095***

Provides that county collectors shall no longer publish (in the engrossed bill, publish or send notice) of delinquent or forfeited property taxes for certain undeveloped but platted and subdivided property or for any other exempt property.

## ***Senate Bill 3093, Public Act 100-1077***

Amends the Property Tax Code. Makes changes concerning the maximum reduction under the general homestead exemption for life care facilities.

# Illinois Department of Revenue Legislative Summary

## ***Senate Bill 3215, Public Act 100-0890***

Amends the Property Tax Code. In provisions concerning sales in error, provides that, in cases where improvements upon the property sold have been substantially destroyed or rendered uninhabitable or otherwise unfit for occupancy, the court may order the holder of the certificate of purchase to assign the certificate to the county collector, upon request of the county collector. Provides that the county collector may further assign the certificate to the county, acting as trustee for taxing districts, or to a taxing district having an interest in the taxes sold. Provides that, if the certificate of purchase is assigned to the county delinquent tax agent because the improvements have been substantially destroyed or rendered uninhabitable or otherwise unfit for occupancy, then the county delinquent tax agent shall extend the redemption period by 36 months.

## **Local Government**

### ***House Bill 465, Public Act 100-0249***

Amends the Illinois Municipal Code. Creates a tax increment allocation financing extension for an ordinance adopted on February 5, 1996, by the Village of Pearl City. Effective August 22, 2017.

### ***House Bill 466, Public Act 100-0296***

Amends the **Mobile Home Local Services Tax Enforcement Act**. Provides that a tax purchaser or assignee must give notice of the tax sale and the date of expiration of the redemption period not less than 3 months nor more than 6 months prior to the expiration of the redemption period (currently, not less than 3 months nor more than 5 months). Provides that the purchaser or assignee may file a petition for the issuance of a tax certificate of title at any time within 6 months but not less than 3 months prior to the expiration of the redemption period (currently, any time within 5 months but not less than 3 months prior to the expiration of the redemption period). Effective August 24, 2017.

### ***House Bill 3342, Public Act 100-0587***

- Provides allocations to Local Government Distribution Fund, Public Transportation Fund, and Downstate Public Transportation Fund are reduced by 5% for FY 19 (reduced by 10% for FY 18).
- Reduces administrative fees for collection of 11 local government sales taxes from 2.0% to 1.5%.
- For FY 19, provides school districts with Personal Property Replacement Tax receipts totaling 13% or more shall receive 16% of the total amount distributed to the school district during FY 17, provided the total amount of additional distributions does not exceed \$4,300,000.

### ***Senate Bill 588, Public Act 100-0214***

Amends the Illinois Municipal Code. Creates a tax increment allocation financing extension for an ordinance adopted on January 31, 1995, by the Village of Milledgeville. Effective August 18, 2017.

### ***Senate Bill 9, Public Act 100-0022***

Adjusts the distribution of Local Government Distributive Fund revenues. Beginning August 1, 2017, the Treasurer will transfer 6.06% (previously, 9.23%) of net revenues from the tax imposed on individuals, trusts, and estates from the General Revenue Fund to the Local Government Distributive Fund. The Treasurer will transfer 6.85% (previously, 10%) of net revenues from corporate income tax from the General Revenue Fund to the Local Government Distributive Fund. Creates the State Tax Lien Registration Act, effective January 1, 2018. Requires the Department of Revenue to create and maintain a public registry for filing notices of tax liens. Provides that Department of Revenue may file a notice of tax lien in the registry within 3 years from the date of the final tax liability. Provides that the lien is perfected upon filing in the registry. Contains provisions concerning the format of the registry, and sets forth information that must be included in the registry. Effective July 6, 2017.

# Illinois Department of Revenue Legislative Summary

## ***Senate Bill 42, Public Act 100-0023***

Provides for a two percent administrative fee to be deposited into the Tax Compliance and Administration Fund for purposes of administrative costs incurred by the Department of Revenue in collecting and remitting tax revenue. The administrative fee is imposed on the following taxes: the Metropolitan Pier Exposition Authority Automobile Renting Tax, the Metropolitan Pier Exposition Authority Hotel Tax, the Municipal Home Rule Sales Tax, the Municipal Non-Home Rule Sales Tax, the County Home Rule Sales Tax, the Regional Transportation Authority Tax, the Counties Share of Regional Transportation Authority Tax, the Metro-east Mass Transit District Tax, the Metro-east Park and Recreation District Tax, and the Special County Retailers' Occupation Tax for Public Safety. Requires that the amount of tax required under subsection (b) of Section 901 to be transferred by the Treasurer into the Local Government Distributive Fund from the General Revenue Fund shall instead be directly deposited into the Local Government Distributive Fund. Provides that, in State fiscal year 2018 only, the total amount of revenue and deposits under Section 901 attributable to revenues realized during State fiscal year 2018 shall be reduced by 10%.

## **Liquor Control**

### ***House Bill 2878, Public Act 100-0134***

Amends the **Liquor Control Act of 1934**. Provides that an action for a violation of the Act shall be commenced by the State Commission within 2 years after the date the State Commission becomes aware of the violation. Provides that any notice issued by the State Commission to a licensee for a violation of the Act or any notice with respect to a settlement or offer in compromise shall include the field report, photographs, and any other supporting documentation necessary to reasonably inform the licensee of the nature and extent of the violation or the conduct alleged to have occurred. Effective August 18, 2017.

### ***House Bill 3164, Public Act 100-0036***

Amends the **Liquor Control Act of 1934**. Authorizes the issuance and renewal of a license to sell alcoholic liquor at premises located within 100 feet of specific places of worship or schools located in the City of Chicago. Provides that the premises are at least 3,000 but no more than 5,000 square feet. Removes provisions requiring certain premises to be located in buildings with frontage on specified streets and removes a reference to a specific street with regard to the location of the main entrance of a specific place of worship. Authorizes the issuance and renewal of licenses to sell alcoholic liquor within a restaurant at premises located within 100 feet of a specific school located in the City of Chicago. Effective August 4, 2017.

### ***House Bill 4897, Public Act 100-0816***

- Amends the **Liquor Control Act of 1934**. Authorizes a brewer, class 1 brewer, or class 2 brewer to sell beer manufactured by any other brewer, class 1 brewer, or class 2 brewer to non-licensees and to sell cider. Authorizes a distributor licensee to sell beer, cider, or both beer and cider to brewers, class 1 brewers, and class 2 brewers that, pursuant to a specified provision of the Act, sell beer, cider, or both beer and cider to non-licensees at their breweries.
- Provides that if the State Commission provides prior approval, a class 1 brewer may annually transfer up to 930,000 gallons of beer manufactured by that class 1 brewer to the premises of a licensed class 1 brewer wholly owned and operated by the same licensee. Provides that a class 2 brewer may transfer beer to a brew pub wholly owned and operated by the class 2 brewer subject to the following limitations and restrictions: (i) the transfer shall not annually exceed more than 31,000 gallons; (ii) the annual amount transferred shall reduce the brew pub's annual permitted production limit; (iii) all beer transferred shall be subject to specified provisions concerning taxation; (iv) a written record shall be maintained by the brewer and brew pub specifying the amount, date of delivery, and receipt of the product by the brew pub; and (v) the brew pub shall be located no farther than 80 miles from the class 2 brewer's licensed location. Provides that a class 2 brewer shall, prior to transferring beer to a brew pub wholly owned by the class 2 brewer, furnish a written notice to the State Commission of intent to transfer beer setting forth the name and address of the brew pub

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and shall annually submit to the State Commission a verified report identifying the total gallons of beer transferred to the brew pub wholly owned by the class 2 brewer.

- Creates a brewer warehouse permit that may be issued to the holder of a class 1 brewer license or a class 2 brewer license. Provides that if the holder of the permit is a class 1 brewer licensee, the brewer warehouse permit shall allow the holder to store or warehouse up to 930,000 gallons of tax-determined beer manufactured by the holder of the permit at the premises specified on the permit. Provides that if the holder of the permit is a class 2 brewer licensee, the brewer warehouse permit shall allow the holder to store or warehouse up to 3,720,000 gallons of tax-determined beer manufactured by the holder of the permit at the premises specified on the permit. Provides that sales to non-licensees are prohibited at the premises specified in the brewer warehouse permit. Further amends the Liquor Control Act of 1934 to establish a fee for the brewer warehouse permit.

### ***Senate Bill 941, Public Act 100-0017***

Amends the **Liquor Control Act of 1934**. Changes the definition of "special event retailer" to include the sale or offering of spirits by an educational, fraternal, political, civic, religious, or non-profit organization. Defines "third-party provider". Establishes additional reporting and record keeping requirements for third-party providers. Provides that if the Department of Revenue or the State Commission requests a statement of certain information, the third-party provider must provide that statement no later than 30 days after the request is made. Provides that a violation of certain reporting requirements is a Class C misdemeanor. Effective June 30, 2017.

### ***Senate Bill 2436, Public Act 100-0663***

Amends the **Liquor Control Act of 1934**. In a provision prohibiting the issuance or renewal of licenses to sell alcoholic liquor at retail within 100 feet of churches, schools, hospitals, and certain other buildings, provides that a local liquor control commissioner may grant an exemption to that prohibition if a local rule or ordinance authorizes the local liquor control commissioner to grant that exemption.

### ***Senate Bill 3019, Public Act 100-0885***

Amends the **Liquor Control Act of 1934**. Makes changes to provisions concerning signage, including raising the limit on the cost of signs that may be provided to a retailer and removing the cost adjustment factor for the limit on the cost of signs that may be provided to a retailer. Provides that all permanent inside signs, except alcohol lists and menus, are the property of the manufacturer, distributor, or the importing distributor and shall be returned to the manufacturer, distributor, or the importing distributor upon request.

### ***Senate Bill 3022, Public Act 100-1050***

- Amends the **Executive Reorganization Implementation Act** and the **Liquor Control Act of 1934**. Provides for the separation of the Illinois Liquor Control Commission from the Department of Revenue. Provides that the Governor shall appoint the Executive Director of the Commission for a 4-year term, with the advice and consent of the Senate. Provides that the Department may not examine a tax return before 90 days after it is filed.
- Provides that to the extent Executive Order No. 2003-9 transferred personnel and the Executive Director (rather than personnel) to the Department of Revenue from the State Commission, those personnel and the Executive Director (rather than personnel) shall be transferred to the State Commission. Provides that the status and rights (rather than rights) of the employees and the State of Illinois and its agencies under the Personnel Code, the Illinois Public Labor Relations Act, and applicable collective bargaining agreements (rather than the Personnel Code and applicable collective bargaining agreements) shall not be affected by the amendatory Act. Adds the Executive Director to provisions concerning the oath of office, disqualification from office, soliciting or accepting gifts, and reimbursement for traveling expenses. In a provision concerning non-resident dealer's licenses, provides that filing a specified registration statement authorizes the non-resident dealer to proceed to sell certain brands at wholesale. Effective July 1, 2019, except that certain provisions in the Liquor Control Act of 1934 take effect upon becoming law.



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## General / Miscellaneous

### ***House Bill 1808, Public Act 100-0047***

**Uniform Disposition of Unclaimed Property Act** changes - Provides that the State Treasurer shall, at least annually, notify the Department of Revenue of the names of persons appearing to be owners of abandoned property held by the State Treasurer, and that the Department of Revenue shall provide address and other information for such persons to the State Treasurer to facilitate the return of unclaimed property. Provides that the State Treasurer may deliver the property without the person filing a claim if: (1) the value of the property that is owed the person is \$2,000 or less; (2) the property is not either tangible property or securities; (3) the last known address for the person according to the Department of Revenue records is less than 12 months old; and (4) the State Treasurer has evidence sufficient to establish that the person who appears in Department of Revenue records is the owner of the property and the owner currently resides at the last known address from the Department of Revenue. Provides that, if the unclaimed property has a value of greater than \$2,000 or is tangible property or securities, then the State Treasurer shall provide notice to the person informing the person that he or she is the owner of abandoned or unclaimed property. Effective August 11, 2017.

### ***House Bill 1811, Public Act 100-0020***

**Chicago Prepaid Wireless 911 Surcharge** - Extends Chicago's 9% surcharge through December 31, 2020 (previously only authorized through June 30, 2017); provides that on and after January 1, 2021, Chicago can only impose the surcharge at the rate of 7%.

### ***House Bill 2360, Public Act 100-0006***

**Illinois Secure Choice Savings Program Act** changes - Requires the Illinois Secure Choice Savings Board to select a default contribution rate within the range of 3% to 6% of an enrollee's wages (rather than 3% of wages). Provides that the Program shall begin during 2018, rather than by July 1, 2017. Provides that the Board shall establish an implementation time line that ensures that all employees are required to enroll in the Program by December 31, 2020. Provides that the Illinois Secure Choice Savings Program Fund is an instrumentality of the State and not subject to specified provisions of the Illinois Securities Law of 1953. Effective June 30, 2017.

### ***House Bill 3121, Public Act 100-0155***

**Weights and Measures Act** changes - Provides that if any person fails or refuses to pay, within 60 days after the issuance of notice from the Department, a fee authorized by the Section, the Department may prohibit that person from using commercial weighing and measuring devices. Provides that any penalty of \$2,500 or greater (currently, any penalty) not paid within 120 days (currently, 60 days) of issuance of notice from the Department shall be submitted to the Department of Revenue (currently, the Attorney General's office) for collection as provided under the Illinois State Collection Act of 1986. Provides that the Department may prohibit any person from using a commercial weighing or measuring device for failure to pay an administrative monetary penalty within 60 days of issuance of notice from the Department. Effective August 18, 2017.

### ***House Bill 4213, Public Act 100-0651***

Provides that any State-owned motor vehicle requiring maintenance in the form of an oil change shall have such maintenance performed according to the applicable Department of Central Management Services policy which considers the manufacturer's suggested oil change frequency for that vehicle's particular make, model, and year. Provides that the Department shall evaluate the original equipment manufacturer's oil change interval recommendations and other related impacts periodically and consider policy adjustments as is cost and operationally efficient for the State.

### ***Senate Bill 405, Public Act 100-0698***

Provides that each bidder who submits a bid or offer for a State contract under the Procurement Code shall have a sexual harassment policy in accordance with specified provisions of the Illinois Human Rights Act. Amends the Economic Development for a Growing Economy Tax Credit Act. Provides that in order to qualify for Credits under the Act, an

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applicant's project must, among other requirements, include a sexual harassment policy report. Provides for the contents and further requirements of the sexual harassment policy report. Amends the Illinois Human Rights Act. Adds provision requiring each bidder who submits a bid or offer for a State contract under the Illinois Procurement Code to have a written copy of the bidder's sexual harassment policy.

## ***Senate Bill 652, Public Act 100-0408***

**New Markets Development Program Act** changes - Provides that, to be considered a "qualified equity investment" under the Act, 100% (currently, 85%) of the cash purchase price of the investment must be used by the issuer to make qualified low-income community investments in the State of Illinois. Requires qualified community development entities to submit an annual report. Provides that no qualified active low-income community business that receives a qualified low-income community investment from a qualified community development entity that issues qualified equity investments under the Act may directly or indirectly (i) own or have the right to acquire an ownership interest in a qualified community development entity or member or affiliate of a qualified community development entity or (ii) loan to or invest in a qualified community development entity or member or affiliate of a qualified community development entity. Sets forth a schedule of allocation rounds enabled under the New Markets Development Program Act. Effective August 25, 2017.

## ***Senate Bill 1577, Public Act 100-0452***

**Illinois False Claims Act** changes - Provides that a person who commits certain acts is liable to the State for a civil penalty of not less than the minimum amount and not more than the maximum amount allowed for a civil penalty for a violation of the federal False Claims Act (31 U.S.C. 3729 et seq.) as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461). Provides that notwithstanding any other provision, a person is liable to the State for a civil penalty of not less than \$5,500 and not more than \$11,000, plus three times the amount of damages which the State sustains because of the act of that person, when: (i) the civil action was brought by a private person; (ii) the State did not elect to intervene; (iii) the actual amount of the tax owed to the State is equal to or less than \$50,000, which does not include interest, penalties, attorney's fees, costs, or any other amounts owed or paid pursuant to the Illinois False Claims Act; and (iv) the violation of the Illinois False Claims Act relates to or involves a false claim regarding a tax administered by the Department of Revenue, excluding claims, records, or statements made under the Property Tax Code. Effective August 25, 2017.

## ***Senate Bill 1947, Public Act 100-0465***

**Tax Increment Financing Reform Task Force** - Tax Increment Financing Reform Task Force is created and findings of study are due to the General Assembly on or before April 1, 2018.

## ***Senate Bill 1978, Public Act 100-0536***

Creates the **Employee Misclassification Referral System**. Requires the Department of Labor to create an on-line employee misclassification referral system on its website. Provides that the employee misclassification referral system shall use one form that contains all the necessary information required for employee misclassification complaints to the Department of Employment Security, the Illinois Workers' Compensation Commission, the Department of Revenue, and the Department of Labor; and that the employee misclassification referral system shall refer complaints to the appropriate agency or agencies based on the information supplied by the individual making the complaint. Provides that anonymous and third-party complaints shall not be accepted by the employee misclassification referral system. Provides that upon completion of an investigation that was initiated through the employee misclassification referral system, the agency, except for the Department of Employment Security, shall report to the Department of Labor any determination of an employee misclassification. Requires the Department of Labor to also maintain in the employee misclassification referral system, and make accessible for review by any agency that regulates or licenses the employer that was the subject of the investigation, the results of a determination of employee misclassification and all appeals and administrative reviews. Requires the Department of Employment Security, the Illinois Workers' Compensation Commission, the Department of Revenue, the Department of Labor, and any other agency that regulates or licenses businesses to put on its website, in a relevant and conspicuous place, a description of the purpose of the employee misclassification referral system provided by the Department of Labor and a link to the employee misclassification referral system. Effective June 1, 2018.

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## ***Senate Bill 2644, Public Act 100-0880***

Amends the Illinois Administrative Procedure Act. Provides that notice to parties in a contested case under the Act shall be served, among other forms of service, by email. Provides that parties in a contested case under the Act shall be notified, among other forms of notification, by email of any decision or order in that case. Provides for specified requirements for the consent of service by email. Provides that an agency may request, but not require, unless otherwise required by law, an unrepresented party to designate an email address to which specified documents may be transmitted. Provides that no document described in specified provisions may be served by email to the extent the documents contains certain specified information. Provides that service by email is deemed complete on the day of transmission. Provides that agencies that use email to service documents shall adopt rules that specify the standard for confirming delivery, and in failure to confirm delivery, what steps the agency will take to ensure that service by email or other means is accomplished.

## ***Senate Bill 2919, Public Act 100-0721***

**Unified Economic Development Budget** - Changes the timeframe for data that must be included in the Unified Economic Development Budget. Provides that the Unified Economic Development Budget shall include the aggregate amount of uncollected or diverted State tax revenues resulting from each type of development assistance, as reported for tax years beginning during the third preceding calendar year.

## ***Senate Bill 2958, Public Act 100-0722***

**State Tax Lien Registry** - Amends the State Tax Lien Registration Act. Provides that the notice of tax lien shall also include the county or counties where the real property of the debtor to which the lien will attach is located. Provides that a tax lien that is filed in the registry shall be attached to all of the existing and after-acquired real and personal property of the debtor.

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