

# HB3401



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3401

Introduced 2/17/2023, by Rep. Abdelnasser Rashid

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/514 new  
35 ILCS 5/917

from Ch. 120, par. 9-917

Amends the Illinois Income Tax Act. Provides that, for tax years ending on or after December 31, 2024, the Department of Revenue shall print on each standard individual income tax return a single provision that authorizes the Department of Revenue to share the taxpayer's income information with local county assessment officials for the purpose of verifying the taxpayer's income information. Provides that, by April 1, 2025, the office of each chief county assessment officer must interface with the Department's tax system.

LRB103 30425 HLH 56855 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 adding Sections 514 and 917 as follows:

6 (35 ILCS 5/514 new)

7 Sec. 514. Information sharing; county assessors.

8 (a) For tax years ending on or after December 31, 2024, the  
9 Department shall print on each standard individual income tax  
10 return a single provision that authorizes the Department to  
11 share the taxpayer's income information with local county  
12 assessment officials for the purpose of verifying the  
13 taxpayer's income information. By April 1, 2025, the office of  
14 each chief county assessment officer must interface with the  
15 Department's tax system.

16 (35 ILCS 5/917) (from Ch. 120, par. 9-917)

17 Sec. 917. Confidentiality and information sharing.

18 (a) Confidentiality. Except as provided in this Section,  
19 all information received by the Department from returns filed  
20 under this Act, or from any investigation conducted under the  
21 provisions of this Act, shall be confidential, except for  
22 official purposes within the Department or pursuant to

1 official procedures for collection of any State tax or  
2 pursuant to an investigation or audit by the Illinois State  
3 Scholarship Commission of a delinquent student loan or  
4 monetary award or enforcement of any civil or criminal penalty  
5 or sanction imposed by this Act or by another statute imposing  
6 a State tax, and any person who divulges any such information  
7 in any manner, except for such purposes and pursuant to order  
8 of the Director or in accordance with a proper judicial order,  
9 shall be guilty of a Class A misdemeanor. However, the  
10 provisions of this paragraph are not applicable to information  
11 furnished to (i) the Department of Healthcare and Family  
12 Services (formerly Department of Public Aid), State's  
13 Attorneys, and the Attorney General for child support  
14 enforcement purposes and (ii) a licensed attorney representing  
15 the taxpayer where an appeal or a protest has been filed on  
16 behalf of the taxpayer. If it is necessary to file information  
17 obtained pursuant to this Act in a child support enforcement  
18 proceeding, the information shall be filed under seal. The  
19 furnishing upon request of the Auditor General, or his or her  
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 Department within the meaning of  
23 this Section.

24 (b) Public information. Nothing contained in this Act  
25 shall prevent the Director from publishing or making available  
26 to the public the names and addresses of persons filing

1 returns under this Act, or from publishing or making available  
2 reasonable statistics concerning the operation of the tax  
3 wherein the contents of returns are grouped into aggregates in  
4 such a way that the information contained in any individual  
5 return shall not be disclosed.

6 (c) Governmental agencies. The Director may make available  
7 to the Secretary of the Treasury of the United States or his  
8 delegate, or the proper officer or his delegate of any other  
9 state imposing a tax upon or measured by income, for  
10 exclusively official purposes, information received by the  
11 Department in the administration of this Act, but such  
12 permission shall be granted only if the United States or such  
13 other state, as the case may be, grants the Department  
14 substantially similar privileges. The Director may exchange  
15 information with the Department of Healthcare and Family  
16 Services and the Department of Human Services (acting as  
17 successor to the Department of Public Aid under the Department  
18 of Human Services Act) for the purpose of verifying sources  
19 and amounts of income and for other purposes directly  
20 connected with the administration of this Act, the Illinois  
21 Public Aid Code, and any other health benefit program  
22 administered by the State. The Director may exchange  
23 information with the Director of the Department of Employment  
24 Security for the purpose of verifying sources and amounts of  
25 income and for other purposes directly connected with the  
26 administration of this Act and Acts administered by the

1 Department of Employment Security. The Director may make  
2 available to the Illinois Workers' Compensation Commission  
3 information regarding employers for the purpose of verifying  
4 the insurance coverage required under the Workers'  
5 Compensation Act and Workers' Occupational Diseases Act. The  
6 Director may exchange information with the Illinois Department  
7 on Aging for the purpose of verifying sources and amounts of  
8 income for purposes directly related to confirming eligibility  
9 for participation in the programs of benefits authorized by  
10 the Senior Citizens and Persons with Disabilities Property Tax  
11 Relief and Pharmaceutical Assistance Act. The Director may  
12 exchange information with the State Treasurer's Office and the  
13 Department of Employment Security for the purpose of  
14 implementing, administering, and enforcing the Illinois Secure  
15 Choice Savings Program Act. The Director may exchange  
16 information with the State Treasurer's Office for the purpose  
17 of administering the Revised Uniform Unclaimed Property Act or  
18 successor Acts. The Director may make information available to  
19 the Secretary of State for the purpose of administering  
20 Section 5-901 of the Illinois Vehicle Code. The Director may  
21 exchange information with the State Treasurer's Office for the  
22 purpose of administering the Illinois Higher Education Savings  
23 Program established under Section 16.8 of the State Treasurer  
24 Act. The Director may make individual income tax information  
25 available to the State health benefits exchange, as defined in  
26 Section 513, if the disclosure is authorized by the taxpayer

1 pursuant to Section 513.

2 The Director may make available to any State agency,  
3 including the Illinois Supreme Court, which licenses persons  
4 to engage in any occupation, information that a person  
5 licensed by such agency has failed to file returns under this  
6 Act or pay the tax, penalty and interest shown therein, or has  
7 failed to pay any final assessment of tax, penalty or interest  
8 due under this Act. The Director may make available to any  
9 State agency, including the Illinois Supreme Court,  
10 information regarding whether a bidder, contractor, or an  
11 affiliate of a bidder or contractor has failed to file returns  
12 under this Act or pay the tax, penalty, and interest shown  
13 therein, or has failed to pay any final assessment of tax,  
14 penalty, or interest due under this Act, for the limited  
15 purpose of enforcing bidder and contractor certifications. For  
16 purposes of this Section, the term "affiliate" means any  
17 entity that (1) directly, indirectly, or constructively  
18 controls another entity, (2) is directly, indirectly, or  
19 constructively controlled by another entity, or (3) is subject  
20 to the control of a common entity. For purposes of this  
21 subsection (a), an entity controls another entity if it owns,  
22 directly or individually, more than 10% of the voting  
23 securities of that entity. As used in this subsection (a), the  
24 term "voting security" means a security that (1) confers upon  
25 the holder the right to vote for the election of members of the  
26 board of directors or similar governing body of the business

1 or (2) is convertible into, or entitles the holder to receive  
2 upon its exercise, a security that confers such a right to  
3 vote. A general partnership interest is a voting security.

4 The Director may make available to any State agency,  
5 including the Illinois Supreme Court, units of local  
6 government, and school districts, information regarding  
7 whether a bidder or contractor is an affiliate of a person who  
8 is not collecting and remitting Illinois Use taxes, for the  
9 limited purpose of enforcing bidder and contractor  
10 certifications.

11 The Director may also make available to the Secretary of  
12 State information that a corporation which has been issued a  
13 certificate of incorporation by the Secretary of State has  
14 failed to file returns under this Act or pay the tax, penalty  
15 and interest shown therein, or has failed to pay any final  
16 assessment of tax, penalty or interest due under this Act. An  
17 assessment is final when all proceedings in court for review  
18 of such assessment have terminated or the time for the taking  
19 thereof has expired without such proceedings being instituted.  
20 For taxable years ending on or after December 31, 1987, the  
21 Director may make available to the Director or principal  
22 officer of any Department of the State of Illinois,  
23 information that a person employed by such Department has  
24 failed to file returns under this Act or pay the tax, penalty  
25 and interest shown therein. For purposes of this paragraph,  
26 the word "Department" shall have the same meaning as provided

1 in Section 3 of the State Employees Group Insurance Act of  
2 1971.

3 The Director may make individual income tax information  
4 available to local county assessment officials, as defined in  
5 Section 514, if the disclosure is authorized by the taxpayer  
6 pursuant to Section 514.

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

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

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

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

24 The Director shall make available for public inspection  
25 and publication an administrative decision within 180 days  
26 after the issuance of the administrative decision. The term



1 "administrative decision" has the same meaning as defined in  
2 Section 3-101 of Article III of the Code of Civil Procedure.  
3 Costs collected under this Section shall be paid into the Tax  
4 Compliance and Administration Fund.

5 (e) Nothing contained in this Act shall prevent the  
6 Director from divulging information to any person pursuant to  
7 a request or authorization made by the taxpayer, by an  
8 authorized representative of the taxpayer, or, in the case of  
9 information related to a joint return, by the spouse filing  
10 the joint return with the taxpayer.

11 (Source: P.A. 102-61, eff. 7-9-21; 102-129, eff. 7-23-21;  
12 102-799, eff. 5-13-22; 102-813, eff. 5-13-22; 102-941, eff.  
13 7-1-22; revised 8-3-22.)