

HB3335



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3335

by Rep. Jaime M. Andrade, Jr.

SYNOPSIS AS INTRODUCED:

New Act

Creates the Business Compensation Equity Fee Act. Provides that, beginning on January 1, 2018, an annual fee is imposed on each publicly traded company doing business in the State if the company reports a pay ratio between its chief executive officer's compensation and its employees' median pay of at least 100:1 on a disclosure filed with the United States Securities and Exchange Commission during the taxable year. Provides that, if the company reports a pay ratio of at least 100:1 but less than 250:1, then the amount of the fee shall be \$1,500 annually, and if the company reports a pay ratio of 250:1 or greater, then the fee shall be \$2,500 annually. Contains provisions concerning the administration of the Act. Effective immediately.

LRB100 08104 HLH 18197 b

FISCAL NOTE ACT
MAY APPLY

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 1. Short title. This Act may be cited as the
5 Business Compensation Equity Fee Act.

6 Section 5. Definitions. As used in this Act, "Department"
7 means the Department of Revenue.

8 Section 10. Fee imposed. Notwithstanding any other
9 provision of law, beginning on January 1, 2018, an annual fee
10 is imposed on each publicly traded company doing business in
11 the State if the company reports a pay ratio between its chief
12 executive officer's compensation and its employees' median pay
13 of at least 100:1 on a disclosure filed with the United States
14 Securities and Exchange Commission during the taxable year. If
15 the company reports a pay ratio of at least 100:1 but less than
16 250:1, then the amount of the fee shall be \$1,500 annually. If
17 the company reports a pay ratio of 250:1 or greater, then the
18 amount of the fee shall be \$2,500 annually. The proceeds from
19 the fees collected under this Act shall be deposited into the
20 General Revenue Fund.

21 Section 15. Fee collected by the Department; returns. The

1 fee imposed under this Act shall be collected by the Department
2 of Revenue. Beginning in 2019, on or before April 15th of each
3 year, each company that is liable for the fee imposed under
4 this Act for the previous calendar year shall make a return and
5 payment of the to the Department on a form prescribed and
6 furnished by the Department. The return shall be signed by an
7 authorized agent of the company under penalties of perjury and
8 shall contain the following information:

9 (1) the business name;

10 (2) the address of the company's principal place of
11 business;

12 (3) the pay ratio reported on the disclosure filed with
13 the United States Securities and Exchange Commission for
14 the previous calendar year; and

15 (4) any other information the Department may
16 reasonably require.

17 Section 20. Books and records. Every company that is
18 subject to the fee imposed under this Act shall keep books,
19 records, papers, and other documents that are adequate to
20 reflect the information that the company required by this Act
21 to report to the Department. All books and records and other
22 papers and documents required by this Act to be kept shall be
23 kept in the English language and shall, at all times during
24 business hours of the day, be subject to inspection by the
25 Department or its duly authorized agents and employees. Books

1 and records reflecting gross charges received during any period
2 with respect to which the Department is authorized to establish
3 liability as provided by this Act shall be preserved until the
4 expiration of such period unless the Department, in writing,
5 authorizes their destruction or disposal at an earlier date.

6 The Department may, upon written authorization of the
7 Director, destroy any returns or any records, papers, or
8 memoranda pertaining to such returns upon the expiration of any
9 period covered by such returns with respect to which the
10 Department is authorized to establish liability.

11 Section 25. Confidential information. All information
12 received by the Department from returns filed under this Act,
13 or from any investigations conducted under this Act, shall be
14 confidential, except for official purposes, and any person who
15 divulges any such information in any manner, except in
16 accordance with a proper judicial order or as otherwise
17 provided by law, shall be guilty of a Class B misdemeanor.

18 Section 30. Failure to make a return. Any company that is
19 subject to the fee imposed under this Act who fails to make a
20 return, or who makes a fraudulent return, or who willfully
21 violates any other provision of this Act or any rule or
22 regulation of the Department for the administration and
23 enforcement of this Act, is guilty of a business offense and,
24 upon conviction thereof, shall be fined not less than \$1,000

1 nor more than \$7,500.

2 Section 35. Applicability of Retailers' Occupation Tax Act
3 and Uniform Penalty and Interest Act. All of the provisions of
4 Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b,
5 and 6c of the Retailers' Occupation Tax Act that are not
6 inconsistent with this Act, and all provisions of the Uniform
7 Penalty and Interest Act shall apply, as far as practicable, to
8 the subject matter of this Act to the same extent as if such
9 provisions were included herein. References in the
10 incorporated Sections of the Retailers' Occupation Tax Act to
11 retailers, to sellers, or to persons engaged in the business of
12 selling tangible personal property mean persons subject to the
13 fee under this Act. References to "taxes" in these incorporated
14 Sections shall be construed to apply to the administration,
15 payment, and remittance of all fees under this Act.

16 Section 40. Rulemaking. The Department shall adopt rules to
17 implement and enforce the provisions of this Act.

18 Section 45. Review under Administrative Review Law. The
19 provisions of the Administrative Review Law, and the rules
20 adopted pursuant thereto, shall apply to and govern all
21 proceedings for the judicial review of final administrative
22 decisions of the Department under this Act. The term
23 "administrative decision" is defined as in Section 3-101 of the

1 Code of Civil Procedure.

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.