

HB0488



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB0488

Introduced 01/31/11, by Rep. Michael J. Madigan

SYNOPSIS AS INTRODUCED:

35 ILCS 5/501

from Ch. 120, par. 5-501

Amends the Illinois Income Tax Act. Makes a technical change in a Section concerning notices or regulations requiring records, statements, and special reports.

LRB097 03325 HLH 43362 b

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 501 as follows:

6 (35 ILCS 5/501) (from Ch. 120, par. 5-501)

7 Sec. 501. Notice or Regulations Requiring Records,
8 Statements and Special Returns.

9 (a) In general. Every person liable for any tax imposed by
10 this Act shall keep such records, render such statements, make
11 such returns and ~~and~~ notices, and comply with such rules and
12 regulations as the Department may from time to time prescribe.
13 Whenever in the judgment of the Director it is necessary, he
14 may require any person, by notice served upon such person or by
15 regulations, to make such returns and notices, render such
16 statements, or keep such records, as the Director deems
17 sufficient to show whether or not such person is liable for tax
18 under this Act.

19 (b) Reportable transactions. For each taxable year in which
20 a taxpayer is required to make a disclosure statement under
21 Treasury Regulations Section 1.6011-4 (26 CFR 1.6011-4)
22 (including any taxpayer that is a member of a consolidated
23 group required to make such disclosure) with respect to a

1 reportable transaction (including a listed transaction) in
2 which the taxpayer participated in a taxable year for which a
3 return is required under Section 502 of this Act, such taxpayer
4 shall file a copy of such disclosure with the Department.
5 Disclosure under this subsection is required to be made by any
6 taxpayer that is a member of a unitary business group that
7 includes any person required to make a disclosure statement
8 under Treasury Regulations Section 1.6011-4. Disclosure under
9 this subsection is required with respect to any transaction
10 entered into after February 28, 2000 that becomes a listed
11 transaction at any time, and shall be made in the manner
12 prescribed by the Department. With respect to transactions in
13 which the taxpayer participated for taxable years ending before
14 December 31, 2004, disclosure shall be made by the due date
15 (including extensions) of the first return required under
16 Section 502 of this Act due after the effective date of this
17 amendatory Act of the 93rd General Assembly. With respect to
18 transactions in which the taxpayer participated for taxable
19 years ending on and after December 31, 2004, disclosure shall
20 be made in the time and manner prescribed in Treasury
21 Regulations Section 1.6011-4(e). Notwithstanding the above, no
22 disclosure is required for transactions entered into after
23 February 28, 2000 and before January 1, 2005 (i) if the
24 taxpayer has filed an amended Illinois income tax return which
25 reverses the tax benefits of the potential tax avoidance
26 transaction, or (ii) as a result of a federal audit the

1 Internal Revenue Service has determined the tax treatment of
2 the transaction and an Illinois amended return has been filed
3 to reflect the federal treatment.
4 (Source: P.A. 93-840, eff. 7-30-04.)