

# SB0180



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB0180

Introduced 1/31/2023, by Sen. Laura M. Murphy

### 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 05489 HLH 50508 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 June 30, 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 July 1, 2023 and continuing through June  
10 30, 2024, the Treasurer shall transfer each month from the  
11 General Revenue Fund to the Local Government Distributive  
12 Fund an amount equal to the sum of: (i) 8.5% of the net  
13 revenue realized from the tax imposed by subsections (a)  
14 and (b) of Section 201 of this Act upon individuals,  
15 trusts, and estates during the preceding month; (ii)  
16 9.355% of the net revenue realized from the tax imposed by  
17 subsections (a) and (b) of Section 201 of this Act upon  
18 corporations during the preceding month; and (iii) 8.5% of  
19 the net revenue realized from the tax imposed by  
20 subsection (p) of Section 201 of this Act upon electing  
21 pass-through entities.

22 (4) Beginning July 1, 2024 and continuing through June  
23 30, 2025, the Treasurer shall transfer each month from the  
24 General Revenue Fund to the Local Government Distributive  
25 Fund an amount equal to the sum of: (i) 9% of the net  
26 revenue realized from the tax imposed by subsections (a)

1 and (b) of Section 201 of this Act upon individuals,  
2 trusts, and estates during the preceding month; (ii) 9.57%  
3 of the net revenue realized from the tax imposed by  
4 subsections (a) and (b) of Section 201 of this Act upon  
5 corporations during the preceding month; and (iii) 9% of  
6 the net revenue realized from the tax imposed by  
7 subsection (p) of Section 201 of this Act upon electing  
8 pass-through entities.

9 (5) Beginning July 1, 2025 and continuing through June  
10 30, 2026, the Treasurer shall transfer each month from the  
11 General Revenue Fund to the Local Government Distributive  
12 Fund an amount equal to the sum of: (i) 9.5% of the net  
13 revenue realized from the tax imposed by subsections (a)  
14 and (b) of Section 201 of this Act upon individuals,  
15 trusts, and estates during the preceding month; (ii)  
16 9.785% of the net revenue realized from the tax imposed by  
17 subsections (a) and (b) of Section 201 of this Act upon  
18 corporations during the preceding month; and (iii) 9.5% of  
19 the net revenue realized from the tax imposed by  
20 subsection (p) of Section 201 of this Act upon electing  
21 pass-through entities.

22 (6) Beginning on July 1, 2026, the Treasurer shall  
23 transfer each month from the General Revenue Fund to the  
24 Local Government Distributive Fund an amount equal to: (i)  
25 10% of the net revenue realized from the tax imposed on  
26 individuals, trusts, estates, and corporations by

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

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

16      Notwithstanding any provision of law to the contrary,  
17      beginning on July 6, 2017 (the effective date of Public Act  
18      100-23), those amounts required under this subsection (b) to  
19      be transferred by the Treasurer into the Local Government  
20      Distributive Fund from the General Revenue Fund shall be  
21      directly deposited into the Local Government Distributive Fund  
22      as the revenue is realized from the tax imposed by subsections  
23      (a) and (b) of Section 201 of this Act.

24      (c) Deposits Into Income Tax Refund Fund.

25      (1) Beginning on January 1, 1989 and thereafter, the  
26      Department shall deposit a percentage of the amounts

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

1 Tax Refund Fund from the Tobacco Settlement Recovery Fund,  
2 and the denominator of which shall be the amounts which  
3 will be collected pursuant to subsections (a) and (b)(1),  
4 (2), and (3) of Section 201 of this Act during the  
5 preceding fiscal year; except that in State fiscal year  
6 2002, the Annual Percentage shall in no event exceed 7.6%.  
7 The Director of Revenue shall certify the Annual  
8 Percentage to the Comptroller on the last business day of  
9 the fiscal year immediately preceding the fiscal year for  
10 which it is to be effective.

11 (2) Beginning on January 1, 1989 and thereafter, the  
12 Department shall deposit a percentage of the amounts  
13 collected pursuant to subsections (a) and (b)(6), (7), and  
14 (8), (c) and (d) of Section 201 of this Act into a fund in  
15 the State treasury known as the Income Tax Refund Fund.  
16 Beginning with State fiscal year 1990 and for each fiscal  
17 year thereafter, the percentage deposited into the Income  
18 Tax Refund Fund during a fiscal year shall be the Annual  
19 Percentage. For fiscal year 2011, the Annual Percentage  
20 shall be 17.5%. For fiscal year 2012, the Annual  
21 Percentage shall be 17.5%. For fiscal year 2013, the  
22 Annual Percentage shall be 14%. For fiscal year 2014, the  
23 Annual Percentage shall be 13.4%. For fiscal year 2015,  
24 the Annual Percentage shall be 14%. For fiscal year 2018,  
25 the Annual Percentage shall be 17.5%. For fiscal year  
26 2019, the Annual Percentage shall be 15.5%. For fiscal



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

22 (3) The Comptroller shall order transferred and the  
23 Treasurer shall transfer from the Tobacco Settlement  
24 Recovery Fund to the Income Tax Refund Fund (i)  
25 \$35,000,000 in January, 2001, (ii) \$35,000,000 in January,  
26 2002, and (iii) \$35,000,000 in January, 2003.

1 (d) Expenditures from Income Tax Refund Fund.

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

10 (2) The Director shall order payment of refunds  
11 resulting from overpayment of tax liability under Section  
12 201 of this Act from the Income Tax Refund Fund only to the  
13 extent that amounts collected pursuant to Section 201 of  
14 this Act and transfers pursuant to this subsection (d) and  
15 item (3) of subsection (c) have been deposited and  
16 retained in the Fund.

17 (3) As soon as possible after the end of each fiscal  
18 year, the Director shall order transferred and the State  
19 Treasurer and State Comptroller shall transfer from the  
20 Income Tax Refund Fund to the Personal Property Tax  
21 Replacement Fund an amount, certified by the Director to  
22 the Comptroller, equal to the excess of the amount  
23 collected pursuant to subsections (c) and (d) of Section  
24 201 of this Act deposited into the Income Tax Refund Fund  
25 during the fiscal year over the amount of refunds  
26 resulting from overpayment of tax liability under

1 subsections (c) and (d) of Section 201 of this Act paid  
2 from the Income Tax Refund Fund during the fiscal year.

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

15 (4.5) As soon as possible after the end of fiscal year  
16 1999 and of each fiscal year thereafter, the Director  
17 shall order transferred and the State Treasurer and State  
18 Comptroller shall transfer from the Income Tax Refund Fund  
19 to the General Revenue Fund any surplus remaining in the  
20 Income Tax Refund Fund as of the end of such fiscal year;  
21 excluding for fiscal years 2000, 2001, and 2002 amounts  
22 attributable to transfers under item (3) of subsection (c)  
23 less refunds resulting from the earned income tax credit,  
24 and excluding for fiscal year 2022 amounts attributable to  
25 transfers from the General Revenue Fund authorized by  
26 Public Act 102-700 ~~this amendatory Act of the 102nd~~

1 ~~General Assembly.~~

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

8 (e) Deposits into the Education Assistance Fund and the  
9 Income Tax Surcharge Local Government Distributive Fund. On  
10 July 1, 1991, and thereafter, of the amounts collected  
11 pursuant to subsections (a) and (b) of Section 201 of this Act,  
12 minus deposits into the Income Tax Refund Fund, the Department  
13 shall deposit 7.3% into the Education Assistance Fund in the  
14 State Treasury. Beginning July 1, 1991, and continuing through  
15 January 31, 1993, of the amounts collected pursuant to  
16 subsections (a) and (b) of Section 201 of the Illinois Income  
17 Tax Act, minus deposits into the Income Tax Refund Fund, the  
18 Department shall deposit 3.0% into the Income Tax Surcharge  
19 Local Government Distributive Fund in the State Treasury.  
20 Beginning February 1, 1993 and continuing through June 30,  
21 1993, of the amounts collected pursuant to subsections (a) and  
22 (b) of Section 201 of the Illinois Income Tax Act, minus  
23 deposits into the Income Tax Refund Fund, the Department shall  
24 deposit 4.4% into the Income Tax Surcharge Local Government  
25 Distributive Fund in the State Treasury. Beginning July 1,  
26 1993, and continuing through June 30, 1994, of the amounts

1 collected under subsections (a) and (b) of Section 201 of this  
2 Act, minus deposits into the Income Tax Refund Fund, the  
3 Department shall deposit 1.475% into the Income Tax Surcharge  
4 Local Government Distributive Fund in the State Treasury.

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

12 (1) beginning February 1, 2015, and prior to February  
13 1, 2025, 1/30; and

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

15 If the rate of tax imposed by subsection (a) and (b) of  
16 Section 201 is reduced pursuant to Section 201.5 of this Act,  
17 the Department shall not make the deposits required by this  
18 subsection (f) on or after the effective date of the  
19 reduction.

20 (g) Deposits into the Commitment to Human Services Fund.  
21 Beginning February 1, 2015, the Department shall deposit the  
22 following portions of the revenue realized from the tax  
23 imposed upon individuals, trusts, and estates by subsections  
24 (a) and (b) of Section 201 of this Act, minus deposits into the  
25 Income Tax Refund Fund, into the Commitment to Human Services  
26 Fund:

1 (1) beginning February 1, 2015, and prior to February  
2 1, 2025, 1/30; and

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

4 If the rate of tax imposed by subsection (a) and (b) of  
5 Section 201 is reduced pursuant to Section 201.5 of this Act,  
6 the Department shall not make the deposits required by this  
7 subsection (g) on or after the effective date of the  
8 reduction.

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

21 (Source: P.A. 101-8, see Section 99 for effective date;  
22 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; 101-636, eff.  
23 6-10-20; 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-658,  
24 eff. 8-27-21; 102-699, eff. 4-19-22; 102-700, eff. 4-19-22;  
25 102-813, eff. 5-13-22; revised 8-2-22.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.