

HB4455



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4455

Introduced 1/16/2024, by Rep. Anthony DeLuca

SYNOPSIS AS INTRODUCED:

35 ILCS 5/901

Amends the Illinois Income Tax Act. Increases the amount transferred from the General Revenue Fund to the Local Government Distributive Fund. Effective immediately.

LRB103 32768 HLH 62571 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 901 as follows:

6 (35 ILCS 5/901)

7 Sec. 901. Collection authority.

8 (a) In general. The Department shall collect the taxes
9 imposed by this Act. The Department shall collect certified
10 past due child support amounts under Section 2505-650 of the
11 Department of Revenue Law of the Civil Administrative Code of
12 Illinois. Except as provided in subsections (b), (c), (e),
13 (f), (g), and (h) of this Section, money collected pursuant to
14 subsections (a) and (b) of Section 201 of this Act shall be
15 paid into the General Revenue Fund in the State treasury;
16 money collected pursuant to subsections (c) and (d) of Section
17 201 of this Act shall be paid into the Personal Property Tax
18 Replacement Fund, a special fund in the State Treasury; and
19 money collected under Section 2505-650 of the Department of
20 Revenue Law of the Civil Administrative Code of Illinois shall
21 be paid into the Child Support Enforcement Trust Fund, a
22 special fund outside the State Treasury, or to the State
23 Disbursement Unit established under Section 10-26 of the

1 Illinois Public Aid Code, as directed by the Department of
2 Healthcare and Family Services.

3 (b) Local Government Distributive Fund.

4 (1) Beginning August 1, 2017 and continuing through
5 July 31, 2022, the Treasurer shall transfer each month
6 from the General Revenue Fund to the Local Government
7 Distributive Fund an amount equal to the sum of: (i) 6.06%
8 (10% of the ratio of the 3% individual income tax rate
9 prior to 2011 to the 4.95% individual income tax rate
10 after July 1, 2017) of the net revenue realized from the
11 tax imposed by subsections (a) and (b) of Section 201 of
12 this Act upon individuals, trusts, and estates during the
13 preceding month; (ii) 6.85% (10% of the ratio of the 4.8%
14 corporate income tax rate prior to 2011 to the 7%
15 corporate income tax rate after July 1, 2017) of the net
16 revenue realized from the tax imposed by subsections (a)
17 and (b) of Section 201 of this Act upon corporations
18 during the preceding month; and (iii) beginning February
19 1, 2022, 6.06% of the net revenue realized from the tax
20 imposed by subsection (p) of Section 201 of this Act upon
21 electing pass-through entities.

22 (2) Beginning August 1, 2022 and continuing through
23 July 31, 2023, the Treasurer shall transfer each month
24 from the General Revenue Fund to the Local Government
25 Distributive Fund an amount equal to the sum of: (i) 6.16%
26 of the net revenue realized from the tax imposed by

1 subsections (a) and (b) of Section 201 of this Act upon
2 individuals, trusts, and estates during the preceding
3 month; (ii) 6.85% of the net revenue realized from the tax
4 imposed by subsections (a) and (b) of Section 201 of this
5 Act upon corporations during the preceding month; and
6 (iii) 6.16% of the net revenue realized from the tax
7 imposed by subsection (p) of Section 201 of this Act upon
8 electing pass-through entities.

9 (3) Beginning August 1, 2023 and continuing through
10 July 31, 2024, the Treasurer shall transfer each month
11 from the General Revenue Fund to the Local Government
12 Distributive Fund an amount equal to the sum of: (i) 6.47%
13 of the net revenue realized from the tax imposed by
14 subsections (a) and (b) of Section 201 of this Act upon
15 individuals, trusts, and estates during the preceding
16 month; (ii) 6.85% of the net revenue realized from the tax
17 imposed by subsections (a) and (b) of Section 201 of this
18 Act upon corporations during the preceding month; and
19 (iii) 6.47% of the net revenue realized from the tax
20 imposed by subsection (p) of Section 201 of this Act upon
21 electing pass-through entities.

22 (4) Beginning August 1, 2024 and continuing through
23 July 31, 2025, the Treasurer shall transfer each month
24 from the General Revenue Fund to the Local Government
25 Distributive Fund an amount equal to the sum of: (i) 7% of
26 the net revenue realized from the tax imposed by

1 subsections (a) and (b) of Section 201 of this Act upon
2 individuals, trusts, and estates during the preceding
3 month; (ii) 7% of the net revenue realized from the tax
4 imposed by subsections (a) and (b) of Section 201 of this
5 Act upon corporations during the preceding month; and
6 (iii) 7% of the net revenue realized from the tax imposed
7 by subsection (p) of Section 201 of this Act upon electing
8 pass-through entities.

9 (5) Beginning August 1, 2025 and continuing through
10 July 31, 2026, the Treasurer shall transfer each month
11 from the General Revenue Fund to the Local Government
12 Distributive Fund an amount equal to the sum of: (i) 7.5%
13 of the net revenue realized from the tax imposed by
14 subsections (a) and (b) of Section 201 of this Act upon
15 individuals, trusts, and estates during the preceding
16 month; (ii) 7.5% of the net revenue realized from the tax
17 imposed by subsections (a) and (b) of Section 201 of this
18 Act upon corporations during the preceding month; and
19 (iii) 7.5% of the net revenue realized from the tax
20 imposed by subsection (p) of Section 201 of this Act upon
21 electing pass-through entities.

22 (6) Beginning August 1, 2026 and continuing through
23 July 31, 2027, the Treasurer shall transfer each month
24 from the General Revenue Fund to the Local Government
25 Distributive Fund an amount equal to the sum of: (i) 8% of
26 the net revenue realized from the tax imposed by

1 subsections (a) and (b) of Section 201 of this Act upon
2 individuals, trusts, and estates during the preceding
3 month; (ii) 8% of the net revenue realized from the tax
4 imposed by subsections (a) and (b) of Section 201 of this
5 Act upon corporations during the preceding month; and
6 (iii) 8% of the net revenue realized from the tax imposed
7 by subsection (p) of Section 201 of this Act upon electing
8 pass-through entities.

9 (7) Beginning August 1, 2027 and continuing through
10 July 31, 2028, the Treasurer shall transfer each month
11 from the General Revenue Fund to the Local Government
12 Distributive Fund an amount equal to the sum of: (i) 8.5%
13 of the net revenue realized from the tax imposed by
14 subsections (a) and (b) of Section 201 of this Act upon
15 individuals, trusts, and estates during the preceding
16 month; (ii) 8.5% of the net revenue realized from the tax
17 imposed by subsections (a) and (b) of Section 201 of this
18 Act upon corporations during the preceding month; and
19 (iii) 8.5% of the net revenue realized from the tax
20 imposed by subsection (p) of Section 201 of this Act upon
21 electing pass-through entities.

22 (8) Beginning August 1, 2028 and continuing through
23 July 31, 2029, the Treasurer shall transfer each month
24 from the General Revenue Fund to the Local Government
25 Distributive Fund an amount equal to the sum of: (i) 9% of
26 the net revenue realized from the tax imposed by

1 subsections (a) and (b) of Section 201 of this Act upon
2 individuals, trusts, and estates during the preceding
3 month; (ii) 9% of the net revenue realized from the tax
4 imposed by subsections (a) and (b) of Section 201 of this
5 Act upon corporations during the preceding month; and
6 (iii) 9% of the net revenue realized from the tax imposed
7 by subsection (p) of Section 201 of this Act upon electing
8 pass-through entities.

9 (9) Beginning August 1, 2029 and continuing through
10 July 31, 2030, the Treasurer shall transfer each month
11 from the General Revenue Fund to the Local Government
12 Distributive Fund an amount equal to the sum of: (i) 9.5%
13 of the net revenue realized from the tax imposed by
14 subsections (a) and (b) of Section 201 of this Act upon
15 individuals, trusts, and estates during the preceding
16 month; (ii) 9.5% of the net revenue realized from the tax
17 imposed by subsections (a) and (b) of Section 201 of this
18 Act upon corporations during the preceding month; and
19 (iii) 9.5% of the net revenue realized from the tax
20 imposed by subsection (p) of Section 201 of this Act upon
21 electing pass-through entities.

22 (10) On and after August 1, 2030, the Treasurer shall
23 transfer each month from the General Revenue Fund to the
24 Local Government Distributive Fund an amount equal to the
25 sum of: (i) 10% of the net revenue realized from the tax
26 imposed by subsections (a) and (b) of Section 201 of this

1 Act upon individuals, trusts, and estates during the
2 preceding month; (ii) 10% of the net revenue realized from
3 the tax imposed by subsections (a) and (b) of Section 201
4 of this Act upon corporations during the preceding month;
5 and (iii) 10% of the net revenue realized from the tax
6 imposed by subsection (p) of Section 201 of this Act upon
7 electing pass-through entities.

8 Net revenue realized for a month shall be defined as the
9 revenue from the tax imposed by subsections (a) and (b) of
10 Section 201 of this Act which is deposited into the General
11 Revenue Fund, the Education Assistance Fund, the Income Tax
12 Surcharge Local Government Distributive Fund, the Fund for the
13 Advancement of Education, and the Commitment to Human Services
14 Fund during the month minus the amount paid out of the General
15 Revenue Fund in State warrants during that same month as
16 refunds to taxpayers for overpayment of liability under the
17 tax imposed by subsections (a) and (b) of Section 201 of this
18 Act.

19 Notwithstanding any provision of law to the contrary,
20 beginning on July 6, 2017 (the effective date of Public Act
21 100-23), those amounts required under this subsection (b) to
22 be transferred by the Treasurer into the Local Government
23 Distributive Fund from the General Revenue Fund shall be
24 directly deposited into the Local Government Distributive Fund
25 as the revenue is realized from the tax imposed by subsections
26 (a) and (b) of Section 201 of this Act.

1 (c) Deposits Into Income Tax Refund Fund.

2 (1) Beginning on January 1, 1989 and thereafter, the
3 Department shall deposit a percentage of the amounts
4 collected pursuant to subsections (a) and (b)(1), (2), and
5 (3) of Section 201 of this Act into a fund in the State
6 treasury known as the Income Tax Refund Fund. Beginning
7 with State fiscal year 1990 and for each fiscal year
8 thereafter, the percentage deposited into the Income Tax
9 Refund Fund during a fiscal year shall be the Annual
10 Percentage. For fiscal year 2011, the Annual Percentage
11 shall be 8.75%. For fiscal year 2012, the Annual
12 Percentage shall be 8.75%. For fiscal year 2013, the
13 Annual Percentage shall be 9.75%. For fiscal year 2014,
14 the Annual Percentage shall be 9.5%. For fiscal year 2015,
15 the Annual Percentage shall be 10%. For fiscal year 2018,
16 the Annual Percentage shall be 9.8%. For fiscal year 2019,
17 the Annual Percentage shall be 9.7%. For fiscal year 2020,
18 the Annual Percentage shall be 9.5%. For fiscal year 2021,
19 the Annual Percentage shall be 9%. For fiscal year 2022,
20 the Annual Percentage shall be 9.25%. For fiscal year
21 2023, the Annual Percentage shall be 9.25%. For fiscal
22 year 2024, the Annual Percentage shall be 9.15%. For all
23 other fiscal years, the Annual Percentage shall be
24 calculated as a fraction, the numerator of which shall be
25 the amount of refunds approved for payment by the
26 Department during the preceding fiscal year as a result of

1 overpayment of tax liability under subsections (a) and
2 (b)(1), (2), and (3) of Section 201 of this Act plus the
3 amount of such refunds remaining approved but unpaid at
4 the end of the preceding fiscal year, minus the amounts
5 transferred into the Income Tax Refund Fund from the
6 Tobacco Settlement Recovery Fund, and the denominator of
7 which shall be the amounts which will be collected
8 pursuant to subsections (a) and (b)(1), (2), and (3) of
9 Section 201 of this Act during the preceding fiscal year;
10 except that in State fiscal year 2002, the Annual
11 Percentage shall in no event exceed 7.6%. The Director of
12 Revenue shall certify the Annual Percentage to the
13 Comptroller on the last business day of the fiscal year
14 immediately preceding the fiscal year for which it is to
15 be effective.

16 (2) Beginning on January 1, 1989 and thereafter, the
17 Department shall deposit a percentage of the amounts
18 collected pursuant to subsections (a) and (b)(6), (7), and
19 (8), (c) and (d) of Section 201 of this Act into a fund in
20 the State treasury known as the Income Tax Refund Fund.
21 Beginning with State fiscal year 1990 and for each fiscal
22 year thereafter, the percentage deposited into the Income
23 Tax Refund Fund during a fiscal year shall be the Annual
24 Percentage. For fiscal year 2011, the Annual Percentage
25 shall be 17.5%. For fiscal year 2012, the Annual
26 Percentage shall be 17.5%. For fiscal year 2013, the

1 Annual Percentage shall be 14%. For fiscal year 2014, the
2 Annual Percentage shall be 13.4%. For fiscal year 2015,
3 the Annual Percentage shall be 14%. For fiscal year 2018,
4 the Annual Percentage shall be 17.5%. For fiscal year
5 2019, the Annual Percentage shall be 15.5%. For fiscal
6 year 2020, the Annual Percentage shall be 14.25%. For
7 fiscal year 2021, the Annual Percentage shall be 14%. For
8 fiscal year 2022, the Annual Percentage shall be 15%. For
9 fiscal year 2023, the Annual Percentage shall be 14.5%.
10 For fiscal year 2024, the Annual Percentage shall be 14%.
11 For all other fiscal years, the Annual Percentage shall be
12 calculated as a fraction, the numerator of which shall be
13 the amount of refunds approved for payment by the
14 Department during the preceding fiscal year as a result of
15 overpayment of tax liability under subsections (a) and
16 (b) (6), (7), and (8), (c) and (d) of Section 201 of this
17 Act plus the amount of such refunds remaining approved but
18 unpaid at the end of the preceding fiscal year, and the
19 denominator of which shall be the amounts which will be
20 collected pursuant to subsections (a) and (b) (6), (7), and
21 (8), (c) and (d) of Section 201 of this Act during the
22 preceding fiscal year; except that in State fiscal year
23 2002, the Annual Percentage shall in no event exceed 23%.
24 The Director of Revenue shall certify the Annual
25 Percentage to the Comptroller on the last business day of
26 the fiscal year immediately preceding the fiscal year for

1 which it is to be effective.

2 (3) The Comptroller shall order transferred and the
3 Treasurer shall transfer from the Tobacco Settlement
4 Recovery Fund to the Income Tax Refund Fund (i)
5 \$35,000,000 in January, 2001, (ii) \$35,000,000 in January,
6 2002, and (iii) \$35,000,000 in January, 2003.

7 (d) Expenditures from Income Tax Refund Fund.

8 (1) Beginning January 1, 1989, money in the Income Tax
9 Refund Fund shall be expended exclusively for the purpose
10 of paying refunds resulting from overpayment of tax
11 liability under Section 201 of this Act and for making
12 transfers pursuant to this subsection (d), except that in
13 State fiscal years 2022 and 2023, moneys in the Income Tax
14 Refund Fund shall also be used to pay one-time rebate
15 payments as provided under Sections 208.5 and 212.1.

16 (2) The Director shall order payment of refunds
17 resulting from overpayment of tax liability under Section
18 201 of this Act from the Income Tax Refund Fund only to the
19 extent that amounts collected pursuant to Section 201 of
20 this Act and transfers pursuant to this subsection (d) and
21 item (3) of subsection (c) have been deposited and
22 retained in the Fund.

23 (3) As soon as possible after the end of each fiscal
24 year, the Director shall order transferred and the State
25 Treasurer and State Comptroller shall transfer from the
26 Income Tax Refund Fund to the Personal Property Tax

1 Replacement Fund an amount, certified by the Director to
2 the Comptroller, equal to the excess of the amount
3 collected pursuant to subsections (c) and (d) of Section
4 201 of this Act deposited into the Income Tax Refund Fund
5 during the fiscal year over the amount of refunds
6 resulting from overpayment of tax liability under
7 subsections (c) and (d) of Section 201 of this Act paid
8 from the Income Tax Refund Fund during the fiscal year.

9 (4) As soon as possible after the end of each fiscal
10 year, the Director shall order transferred and the State
11 Treasurer and State Comptroller shall transfer from the
12 Personal Property Tax Replacement Fund to the Income Tax
13 Refund Fund an amount, certified by the Director to the
14 Comptroller, equal to the excess of the amount of refunds
15 resulting from overpayment of tax liability under
16 subsections (c) and (d) of Section 201 of this Act paid
17 from the Income Tax Refund Fund during the fiscal year
18 over the amount collected pursuant to subsections (c) and
19 (d) of Section 201 of this Act deposited into the Income
20 Tax Refund Fund during the fiscal year.

21 (4.5) As soon as possible after the end of fiscal year
22 1999 and of each fiscal year thereafter, the Director
23 shall order transferred and the State Treasurer and State
24 Comptroller shall transfer from the Income Tax Refund Fund
25 to the General Revenue Fund any surplus remaining in the
26 Income Tax Refund Fund as of the end of such fiscal year;

1 excluding for fiscal years 2000, 2001, and 2002 amounts
2 attributable to transfers under item (3) of subsection (c)
3 less refunds resulting from the earned income tax credit,
4 and excluding for fiscal year 2022 amounts attributable to
5 transfers from the General Revenue Fund authorized by
6 Public Act 102-700.

7 (5) This Act shall constitute an irrevocable and
8 continuing appropriation from the Income Tax Refund Fund
9 for the purposes of (i) paying refunds upon the order of
10 the Director in accordance with the provisions of this
11 Section and (ii) paying one-time rebate payments under
12 Sections 208.5 and 212.1.

13 (e) Deposits into the Education Assistance Fund and the
14 Income Tax Surcharge Local Government Distributive Fund. On
15 July 1, 1991, and thereafter, of the amounts collected
16 pursuant to subsections (a) and (b) of Section 201 of this Act,
17 minus deposits into the Income Tax Refund Fund, the Department
18 shall deposit 7.3% into the Education Assistance Fund in the
19 State Treasury. Beginning July 1, 1991, and continuing through
20 January 31, 1993, of the amounts collected pursuant to
21 subsections (a) and (b) of Section 201 of the Illinois Income
22 Tax Act, minus deposits into the Income Tax Refund Fund, the
23 Department shall deposit 3.0% into the Income Tax Surcharge
24 Local Government Distributive Fund in the State Treasury.
25 Beginning February 1, 1993 and continuing through June 30,
26 1993, of the amounts collected pursuant to subsections (a) and

1 (b) of Section 201 of the Illinois Income Tax Act, minus
2 deposits into the Income Tax Refund Fund, the Department shall
3 deposit 4.4% into the Income Tax Surcharge Local Government
4 Distributive Fund in the State Treasury. Beginning July 1,
5 1993, and continuing through June 30, 1994, of the amounts
6 collected under subsections (a) and (b) of Section 201 of this
7 Act, minus deposits into the Income Tax Refund Fund, the
8 Department shall deposit 1.475% into the Income Tax Surcharge
9 Local Government Distributive Fund in the State Treasury.

10 (f) Deposits into the Fund for the Advancement of
11 Education. Beginning February 1, 2015, the Department shall
12 deposit the following portions of the revenue realized from
13 the tax imposed upon individuals, trusts, and estates by
14 subsections (a) and (b) of Section 201 of this Act, minus
15 deposits into the Income Tax Refund Fund, into the Fund for the
16 Advancement of Education:

17 (1) beginning February 1, 2015, and prior to February
18 1, 2025, 1/30; and

19 (2) beginning February 1, 2025, 1/26.

20 If the rate of tax imposed by subsection (a) and (b) of
21 Section 201 is reduced pursuant to Section 201.5 of this Act,
22 the Department shall not make the deposits required by this
23 subsection (f) on or after the effective date of the
24 reduction.

25 (g) Deposits into the Commitment to Human Services Fund.
26 Beginning February 1, 2015, the Department shall deposit the

1 following portions of the revenue realized from the tax
2 imposed upon individuals, trusts, and estates by subsections
3 (a) and (b) of Section 201 of this Act, minus deposits into the
4 Income Tax Refund Fund, into the Commitment to Human Services
5 Fund:

6 (1) beginning February 1, 2015, and prior to February
7 1, 2025, 1/30; and

8 (2) beginning February 1, 2025, 1/26.

9 If the rate of tax imposed by subsection (a) and (b) of
10 Section 201 is reduced pursuant to Section 201.5 of this Act,
11 the Department shall not make the deposits required by this
12 subsection (g) on or after the effective date of the
13 reduction.

14 (h) Deposits into the Tax Compliance and Administration
15 Fund. Beginning on the first day of the first calendar month to
16 occur on or after August 26, 2014 (the effective date of Public
17 Act 98-1098), each month the Department shall pay into the Tax
18 Compliance and Administration Fund, to be used, subject to
19 appropriation, to fund additional auditors and compliance
20 personnel at the Department, an amount equal to 1/12 of 5% of
21 the cash receipts collected during the preceding fiscal year
22 by the Audit Bureau of the Department from the tax imposed by
23 subsections (a), (b), (c), and (d) of Section 201 of this Act,
24 net of deposits into the Income Tax Refund Fund made from those
25 cash receipts.

26 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;

1 102-658, eff. 8-27-21; 102-699, eff. 4-19-22; 102-700, eff.
2 4-19-22; 102-813, eff. 5-13-22; 103-8, eff. 6-7-23; 103-154,
3 eff. 6-30-23.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.