



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4121

Introduced 10/15/2025, by Rep. Brad Halbbrook, Travis Weaver, Adam M. Niemerg, Jason R. Bunting, Jed Davis, et al.

#### SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-1075 rep.  
20 ILCS 3855/Act rep.  
35 ILCS 620/2a.1 from Ch. 120, par. 469a.1  
35 ILCS 620/2a.2 from Ch. 120, par. 469a.2  
35 ILCS 640/Act rep.  
220 ILCS 5/5-204 new  
220 ILCS 5/8-103 rep.  
220 ILCS 5/8-103A rep.  
220 ILCS 5/8-103B rep.  
220 ILCS 5/16-108.30 rep.  
305 ILCS 20/Act rep.

Provides that the amendatory Act may be referred to as the End the Energy Tax Act. Amends the Public Utilities Revenue Act. Provides that provisions concerning the tax on invested capital and on distribution of electricity are repealed on January 1, 2027. Provides that provisions concerning a return with respect to the tax are repealed on January 1, 2028. Repeals provisions of the Public Utilities Act concerning energy efficiency, demand-response measures and energy efficiency analysis, and the Energy Transition Assistance Fund. Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code to make a conforming change. Repeals the Illinois Power Agency Act, the Electricity Excise Tax Law Act, and the Energy Assistance Act. Amends the Public Utilities Act. Provides that the Legislative Reference Bureau shall prepare for introduction in the 2027 spring session of the General Assembly a bill effecting such changes in the statutes as may be necessary to conform the statutes to the changes in law made by the amendatory Act.

LRB104 15314 AAS 28468 b

1 AN ACT concerning regulation.

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

4 Section 1. This Act may be referred to as the End the  
5 Energy Tax Act.

6 (20 ILCS 605/605-1075 rep.)

7 Section 2. The Department of Commerce and Economic  
8 Opportunity Law of the Civil Administrative Code of Illinois  
9 is amended by repealing Section 605-1075.

10 (20 ILCS 3855/Act rep.)

11 Section 5. The Illinois Power Agency Act is repealed.

12 Section 10. The Public Utilities Revenue Act is amended by  
13 changing Sections 2a.1 and 2a.2 as follows:

14 (35 ILCS 620/2a.1) (from Ch. 120, par. 469a.1)

15 Sec. 2a.1. Imposition of tax on invested capital and on  
16 distribution of electricity.

17 (a) In addition to the tax imposed by the Illinois Income  
18 Tax Act, there is hereby imposed upon every taxpayer (other  
19 than an electric cooperative, a school district or unit of  
20 local government as defined in Section 1 of Article VII of the

1 Illinois Constitution of 1970), an additional tax as follows:

2 (i) For the first 500,000,000 kilowatt-hours  
3 distributed by the taxpayer in this State during the  
4 taxable period, 0.031 cents per kilowatt-hour;

5 (ii) For the next 1,000,000,000 kilowatt-hours  
6 distributed by the taxpayer in this State during the  
7 taxable period, 0.050 cents per kilowatt-hour;

8 (iii) For the next 2,500,000,000 kilowatt-hours  
9 distributed by the taxpayer in this State during the  
10 taxable period, 0.070 cents per kilowatt-hour;

11 (iv) For the next 4,000,000,000 kilowatt-hours  
12 distributed by the taxpayer in this State during the  
13 taxable period, 0.140 cents per kilowatt-hour;

14 (v) For the next 7,000,000,000 kilowatt-hours  
15 distributed by the taxpayer in this State during the  
16 taxable period, 0.180 cents per kilowatt-hour;

17 (vi) For the next 3,000,000,000 kilowatt-hours  
18 distributed by the taxpayer in this State during the  
19 taxable period, 0.142 cents per kilowatt-hour; and

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

24 (b) There is imposed on electric cooperatives that are  
25 required to file reports with the Rural Utilities Service a  
26 tax equal to 0.8% of such cooperative's invested capital for

1 the taxable period. The invested capital tax imposed by this  
2 subsection shall not be imposed on electric cooperatives not  
3 required to file reports with the Rural Utilities Service.

4 (c) If, for any taxable period, the total amount received  
5 by the Department from the tax imposed by subsection (a)  
6 exceeds \$145,279,553 plus, for taxable periods subsequent to  
7 1998, an amount equal to the lesser of (i) 5% or (ii) the  
8 percentage increase in the Consumer Price Index during the  
9 immediately preceding taxable period, of the total amount  
10 received by the Department from the tax imposed by subsection  
11 (a) for the immediately preceding taxable period, determined  
12 after allowance of the credit provided for in this subsection,  
13 the Department shall issue credit memoranda in the aggregate  
14 amount of the excess to each of the taxpayers who paid any  
15 amount of tax under subsection (a) for that taxable period in  
16 the proportion which the amount paid by the taxpayer bears to  
17 the total amount paid by all such taxpayers. This calculation  
18 shall be made as of December 1 of the year following the  
19 immediately preceding taxable period and shall consist of only  
20 those returns with payment then on file with the Department.  
21 All future amendments to returns and monies covering this  
22 period received after December 1 of the year following the  
23 taxable period will not be included in the calculation of the  
24 affected taxable period or any other taxable period. The  
25 provisions of this subsection are not subject to the Uniform  
26 Penalty and Interest Act. Any credit memorandum issued to a

1 taxpayer under this subsection may be used as a credit by the  
2 taxpayer against its liability in future taxable periods for  
3 tax under subsection (a). Any amount credited to a taxpayer  
4 shall not be refunded to the taxpayer unless the taxpayer  
5 demonstrates to the reasonable satisfaction of the Department  
6 that it will not incur future liability for tax under  
7 subsection (a). The Department shall adopt reasonable  
8 regulations for the implementation of the provisions of this  
9 subsection.

10 (d) This Section is repealed on January 1, 2027.

11 (Source: P.A. 90-561, eff. 1-1-98; 90-624, eff. 7-10-98;  
12 91-357, eff. 7-29-99.)

13 (35 ILCS 620/2a.2) (from Ch. 120, par. 469a.2)

14 Sec. 2a.2. Annual return, collection and payment. A return  
15 with respect to the tax imposed by Section 2a.1 shall be made  
16 by every person for any taxable period for which such person is  
17 liable for such tax. Such return shall be made on such forms as  
18 the Department shall prescribe and shall contain the following  
19 information:

20 1. Taxpayer's name;

21 2. Address of taxpayer's principal place of business,  
22 and address of the principal place of business (if that is  
23 a different address) from which the taxpayer engages in  
24 the business of distributing electricity in this State;

25 3. The total equity, in the case of electric

1 cooperatives, in the annual reports filed with the Rural  
2 Utilities Service for the taxable period;

3 3a. The total kilowatt-hours of electricity  
4 distributed by a taxpayer, other than an electric  
5 cooperative, in this State for the taxable period covered  
6 by the return;

7 4. The amount of tax due for the taxable period  
8 (computed on the basis of the amounts set forth in Items 3  
9 and 3a); and

10 5. Such other reasonable information as may be  
11 required by forms or regulations prescribed by the  
12 Department.

13 The returns prescribed by this Section shall be due and  
14 shall be filed with the Department not later than the 15th day  
15 of the third month following the close of the taxable period.  
16 The taxpayer making the return herein provided for shall, at  
17 the time of making such return, pay to the Department the  
18 remaining amount of tax herein imposed and due for the taxable  
19 period. Each taxpayer shall make estimated quarterly payments  
20 on the 15th day of the third, sixth, ninth and twelfth months  
21 of each taxable period. Such estimated payments shall be 25%  
22 of the tax liability for the immediately preceding taxable  
23 period or the tax liability that would have been imposed in the  
24 immediately preceding taxable period if this amendatory Act of  
25 1979 had been in effect. All moneys received by the Department  
26 under Sections 2a.1 and 2a.2 shall be paid into the Personal

1 Property Tax Replacement Fund in the State Treasury.

2 If any payment provided for in this Section exceeds the  
3 taxpayer's liabilities under this Act, as shown on an original  
4 return, the taxpayer may credit such excess payment against  
5 liability subsequently to be remitted to the Department under  
6 this Act, in accordance with reasonable rules adopted by the  
7 Department.

8 The provisions of this Section do not provide for the  
9 imposition of the tax under Section 2a.1.

10 This Section is repealed on January 1, 2028.

11 (Source: P.A. 100-1171, eff. 1-4-19.)

12 (35 ILCS 640/Act rep.)

13 Section 15. The Electricity Excise Tax Law Act is  
14 repealed.

15 Section 20. The Public Utilities Act is amended by adding  
16 Section 5-204 as follows:

17 (220 ILCS 5/5-204 new)

18 Sec. 5-204. Preparation of bill. The Legislative Reference  
19 Bureau shall prepare for introduction in the 2027 spring  
20 session of the General Assembly a bill effecting such changes  
21 in the statutes as may be necessary to conform the statutes to  
22 the changes in law made by this amendatory Act of the 104th  
23 General Assembly.

1 (220 ILCS 5/8-103 rep.)

2 (220 ILCS 5/8-103A rep.)

3 (220 ILCS 5/8-103B rep.)

4 (220 ILCS 5/16-108.30 rep.)

5 Section 25. The Public Utilities Act is amended by  
6 repealing Sections 8-103, 8-103A, 8-103B, and 16-108.30.

7 (305 ILCS 20/Act rep.)

8 Section 30. The Energy Assistance Act is repealed.