



Rep. Michael J. Zalewski

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1 AMENDMENT TO SENATE BILL 1881

2 AMENDMENT NO. _____. Amend Senate Bill 1881 by replacing
3 everything after the enacting clause with the following:

4 "Article 1. Short Title.

5 Section 1-1. Short title. This Act may be cited as the
6 Local Government Revenue Recapture Act.

7 Article 5. Local Government Revenue Recapture.

8 Section 5-5. Definitions. As used in this Article:

9 "Department" means the Department of Revenue.

10 "Family member" means the following, whether by whole
11 blood, half-blood, or adoption:

12 (1) a parent or step-parent;

13 (2) a child or step-child;

14 (3) a grandparent or step-grandparent;

- 1 (4) an aunt, uncle, great-aunt, or great-uncle;
2 (5) a sibling;
3 (6) a spouse or domestic partner; and
4 (7) the spouse or domestic partner of any person
5 referenced in items (1) through (5).

6 "Financial information" means the information provided to
7 the municipality or county by the Department under Section 11
8 of the Retailers' Occupation Tax Act that is reported to the
9 Department by a business located in a given municipality or
10 county.

11 "Person" means an individual, sole proprietorship,
12 corporation, registered limited liability partnership, limited
13 liability company, partnership, professional service
14 corporation, or any other form of organization.

15 "Misallocation" means tax paid by the taxpayer and
16 allocated to one unit of local government that should have been
17 allocated to a different unit of local government.
18 "Misallocation" does not include amounts overpaid by the
19 taxpayer and therefore not owed to any unit of local
20 government, nor amounts underpaid by the taxpayer and therefore
21 not previously allocated to any unit of local government.

22 "Monitoring disbursements" means keeping track of payments
23 from the Department by a municipality, county, or third party
24 for the limited purpose of tracking previous misallocations.

25 "Third party" means a person, partnership, corporation, or
26 other entity or individual registered to do business in

1 Illinois who contracts with a municipality or county to review
2 financial information related to the disbursement of local
3 taxes by the Department to the municipality or county.

4 Section 5-10. Contracts with third parties. A municipality
5 or county that receives a disbursement of tax proceeds from the
6 Department may contract with a third party for the purpose of
7 ensuring that the municipality or county receives the correct
8 disbursement from the Department and monitoring disbursements.
9 The third party may not contact the Department on behalf of the
10 municipality or county, but instead must work directly with the
11 municipality or county to acquire financial information. To be
12 eligible to receive financial information from the
13 municipality or county, the third party must:

14 (1) enter into a confidentiality agreement with the
15 municipality or county in the form and manner required by
16 the Department prior to receiving the financial
17 information;

18 (2) have an existing contract with the municipality or
19 county at the time the third party enters into the
20 confidentiality agreement with the municipality or county;
21 a copy of that existing contract must be on file with the
22 Department;

23 (3) abide by the same conditions as the municipality or
24 county with respect to the furnishing of financial
25 information under Section 11 of the Retailers' Occupation

1 Tax Act; and

2 (4) be registered with the Department as required by
3 Section 5-35 of this Act.

4 Section 5-15. Financial information. The third party may
5 use the financial information it receives from the contracting
6 municipality or county only for the purpose of providing
7 services to the municipality or county as specified in this Act
8 and may not use the information for any other purpose.
9 Electronic data submitted to third parties or by the
10 contracting municipality or county must be accessible only to
11 third parties who have entered into a confidentiality agreement
12 with the municipality or county or who have an existing
13 contract with the municipality or county.

14 Section 5-20. Retention, collection, disclosure, and
15 destruction of financial information.

16 (a) A third party in possession of a taxpayer's financial
17 information must permanently destroy that financial
18 information pursuant to this Act. The financial information
19 shall be destroyed upon the soonest of the following to occur:

20 (1) if the taxpayer is not referred to the Department,
21 within 30 days after receipt of the taxpayer's financial
22 information from either the municipality or county, unless
23 the third party is monitoring disbursements from the
24 Department on an ongoing basis for a municipality or

1 county; or

2 (2) within 30 days after the Department receives a
3 taxpayer audit referral from a third party referring the
4 taxpayer to the Department for additional review.

5 (b) No third party in possession of financial information
6 may sell, lease, trade, market, or otherwise utilize or profit
7 from a taxpayer's financial information, except for a fee as
8 negotiated by the municipality or county. The fee may be in the
9 form of a contingency fee for a percentage of the amount of
10 additional distributions the municipality or county receives
11 for no more than 3 years following the first disbursement to
12 the municipality or county as a result of the services of the
13 third party under this Act.

14 (c) No third party may permanently or temporarily collect,
15 capture, purchase, use, receive through trade, or otherwise
16 retain a taxpayer's financial information beyond the scope of
17 subsection (a) of this Section.

18 (d) No third party in possession of confidential
19 information may disclose, redisclose, share, or otherwise
20 disseminate a taxpayer's financial information.

21 (e) A third party must dispose of the materials containing
22 financial information in a manner that renders the financial
23 information unreadable, unusable, and undecipherable. Proper
24 disposal methods include, but are not limited to, the
25 following:

26 (1) in the case of paper documents, burning,

1 pulverizing, or shredding so that the information cannot
2 practicably be read or reconstructed; and

3 (2) in the case of electronic media and other non-paper
4 media containing information, destroying or erasing so
5 that information cannot practicably be read,
6 reconstructed, or otherwise utilized by the third party or
7 others.

8 Section 5-25. Notice of intent to contract; award of
9 contracts. A municipality or county that chooses to contract
10 with a third party pursuant to this Act shall follow all rules
11 set forth in the Illinois Municipal Code or the Counties Code,
12 as applicable, concerning those contracts.

13 Section 5-30. Posting results. Annually, the third party
14 shall provide the municipality or county with a final summary
15 of the review for publication. It is the responsibility of the
16 third party to ensure that this summary includes no personal or
17 identifying information of taxpayers and that all such taxpayer
18 information is kept confidential. If the summary includes any
19 discussion of tax revenue, it shall include only aggregate
20 amounts by tax type, and shall in no way include information
21 about an individual return or an individual taxpayer, even with
22 identifying information redacted. In addition, due to the
23 preliminary nature of such a summary based only on unaudited
24 financial information, no claim of specific tax savings or

1 revenue generation may be made in the summary.

2 Section 5-35. Third party registration.

3 (a) Beginning on January 1, 2020, no person shall engage in
4 business as a third party pursuant to this Act in this State
5 without first having registered with the Department.
6 Application for registration or renewal of registration shall
7 be made to the Department, by electronic means, in a form and
8 at the time prescribed by the Department. Each applicant for
9 registration or renewal of registration under this Section
10 shall furnish to the Department, in an electronic format
11 established by the Department, the following information:

12 (1) the name and address of the applicant;

13 (2) the address of the location at which the applicant
14 proposes to engage in business as a third party in this
15 State;

16 (3) valid and updated contact information;

17 (4) attestation of good standing to do business in
18 Illinois;

19 (5) a copy of each contract it has entered into with a
20 municipality or county; if an applicant has a contract with
21 a municipality or county prior to the effective date of
22 this Act, a copy of all existing contracts must be
23 provided;

24 (6) an annual certification of process letter that:

25 (A) is signed by an attorney or certified public

1 accountant licensed and authorized to practice in the
2 State of Illinois;

3 (B) contains findings that, after due diligence,
4 the author is of the opinion that:

5 (i) the third party's confidentiality
6 standards for storing encrypted data at rest,
7 using a cryptographic algorithm, conform to the
8 Federal Information Processing Standard (FIPS)
9 Publication 140-2;

10 (ii) the third party uses multi-factor
11 authentication;

12 (iii) the third party uses HTTPS with at least
13 TLS 1.2 or its successor to protect the data files
14 while in transit between a browser and server;

15 (iv) the third party adheres to best practices
16 as recommended by the Open Web Application
17 Security Project (OWASP);

18 (v) the third party has a firewall which
19 protects against unauthorized use of the data; and

20 (vi) the third party shall maintain a physical
21 location in this State at all times; if, at any
22 time, the third party fails to have a physical
23 location in this State, the third party's
24 registration shall be revoked; and

25 (7) such other additional information as the
26 Department may require by rule.

1 The annual registration fee payable to the Department for
2 each third party shall be \$15,000. The fee shall be deposited
3 into the Tax Compliance and Administration Fund and shall be
4 used for the cost of administering the certified audit pilot
5 project under Article 10.

6 Each applicant shall pay the fee to the Department at the
7 time of submitting its application or renewal to the
8 Department. The Department may require an applicant under this
9 Section to electronically file and pay the fee.

10 (b) The following are ineligible to register as a third
11 party under this Act:

12 (1) a person who has been convicted of a felony related
13 to financial crimes under any federal or State law, if the
14 Department, after investigation and a hearing if requested
15 by the applicant, determines that the person has not been
16 sufficiently rehabilitated to warrant the public trust,
17 including an individual or any employee, officer, manager,
18 member, partner, or director of an entity that has been
19 convicted as provided in this paragraph (1);

20 (2) a person, if any employee, contractual employee,
21 officer, manager, or director thereof, or any person or
22 persons owning in the aggregate more than 5% thereof, is
23 employed by or appointed or elected to the corporate
24 authorities of any municipality or county in this State;

25 (3) a person, if any employee, contractual employee,
26 officer, manager, or director thereof, or any person or

1 persons owning in the aggregate more than 5% thereof, is
2 not or would not be eligible to receive a certificate of
3 registration under this Act or a license under the Illinois
4 Public Accounting Act for any reason;

5 (4) a person who is a family member of any person who
6 is employed by or appointed or elected to the corporate
7 authorities of any municipality or county in the State;

8 (5) a person who is a qualified practitioner, as
9 defined by Section 10-15 of this Act;

10 (6) a third party owned, in whole or in part, by any
11 entity that competes directly or indirectly with any
12 taxpayer whose financial information they are seeking or
13 receiving; and

14 (7) a third party owning in whole or in part, directly
15 or indirectly, any entity that competes, directly or
16 indirectly, with any taxpayer whose financial information
17 they are seeking or receiving.

18 (c) The Department shall begin accepting applications no
19 later than January 1, 2020. Upon receipt of an application and
20 registration fee in proper form from a person who is eligible
21 to register as a third party under this Act, the Department
22 shall issue, within 60 days after receipt of an application, a
23 certificate of registration to such applicant in such form as
24 prescribed by the Department. That certificate of registration
25 shall permit the applicant to whom it is issued to engage in
26 business as a third party under this Act. All certificates of

1 registration issued by the Department under this Section shall
2 be valid for a period not to exceed one year after issuance
3 unless sooner revoked or suspended as provided in this Act. No
4 certificate of registration issued under this Section is
5 transferable or assignable. A person who obtains a certificate
6 of registration as a third party who ceases to do business as
7 specified in the certificate of registration, or who never
8 commenced business, or whose certificate of registration is
9 suspended or revoked, shall immediately surrender the
10 certificate of registration to the Department.

11 (d) Any person aggrieved by any decision of the Department
12 under this Section may, within 60 days after notice of the
13 decision, protest and request a hearing. Upon receiving a
14 request for a hearing, the Department shall give written notice
15 to the person requesting the hearing of the time and place
16 fixed for the hearing and shall hold a hearing and then issue
17 its final administrative decision in the matter to that person
18 within 60 days after the date of the hearing. In the absence of
19 a protest and request for a hearing within 60 days, the
20 Department's decision shall become final without any further
21 determination being made or notice given.

22 (e) All final decisions by the Department under this
23 Section are subject to judicial review under the provisions of
24 the Administrative Review Law.

25 Section 5-37. Insurance policy requirement. A third party

1 is required to file and maintain in force an insurance policy
2 issued by an insurance company authorized to transact fidelity
3 and surety business in the State of Illinois. The insurance
4 policy shall be for coverage of potential legal claims,
5 including, by not limited to, penalties set forth under Section
6 5-60, embezzlement, dishonesty, fraud, omissions or errors, or
7 other financial wrongdoing in the course of providing services.
8 The policy shall be in the form prescribed by the Department in
9 the sum of \$500,000. The policy shall be continuous in form and
10 run concurrently with the original and each renewal
11 certification period unless terminated by the insurance
12 company. An insurance company may terminate a policy and avoid
13 further liability by filing a 60-day notice of termination with
14 the Department and at the same time sending the same notice to
15 the licensee. A license shall be canceled on the termination
16 date of the policy unless a new policy is filed with the
17 Department and becomes effective at the termination date of the
18 prior policy. If a policy has been canceled under this Section,
19 the third party must file a new application and will be
20 considered a new applicant if it obtains a new policy.

21 Section 5-40. Revocation or suspension of certification.

22 (a) A contracting municipality or county shall refuse to
23 provide any information, including financial information, to
24 any third party who violates this Act or rules adopted pursuant
25 to this Act or the Retailers' Occupation Tax Act or rules

1 adopted pursuant to the Retailers' Occupation Tax Act.

2 (b) The Department may, after notice and a hearing, revoke
3 or suspend the certificate of registration of any third party
4 for a violation of any provision of this Act, for noncompliance
5 with any provision contained in this Act, or because the
6 Department determines that the third party is ineligible for a
7 certificate of registration for any one or more of the reasons
8 provided for in Section 5-35 of this Act. The decision whether
9 to suspend or revoke and, if a suspension is in order, the
10 duration of the suspension shall be made by taking into account
11 factors that include but are not limited to, the registrant's
12 previous history of compliance with the Act as of its creation,
13 the number, seriousness, and duration of the violations, and
14 the registrant's cooperation in discontinuing and correcting
15 violations.

16 Section 5-50. Audit referrals; restrictions.

17 (a) Upon entering into a contract with a municipality or
18 county, a third party shall be prohibited from communicating
19 directly or indirectly in any manner with a taxpayer known or
20 believed to be operating within that municipality or county
21 about any matters directly or indirectly related to, or covered
22 by, the contract.

23 (b) If, based on a review of the financial information
24 provided by the Department to a municipality or a county, or
25 provided by a municipality or county to a registered third

1 party, a municipality, county, or third party discovers that
2 local retailers' or service occupation tax may have been
3 underpaid, then it may refer the matter to the Department for a
4 limited-scope audit in accordance with Article 10 of this Act.

5 (c) With respect to taxes administered by the Department,
6 units of local government and third parties are not authorized
7 to (i) access, review, or compel the production of taxpayers'
8 actual tax returns or (ii) access, review, or compel the
9 production of taxpayers' books and records.

10 (d) With respect to taxes administered by the Department,
11 units of local government and third parties are prohibited from
12 (i) engaging in an audit of any taxpayer, (ii) assessing tax
13 against any taxpayer, (iii) engaging in collection actions
14 against any taxpayer for the tax, or (iv) engaging in any other
15 action related to such taxes that is assigned by law to the
16 Department.

17 (e) A local government shall not share any financial
18 information received with another local government or another
19 third party. Further, a local government may not share the
20 findings of a third party with another local government or
21 another third party.

22 Section 5-55. No basis for action under Illinois False
23 Claims Act. No information received by a municipality, county,
24 third party, or any other person or entity under this Act shall
25 be the basis for filing an action by a private person under the

1 Illinois False Claims Act.

2 Section 5-60. Penalties.

3 (a) Any third party who violates any provision of this Act
4 shall be subject to the penalties set forth in Section 11 of
5 the Retailers' Occupation Tax Act.

6 (b) Any third party who violates Section 5-20 is subject to
7 a civil penalty of not more than \$10,000 for each taxpayer with
8 respect to whom financial information is improperly disclosed,
9 profited from, or disposed of in violation of that Section. The
10 Attorney General may impose a civil penalty not to exceed
11 \$50,000 for each instance of improper disposal of materials
12 containing financial information. The Attorney General may
13 impose a civil penalty after notice to the person accused of
14 violating Section 5-20 and an opportunity for that person to be
15 heard in the matter. The Attorney General may file a civil
16 action in the circuit court to recover any penalty imposed for
17 a violation of Section 5-20. In addition to the authority to
18 impose a civil penalty under this Section, the Attorney General
19 may bring an action in the circuit court to remedy a violation
20 of this Section, seeking any appropriate relief.

21 (c) Neither the State nor any municipality or county shall
22 be held liable for the mishandling of information by a third
23 party, including information from the Department or any other
24 financial information of taxpayers.

25 (d) Any taxpayer aggrieved by a violation of this Act shall

1 have a right of action in a State circuit court or as a
2 supplemental claim in federal district court against a third
3 party. A taxpayer may recover for each violation:

4 (1) against a third party that, by gross negligence,
5 violates a provision of this Act, liquidated damages of
6 \$5,000 or actual damages, whichever is greater;

7 (2) against a third party that intentionally or
8 recklessly violates a provision of this Act, liquidated
9 damages of \$10,000 or actual damages, whichever is greater;

10 (3) reasonable attorney's fees and costs, including
11 expert witness fees and other litigation expenses; and

12 (4) other relief, including an injunction, as the State
13 or federal court may deem appropriate.

14 Article 10. Local Government Revenue Recapture Certified Audit
15 Pilot Program.

16 Section 10-5. Findings. The General Assembly finds that:

17 (1) Voluntary compliance is the cornerstone of an
18 effective tax system.

19 (2) Despite attempts by the General Assembly, State
20 taxes are not simple.

21 (3) Even the most diligent taxpayers, through mistake
22 or inadvertence, may not pay all taxes due.

23 (4) The Department lacks the resources to audit the
24 compliance of all taxpayers.

1 (5) Illinois certified public accountants provide
2 valuable advice and assistance to Illinois taxpayers on
3 State tax issues.

4 (6) A pilot program establishing a partnership between
5 taxpayers, Illinois certified public accountants, and the
6 Department will provide guidance to taxpayers and enhance
7 voluntary compliance.

8 (7) A pilot project to establish a certified audit
9 program to address underpayment of local occupation and use
10 taxes would address concerns raised by units of local
11 government.

12 Section 10-10. Purpose. The purpose of this Article is to
13 create a certified audit program under a 5-year pilot project
14 that is limited in scope to specifically address concerns
15 related to the proper reporting and payment of local occupation
16 and use taxes that are collected and distributed to
17 municipalities and counties by the Department.

18 Section 10-15. Definitions. As used in this Article:

19 "Audit" means an agreed-upon procedures engagement in
20 accordance with Statements on Standards for the Attestation
21 Engagements (AICPA Professional Standards, AT-C Section 315
22 (Compliance Attest)).

23 "Certification program" means an instructional curriculum,
24 examination, and process for certification, recertification,

1 and revocation of certification of certified public
2 accountants that is administered by the Department with the
3 assistance of the Illinois CPA Society and that is officially
4 approved by the Department to ensure that a certified public
5 accountant possesses the necessary skills and abilities to
6 successfully perform an attestation engagement for a
7 limited-scope tax compliance review in a certified audit
8 project under this Act.

9 "Department" means the Department of Revenue.

10 "Family member" means the following, whether by whole
11 blood, half-blood, or adoption:

12 (1) a parent or step-parent;

13 (2) a child or step-child;

14 (3) a grandparent or step-grandparent;

15 (4) an aunt, uncle, great-aunt, or great-uncle;

16 (5) a sibling;

17 (6) a spouse or domestic partner; and

18 (7) the spouse or domestic partner of any person
19 referenced in items (1) through (5).

20 "Misallocation" means tax paid by the taxpayer and
21 allocated to one unit of local government that should have been
22 allocated to a different unit of local government.

23 "Misallocation" does not include amounts overpaid by the
24 taxpayer and therefore not owed to any unit of local
25 government, nor amounts underpaid by the taxpayer and therefore
26 not previously allocated to any unit of local government.

1 "Participating taxpayer" means any person subject to the
2 revenue laws administered by the Department who is the subject
3 of a tax compliance referral by a municipality, county, or
4 third party, who enters into an engagement with a qualified
5 practitioner for a limited-scope tax compliance review under
6 this Act, and who is approved by the Department under the local
7 government revenue recapture certified audit pilot project.

8 "Qualified practitioner" means a certified public
9 accountant who is licensed or registered to perform accountancy
10 activities in Illinois under Section 8.05 of the Illinois
11 Public Accounting Act and who has met all requirements for the
12 local government revenue recapture certified audit training
13 course, achieved the required score on the certification test
14 as approved by the Department, and been certified by the
15 Department. "Qualified practitioner" does not include a third
16 party, as defined by Section 5-5 of this Act, or any employee,
17 contractual employee, officer, manager, or director thereof,
18 any person or persons owning in the aggregate more than 5% of
19 such third party, or a person who is a family member of any
20 person who is employed by or is an appointed or elected member
21 of any corporate authorities, as defined in the Illinois
22 Municipal Code.

23 Section 10-20. Local government revenue recapture
24 certified audit project.

25 (a) The Department shall initiate a certified audit pilot

1 project to further enhance tax compliance reviews performed by
2 qualified practitioners and to encourage taxpayers to hire
3 qualified practitioners at their own expense to review and
4 report on certain aspects of their sales tax and use tax
5 compliance in cases where the Department has notified the
6 taxpayer that it has received a tax compliance referral from a
7 municipality, county, or third party under this Act. The nature
8 of the certified audit work performed by qualified
9 practitioners shall be agreed-upon procedures of a Compliance
10 Attestation in which the Department is the specified user of
11 the resulting report. Qualified practitioners are prohibited
12 from using information obtained from audit manuals, training
13 materials, or any other materials provided by the Department
14 under this Act for any purpose other than to perform the tax
15 compliance reviews under the certified audit pilot program
16 under this Act.

17 The tax compliance reviews shall be limited in scope and
18 may include include only: (i) whether the taxpayer is reporting
19 receipts in the proper jurisdiction; (ii) whether asset
20 purchases by the taxpayer were taxed properly; (iii) an
21 evaluation of sales reported as exempt from tax; (iv) whether
22 the proper tax rate was charged; (v) whether the tax was
23 properly reported as retailers' occupation tax or use tax; and
24 (vi) any other factor that impacts the Department's allocation
25 of sales and use tax revenues to the jurisdiction in which the
26 taxpayer reports sales or use tax.

1 (b) As an incentive for taxpayers to incur the costs of a
2 certified audit, the Department shall abate penalties due on
3 any tax liabilities revealed by a certified audit, except that
4 this authority to abate penalties shall not apply to any
5 liability for taxes that were collected by the participating
6 taxpayer but not remitted to the Department, nor shall the
7 Department have the authority to abate fraud penalties.

8 (c) The certified audit pilot project shall apply only to
9 taxpayers who have been notified that an audit referral has
10 been received by the Department under this Act and only to
11 occupation and use taxes administered and collected by the
12 Department.

13 (d) The certified audit pilot project shall begin with
14 audit referrals received on and after January 1, 2020. Upon
15 obtaining proper certification, qualified practitioners may
16 initiate certified audits beginning January 1, 2020.

17 Section 10-25. Practitioner responsibilities. Any
18 practitioner responsible for planning, directing, or
19 conducting a certified audit or reporting on a participating
20 taxpayer's tax compliance shall be a qualified practitioner.
21 For purposes of this Section, a qualified practitioner is
22 responsible for:

23 (1) planning a certified audit when performing work
24 that involves determining the objectives, scope, and
25 methodology of the certified audit, when establishing

1 criteria to evaluate matters subject to the review as part
2 of the certified audit, when gathering information used in
3 planning the certified audit, or when coordinating the
4 certified audit with the Department;

5 (2) directing a certified audit when the work involves
6 supervising the efforts or reviewing the work of others to
7 determine whether it is properly accomplished and
8 complete;

9 (3) conducting a certified audit when performing tests
10 and procedures or field audit work necessary to accomplish
11 the audit objectives in accordance with applicable
12 professional standards;

13 (4) reporting on a participating taxpayer's tax
14 compliance in a certified audit when determining report
15 contents and substance or reviewing reports for technical
16 content and substance prior to issuance; and

17 (5) answering questions by Department review staff,
18 answering questions raised by the Informal Conference
19 Board, and testifying in any administrative or court
20 proceeding regarding the audit or report.

21 Section 10-30. Local government revenue recapture audit
22 referral.

23 (a) A third party shall not refer a taxpayer to the
24 Department for audit consideration unless the third party is
25 registered with the Department pursuant to Section 5-35.

1 (b) If, based on a review of the financial information
2 provided by the Department to a municipality or county, or
3 provided by a municipality or county to a registered third
4 party, the municipality or county discovers that a taxpayer may
5 have underpaid local retailers' or service occupation taxes,
6 then it may refer the matter to the Department for audit
7 consideration. The tax compliance referral may be made only by
8 the municipality, county, or third party and shall be made in
9 the form and manner required by the Department, including any
10 requirement that the referral be submitted electronically. The
11 tax compliance referral shall, at a minimum, include proof of
12 registration as a third party, a copy of a contract between the
13 third party and the county or municipality, the taxpayer's
14 name, Department account identification number, mailing
15 address, and business location, and the specific reason for the
16 tax compliance referral, including as much detail as possible.

17 (c) The Department shall complete its evaluation of all
18 audit referrals under this Act within 60 days after receipt of
19 the referral and shall handle all audit referrals as follows:

20 (1) the Department shall evaluate the referral to
21 determine whether it is sufficient to warrant further
22 action based on the information provided in the referral,
23 any other information the Department possesses, and audit
24 selection procedures of the Department;

25 (2) if the Department determines that the referral is
26 not actionable, then the Department shall notify the local

1 government that it has evaluated the referral and has
2 determined that no action is deemed necessary and provide
3 the local government with an explanation for that decision;

4 (3) if the Department determines that the referral is
5 actionable, then it shall determine whether the taxpayer is
6 currently under audit or scheduled for audit;

7 (A) if the taxpayer is not currently under audit or
8 scheduled for audit, the Department shall determine
9 whether it will schedule the taxpayer for audit; and

10 (B) if the taxpayer is not under audit by the
11 Department or scheduled for audit by the Department and
12 the Department decides to schedule the taxpayer for
13 audit, then the Department shall notify the taxpayer
14 that the Department has received an actionable audit
15 referral on the taxpayer and issue a notice to the
16 taxpayer as provided under subsection (d) of this
17 Section.

18 (d) The notice to the taxpayer required by subparagraph (B)
19 of paragraph (3) of subsection (c) shall include, but not be
20 limited to, the following:

21 (1) that the taxpayer must either: (A) engage a
22 qualified practitioner, at the taxpayer's expense, to
23 complete a certified audit, limited in scope to the
24 taxpayer's Retailers' Occupation Tax, Use Tax, Service
25 Occupation Tax, or Service Use Tax liability, and the
26 taxpayer's liability for any local retailers' or service

1 occupation tax administered by the Department; or (B) be
2 subject to audit by the Department;

3 (2) that, as an incentive, for taxpayers who agree to
4 the limited-scope certified audit, the Department shall
5 abate penalties as provided in Section 10-20; and

6 (3) A statement that reads: "[INSERT THE NAME OF THE
7 ELECTED CHIEF EXECUTIVE OF THE CORPORATE AUTHORITY] has
8 contracted with [INSERT THIRD PARTY] to review your
9 Retailers' Occupation Tax, Use Tax, Service Occupation
10 Tax, Service Use Tax, and any local retailers' or service
11 occupation taxes reported to the Illinois Department of
12 Revenue ("Department"). [INSERT THE NAME OF THE ELECTED
13 CHIEF EXECUTIVE OF THE CORPORATE AUTHORITY] and [INSERT THE
14 THIRD PARTY] have selected and referred your business to
15 the Department for a certified audit of your Retailers'
16 Occupation Tax, Use Tax, Service Occupation Tax, Service
17 Use Tax, and any local retailers' or service occupation
18 taxes reported to the Department pursuant to the Local
19 Government Revenue Recapture Act. The purpose of the audit
20 is to verify that your business reported and submitted the
21 proper Retailers' Occupation Tax, Use Tax, Service
22 Occupation Tax, Service Use Tax, and any local retailers'
23 or service occupation taxes administered by the
24 Department. The Department is required to disclose your
25 confidential financial information to [INSERT THE NAME OF
26 THE ELECTED CHIEF EXECUTIVE OF THE CORPORATE AUTHORITY] and

1 [INSERT THE THIRD PARTY]. Additional information can be
2 accessed from the Department's website and publications
3 for a basic overview of your rights as a Taxpayer. If you
4 have questions regarding your business's referral to the
5 Department for audit, please contact [CORPORATE
6 AUTHORITY'S] mayor, village president, or any other person
7 serving as [CORPORATE AUTHORITY'S] chief executive officer
8 or chief financial officer. [INSERT THIRD PARTY] is
9 prohibited from discussing this matter with you directly or
10 indirectly in any manner regardless of who initiates the
11 contact. If [INSERT THIRD PARTY] contacts you, please
12 contact the Department."

13 (e) Within 90 days after notice by the Department, the
14 taxpayer must respond by stating in writing whether it will or
15 will not arrange for the performance of a certified audit under
16 this Act. If the taxpayer states that it will arrange for the
17 performance of a certified audit, then it must do so within 60
18 days after responding to the Department or within 90 days after
19 notice by the Department, whichever comes first. If the
20 taxpayer states that it will not arrange for the performance of
21 a certified audit or if the taxpayer does not arrange for the
22 performance of a certified audit within 180 days after notice
23 by the Department, then the Department may schedule the
24 taxpayer for audit by the Department.

25 (f) The certified audit must not be a contingent-fee
26 engagement and must be completed in accordance with this

1 Article 10.

2 Section 10-35. Notification by qualified practitioner.

3 (a) A qualified practitioner hired by a taxpayer who elects
4 to perform a certified audit under Section 10-30 shall notify
5 the Department of an engagement to perform a certified audit
6 and shall provide the Department with the information the
7 Department deems necessary to identify the taxpayer, to confirm
8 that the taxpayer is not already under audit by the Department,
9 and to establish the basic nature of the taxpayer's business
10 and the taxpayer's potential exposure to Illinois occupation
11 and use tax laws. The information provided in the notification
12 shall be submitted in the form and manner required by the
13 Department and shall include the taxpayer's name, federal
14 employer identification number or social security number,
15 Department account identification number, mailing address, and
16 business location, and the specific occupation and use taxes
17 and period proposed to be covered by the engagement for the
18 certified audit. In addition, the notice shall include the
19 name, address, identification number, contact person, and
20 telephone number of the engaged firm. An engagement for a
21 qualified practitioner to perform a certified audit under this
22 Act shall not be authorized by the Department unless the
23 taxpayer received notice from the Department under
24 subparagraph (b) of paragraph (3) of subsection (c) of Section
25 10-30.

1 (b) If the taxpayer has received notice of an audit
2 referral from the Department and has not been issued a written
3 notice of intent to conduct an audit, the taxpayer shall be a
4 participating taxpayer and the Department shall so advise the
5 qualified practitioner in writing within 10 days after receipt
6 of the engagement notice. However, the Department may exclude a
7 taxpayer from a certified audit or may limit the taxes or
8 periods subject to the certified audit on the basis that: (i)
9 the Department has previously conducted an audit; (ii) the
10 Department is in the process of conducting an investigation or
11 other examination of the taxpayer's records; (iii) the taxpayer
12 has already been referred to the Department pursuant to Section
13 10-30 and the Department determined an audit referral is not
14 actionable; (iv) the Department or a qualified practitioner has
15 previously conducted an audit under Section 10-30 of this Act;
16 or (v) for just cause.

17 (c) Within 30 days after receipt of the notice of
18 qualification from the Department under subsection (b), the
19 qualified practitioner shall contact the Department and
20 submit, for review and agreement by the Department, a proposed
21 audit plan and procedures. The Department may extend the time
22 for submission of the plan and procedures for reasonable cause.
23 The qualified practitioner shall initiate action to advise the
24 Department that amendment or modification of the plan and
25 procedures is necessary if the qualified practitioner's
26 inspection reveals that the taxpayer's circumstances or

1 exposure to the revenue laws is substantially different from
2 those described in the engagement notice.

3 Section 10-40. Audit performance and review.

4 (a) Upon the Department's designation of the agreed-upon
5 procedures to be followed by a practitioner in a certified
6 audit, the qualified practitioner shall perform the engagement
7 and shall timely submit a completed report to the Department in
8 the form and manner required by the Department and professional
9 standards. The report shall affirm completion of the
10 agreed-upon procedures and shall provide any required
11 disclosures.

12 (b) The Department shall review the report of the certified
13 audit and shall accept it when it is determined to be complete
14 by the qualified practitioner. Once the report is accepted by
15 the Department, the Department shall issue a notice of proposed
16 assessment reflecting the determination of any additional
17 liability reflected in the report and shall provide the
18 taxpayer with all the normal payment, protest, and appeal
19 rights with respect to the liability, including the right to a
20 review by the Informal Conference Board. In cases in which the
21 report indicates an overpayment has been made, the taxpayer
22 shall submit a properly executed claim for credit or refund to
23 the Department. Otherwise, the certified audit report is a
24 final and conclusive determination with respect to the tax and
25 period covered. No additional assessment may be made by the

1 Department for the specific taxes and period referenced in the
2 report, except upon a showing of fraud or material
3 misrepresentation. This determination shall not prevent the
4 Department from collecting liabilities not covered by the
5 report or from conducting an audit or investigation and making
6 an assessment for additional tax, penalty, or interest for any
7 tax or period not covered by the report.

8 (c) A notice of proposed assessment issued by the
9 Department under this Act is subject to the statute of
10 limitations for assessments under the Retailers' Occupation
11 Tax Act, the Use Tax Act, the Service Occupation Tax Act, the
12 Service Use Tax Act, and any local retailers' or service
13 occupation tax, as appropriate, and local taxes collected on
14 assessments issued shall be allocated to units of local
15 government for the full period of the statute of limitations in
16 accordance with those Acts and any applicable local retailers'
17 or service occupation tax Act. The Department shall provide
18 notice in writing to the municipality or county and the third
19 party, if applicable, of any audit findings, determinations, or
20 collections once finalized.

21 Claims for credit or refund filed by taxpayers under this
22 Act are subject to the statute of limitations under the
23 Retailers' Occupation Tax Act, the Use Tax Act, the Service
24 Occupation Tax Act, the Service Use Tax Act, and any local
25 retailers' or service occupation tax Act, as appropriate, and
26 any credit or refund of local taxes allowed to the taxpayer

1 shall be de-allocated from units of local government for the
2 full period of the statute of limitations in accordance with
3 those Acts and any applicable local retailers' or service
4 occupation tax Act.

5 With respect to misallocations discovered under this Act,
6 the Department shall increase or decrease the amount allocated
7 to a unit of local government by an amount necessary to offset
8 any misallocation of previous disbursements. The offset amount
9 shall be the amount erroneously disbursed within the previous 6
10 months from the time a misallocation is discovered.

11 (d) Under no circumstances may a person, including a
12 municipality or county or third party, other than the person
13 audited and his or her attorney, have any right to participate
14 in an appeal or other proceeding regarding the audit,
15 participate in settlement negotiations, challenge the validity
16 of any settlement between the Department and any person, or
17 review any materials, other than financial information as
18 otherwise provided in this Act, that are subject to the
19 confidentiality provisions of the underlying tax act. In
20 addition, the Department's determination of whether to audit a
21 taxpayer or the result of the audit creates no justiciable
22 cause of action, and any adjudication related to this program
23 is limited to the taxpayer's rights in an administrative
24 hearing held by the Department, an administrative hearing held
25 by the Illinois Independent Tax Tribunal, or related to
26 payments made under protest as provided in Section 2a.1 of the

1 State Officers and Employees Money Disposition Act, as
2 appropriate.

3 Section 10-45. Rules. To implement the certified audit
4 project, the Department shall have authority to adopt rules,
5 including, but not limited to:

6 (1) rules concerning the availability of the
7 certification program required for participation in the
8 project;

9 (2) rules concerning the requirements and basis for
10 establishing just cause for approval or rejection of
11 participation by taxpayers;

12 (3) rules setting forth procedures for assessment,
13 collection, and payment of liabilities or refund of
14 overpayments and provisions for taxpayers to obtain
15 informal and formal review of certified audit results;

16 (4) rules concerning the nature, frequency, and basis
17 for the Department's review of certified audits conducted
18 by qualified practitioners, including the requirements for
19 documentation, work-paper retention and access, and
20 reporting; and

21 (5) rules setting forth requirements for conducting
22 certified audits and for review of agreed-upon procedures.

23 Article 900. Amendatory Provisions.

1 Section 900-5. The Retailers' Occupation Tax Act is amended
2 by changing Section 11 as follows:

3 (35 ILCS 120/11) (from Ch. 120, par. 450)

4 Sec. 11. All information received by the Department from
5 returns filed under this Act, or from any investigation
6 conducted under this Act, shall be confidential, except for
7 official purposes, and any person, including a third party as
8 defined in the Local Government Revenue Recapture Act, who
9 divulges any such information in any manner, except in
10 accordance with a proper judicial order or as otherwise
11 provided by law, including the Local Government Revenue
12 Recapture Act, shall be guilty of a Class B misdemeanor with a
13 fine not to exceed \$7,500.

14 Nothing in this Act prevents the Director of Revenue from
15 publishing or making available to the public the names and
16 addresses of persons filing returns under this Act, or
17 reasonable statistics concerning the operation of the tax by
18 grouping the contents of returns so the information in any
19 individual return is not disclosed.

20 Nothing in this Act prevents the Director of Revenue from
21 divulging to the United States Government or the government of
22 any other state, or any officer or agency thereof, for
23 exclusively official purposes, information received by the
24 Department in administering this Act, provided that such other
25 governmental agency agrees to divulge requested tax

1 information to the Department.

2 The Department's furnishing of information derived from a
3 taxpayer's return or from an investigation conducted under this
4 Act to the surety on a taxpayer's bond that has been furnished
5 to the Department under this Act, either to provide notice to
6 such surety of its potential liability under the bond or, in
7 order to support the Department's demand for payment from such
8 surety under the bond, is an official purpose within the
9 meaning of this Section.

10 The furnishing upon request of information obtained by the
11 Department from returns filed under this Act or investigations
12 conducted under this Act to the Illinois Liquor Control
13 Commission for official use is deemed to be an official purpose
14 within the meaning of this Section.

15 Notice to a surety of potential liability shall not be
16 given unless the taxpayer has first been notified, not less
17 than 10 days prior thereto, of the Department's intent to so
18 notify the surety.

19 The furnishing upon request of the Auditor General, or his
20 authorized agents, for official use, of returns filed and
21 information related thereto under this Act is deemed to be an
22 official purpose within the meaning of this Section.

23 Where an appeal or a protest has been filed on behalf of a
24 taxpayer, the furnishing upon request of the attorney for the
25 taxpayer of returns filed by the taxpayer and information
26 related thereto under this Act is deemed to be an official

1 purpose within the meaning of this Section.

2 The furnishing of financial information to a municipality
3 or county, upon request of the chief executive officer thereof,
4 is an official purpose within the meaning of this Section,
5 provided the municipality or county agrees in writing to the
6 requirements of this Section. Information provided to
7 municipalities and counties under this paragraph shall be
8 limited to: (1) the business name; (2) the business address;
9 (3) the standard classification number assigned to the
10 business; (4) net revenue distributed to the requesting
11 municipality or county that is directly related to the
12 requesting municipality's or county's local share of the
13 proceeds under the Use Tax Act, the Service Use Tax Act, the
14 Service Occupation Tax Act, and the Retailers' Occupation Tax
15 Act distributed from the Local Government Tax Fund, and, if
16 applicable, any locally imposed retailers' occupation tax or
17 service occupation tax; and (5) a listing of all businesses
18 within the requesting municipality or county by account
19 identification number and address. On and after July 1, 2015,
20 the furnishing of financial information to municipalities and
21 counties under this paragraph may be by electronic means. If
22 the Department may furnish financial information to a
23 municipality or county under this paragraph, then the chief
24 executive officer of the municipality or county may, in turn,
25 provide that financial information to a third party pursuant to
26 the Local Government Revenue Recapture Act. However, the third

1 party shall agree in writing to the requirements of this
2 Section and meet the requirements of the Local Government
3 Revenue Recapture Act.

4 Information so provided shall be subject to all
5 confidentiality provisions of this Section. The written
6 agreement shall provide for reciprocity, limitations on
7 access, disclosure, and procedures for requesting information.
8 For the purposes of furnishing financial information to a
9 municipality or county under this Section, "chief executive
10 officer" means the mayor of a city, the village board president
11 of a village, the mayor or president of an incorporated town,
12 the county executive of a county that has adopted the county
13 executive form of government, the president of the board of
14 commissioners of Cook County, or the chairperson of the county
15 board or board of county commissioners of any other county.

16 The Department may make available to the Board of Trustees
17 of any Metro East Mass Transit District information contained
18 on transaction reporting returns required to be filed under
19 Section 3 of this Act that report sales made within the
20 boundary of the taxing authority of that Metro East Mass
21 Transit District, as provided in Section 5.01 of the Local Mass
22 Transit District Act. The disclosure shall be made pursuant to
23 a written agreement between the Department and the Board of
24 Trustees of a Metro East Mass Transit District, which is an
25 official purpose within the meaning of this Section. The
26 written agreement between the Department and the Board of

1 Trustees of a Metro East Mass Transit District shall provide
2 for reciprocity, limitations on access, disclosure, and
3 procedures for requesting information. Information so provided
4 shall be subject to all confidentiality provisions of this
5 Section.

6 The Director may make available to any State agency,
7 including the Illinois Supreme Court, which licenses persons to
8 engage in any occupation, information that a person licensed by
9 such agency has failed to file returns under this Act or pay
10 the tax, penalty and interest shown therein, or has failed to
11 pay any final assessment of tax, penalty or interest due under
12 this Act. The Director may make available to any State agency,
13 including the Illinois Supreme Court, information regarding
14 whether a bidder, contractor, or an affiliate of a bidder or
15 contractor has failed to collect and remit Illinois Use tax on
16 sales into Illinois, or any tax under this Act or pay the tax,
17 penalty, and interest shown therein, or has failed to pay any
18 final assessment of tax, penalty, or interest due under this
19 Act, for the limited purpose of enforcing bidder and contractor
20 certifications. The Director may make available to units of
21 local government and school districts that require bidder and
22 contractor certifications, as set forth in Sections 50-11 and
23 50-12 of the Illinois Procurement Code, information regarding
24 whether a bidder, contractor, or an affiliate of a bidder or
25 contractor has failed to collect and remit Illinois Use tax on
26 sales into Illinois, file returns under this Act, or pay the

1 tax, penalty, and interest shown therein, or has failed to pay
2 any final assessment of tax, penalty, or interest due under
3 this Act, for the limited purpose of enforcing bidder and
4 contractor certifications. For purposes of this Section, the
5 term "affiliate" means any entity that (1) directly,
6 indirectly, or constructively controls another entity, (2) is
7 directly, indirectly, or constructively controlled by another
8 entity, or (3) is subject to the control of a common entity.
9 For purposes of this Section, an entity controls another entity
10 if it owns, directly or individually, more than 10% of the
11 voting securities of that entity. As used in this Section, the
12 term "voting security" means a security that (1) confers upon
13 the holder the right to vote for the election of members of the
14 board of directors or similar governing body of the business or
15 (2) is convertible into, or entitles the holder to receive upon
16 its exercise, a security that confers such a right to vote. A
17 general partnership interest is a voting security.

18 The Director may make available to any State agency,
19 including the Illinois Supreme Court, units of local
20 government, and school districts, information regarding
21 whether a bidder or contractor is an affiliate of a person who
22 is not collecting and remitting Illinois Use taxes for the
23 limited purpose of enforcing bidder and contractor
24 certifications.

25 The Director may also make available to the Secretary of
26 State information that a limited liability company, which has

1 filed articles of organization with the Secretary of State, or
2 corporation which has been issued a certificate of
3 incorporation by the Secretary of State has failed to file
4 returns under this Act or pay the tax, penalty and interest
5 shown therein, or has failed to pay any final assessment of
6 tax, penalty or interest due under this Act. An assessment is
7 final when all proceedings in court for review of such
8 assessment have terminated or the time for the taking thereof
9 has expired without such proceedings being instituted.

10 The Director shall make available for public inspection in
11 the Department's principal office and for publication, at cost,
12 administrative decisions issued on or after January 1, 1995.
13 These decisions are to be made available in a manner so that
14 the following taxpayer information is not disclosed:

15 (1) The names, addresses, and identification numbers
16 of the taxpayer, related entities, and employees.

17 (2) At the sole discretion of the Director, trade
18 secrets or other confidential information identified as
19 such by the taxpayer, no later than 30 days after receipt
20 of an administrative decision, by such means as the
21 Department shall provide by rule.

22 The Director shall determine the appropriate extent of the
23 deletions allowed in paragraph (2). In the event the taxpayer
24 does not submit deletions, the Director shall make only the
25 deletions specified in paragraph (1).

26 The Director shall make available for public inspection and

1 publication an administrative decision within 180 days after
2 the issuance of the administrative decision. The term
3 "administrative decision" has the same meaning as defined in
4 Section 3-101 of Article III of the Code of Civil Procedure.
5 Costs collected under this Section shall be paid into the Tax
6 Compliance and Administration Fund.

7 Nothing contained in this Act shall prevent the Director
8 from divulging information to any person pursuant to a request
9 or authorization made by the taxpayer or by an authorized
10 representative of the taxpayer.

11 (Source: P.A. 98-1058, eff. 1-1-15; 99-517, eff. 6-30-16.)

12 Section 900-10. The Illinois False Claims Act is amended by
13 changing Section 3 as follows:

14 (740 ILCS 175/3) (from Ch. 127, par. 4103)

15 Sec. 3. False claims.

16 (a) Liability for certain acts.

17 (1) In general, any person who:

18 (A) knowingly presents, or causes to be presented,
19 a false or fraudulent claim for payment or approval;

20 (B) knowingly makes, uses, or causes to be made or
21 used, a false record or statement material to a false
22 or fraudulent claim;

23 (C) conspires to commit a violation of
24 subparagraph (A), (B), (D), (E), (F), or (G);

1 (D) has possession, custody, or control of
2 property or money used, or to be used, by the State and
3 knowingly delivers, or causes to be delivered, less
4 than all the money or property;

5 (E) is authorized to make or deliver a document
6 certifying receipt of property used, or to be used, by
7 the State and, intending to defraud the State, makes or
8 delivers the receipt without completely knowing that
9 the information on the receipt is true;

10 (F) knowingly buys, or receives as a pledge of an
11 obligation or debt, public property from an officer or
12 employee of the State, or a member of the Guard, who
13 lawfully may not sell or pledge property; or

14 (G) knowingly makes, uses, or causes to be made or
15 used, a false record or statement material to an
16 obligation to pay or transmit money or property to the
17 State, or knowingly conceals or knowingly and
18 improperly avoids or decreases an obligation to pay or
19 transmit money or property to the State,
20 is liable to the State for a civil penalty of not less than
21 the minimum amount and not more than the maximum amount
22 allowed for a civil penalty for a violation of the federal
23 False Claims Act (31 U.S.C. 3729 et seq.) as adjusted by
24 the Federal Civil Penalties Inflation Adjustment Act of
25 1990 (28 U.S.C. 2461), plus 3 times the amount of damages
26 which the State sustains because of the act of that person.

1 Notwithstanding any other provision, a person is liable to
2 the State for a civil penalty of not less than \$5,500 and
3 not more than \$11,000, plus 3 times the amount of damages
4 which the State sustains because of the act of that person,
5 when: (i) the civil action was brought by a private person
6 pursuant to paragraph (1) of subsection (b) of Section 4;
7 (ii) the State did not elect to intervene pursuant to
8 paragraph (2) of subsection (b) of Section 4; (iii) the
9 actual amount of the tax owed to the State is equal to or
10 less than \$50,000, which does not include interest,
11 penalties, attorney's fees, costs, or any other amounts
12 owed or paid pursuant to this Act; and (iv) the violation
13 of this Act relates to or involves a false claim regarding
14 a tax administered by the Department of Revenue, excluding
15 claims, records, or statements made under the Property Tax
16 Code. The penalties in this Section are intended to be
17 remedial rather than punitive, and shall not preclude, nor
18 be precluded by, a criminal prosecution for the same
19 conduct.

20 (2) A person violating this subsection shall also be
21 liable to the State for the costs of a civil action brought
22 to recover any such penalty or damages.

23 (b) Definitions. For purposes of this Section:

24 (1) The terms "knowing" and "knowingly":

25 (A) mean that a person, with respect to
26 information:

1 (i) has actual knowledge of the information;

2 (ii) acts in deliberate ignorance of the truth
3 or falsity of the information; or

4 (iii) acts in reckless disregard of the truth
5 or falsity of the information, and

6 (B) require no proof of specific intent to defraud.

7 (2) The term "claim":

8 (A) means any request or demand, whether under a
9 contract or otherwise, for money or property and
10 whether or not the State has title to the money or
11 property, that

12 (i) is presented to an officer, employee, or
13 agent of the State; or

14 (ii) is made to a contractor, grantee, or other
15 recipient, if the money or property is to be spent
16 or used on the State's behalf or to advance a State
17 program or interest, and if the State:

18 (I) provides or has provided any portion
19 of the money or property requested or demanded;

20 or

21 (II) will reimburse such contractor,
22 grantee, or other recipient for any portion of
23 the money or property which is requested or
24 demanded; and

25 (B) does not include requests or demands for money
26 or property that the State has paid to an individual as

1 compensation for State employment or as an income
2 subsidy with no restrictions on that individual's use
3 of the money or property.

4 (3) The term "obligation" means an established duty,
5 whether or not fixed, arising from an express or implied
6 contractual, grantor-grantee, or licensor-licensee
7 relationship, from a fee-based or similar relationship,
8 from statute or regulation, or from the retention of any
9 overpayment.

10 (4) The term "material" means having a natural tendency
11 to influence, or be capable of influencing, the payment or
12 receipt of money or property.

13 (c) Exclusion. This Section does not apply to any taxes
14 imposed, collected, or administered by the State of Illinois
15 ~~claims, records, or statements made under the Illinois Income~~
16 ~~Tax Act.~~

17 (Source: P.A. 100-452, eff. 8-25-17.)

18 Article 999. Effective Date.

19 Section 999-999. Effective date. This Act takes effect upon
20 becoming law."