



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB3298

Introduced 2/17/2023, by Rep. Anna Moeller

#### SYNOPSIS AS INTRODUCED:

20 ILCS 2505/2505-810 new

Amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Provides that the Department of Revenue shall develop an automated filing process to allow individuals who are eligible for the federal and State earned income tax credit but who earn less than the federal income tax filing thresholds to easily claim their State earned income tax credit with support from the Department of Human Services, the Department of Employment Security, and the Department of Healthcare and Family Services. Effective immediately.

LRB103 29823 HLH 56231 b

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 Department of Revenue Law of the Civil  
5 Administrative Code of Illinois is amended by adding Section  
6 2505-810 as follows:

7 (20 ILCS 2505/2505-810 new)

8 Sec. 2505-810. Automated filing.

9 (a) Prior to January 1, 2025, the Department shall develop  
10 an automated filing process to allow individuals who are  
11 eligible for the federal and State earned income tax credit  
12 but who earn less than the federal income tax filing  
13 thresholds to easily claim their State earned income tax  
14 credit with support from the Department of Human Services, the  
15 Department of Employment Security, and the Department of  
16 Healthcare and Family Services.

17 (b) For taxable years beginning on or after January 1,  
18 2024, the Department of Revenue shall collaborate with the  
19 Department of Human Services and the Department of Healthcare  
20 and Family Services to develop a process to provide automated  
21 tax returns for Medicaid recipients who are near or under the  
22 federal filing guidelines and have simple returns. The  
23 Department of Human Services shall adapt its application

1 process to ensure that needed data is collected from  
2 applications when participants apply or recertify, without the  
3 need for a second application from another Department. The  
4 Department of Employment Security shall provide W-2  
5 verification as needed to the Department of Revenue to ensure  
6 the accuracy of returns and to reduce paperwork for  
7 recipients. All participants shall have the opportunity to opt  
8 out. The Department shall test the process with real  
9 participants to assess its ease of use, clarity, simplicity,  
10 and effectiveness, as measured by return rates, prior to  
11 rolling the process out to all new applicants. For the purpose  
12 of returning money to low-income individuals who are eligible  
13 for the State earned income tax credit but have not claimed it,  
14 the Department of Revenue may initiate returns for individuals  
15 who have not yet filed their federal income tax returns.

16 (c) For taxable years beginning on or after January 1,  
17 2024, the Departments specified in this Section shall  
18 collaborate to expand the automated tax return process to all  
19 Medicaid recipients who fall near or under the Internal  
20 Revenue Service's filing minimums for the previous tax year.

21 (d) Beginning on January 1, 2026, the Illinois Commission  
22 on Poverty Alleviation and Economic Security shall review the  
23 effectiveness of the program and make recommendations for  
24 expansion to other low-income populations served by government  
25 programs. Beginning in that same year, the Department of  
26 Revenue shall work with the Department of Employment Security

1 to create a streamlined process for part-time or contingent  
2 workers receiving 1099 forms or other forms designated for  
3 part-time contingent work. This process shall allow gig,  
4 part-time, and contingent workers receiving 1099 forms to  
5 easily and readily summarize and confirm their total 1099  
6 income for each tax year with the Department of Employment  
7 Security. This new process is intended to generate a simple  
8 form that workers can use to verify their combined 1099 or  
9 other contingent work income amounts with the Department of  
10 Human Services for the purposes of applying for government  
11 benefits and with the Department of Revenue for the purposes  
12 of filing taxes.

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.