

SB2307



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2307

Introduced 2/10/2023, by Sen. Celina Villanueva

SYNOPSIS AS INTRODUCED:

New Act

Creates the Commercial Data Collector Tax Act. Provides that there shall be a monthly excise tax on the collection of the consumer data of individual State consumers by commercial data collectors, which shall be paid to the Department of Revenue and deposited into the General Revenue Fund. Sets forth details regarding the tax to be paid, who qualifies as a consumer for purposes of the tax and alternative methods for collecting the tax. Contains provisions concerning required disclosures and rulemaking by the Department. Effective immediately.

LRB103 30716 RJT 57191 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 1. Short title. This Act may be cited as the
5 Commercial Data Collector Tax Act.

6 Section 5. Definitions.

7 As used in this Act:

8 "Commercial data collector" means a for-profit entity
9 that:

10 (1) collects, maintains, uses, processes, sells, or
11 shares consumer data in support of its business
12 activities; and

13 (2) collects consumer data, other than consumer
14 contact information, on more than one million individual
15 State consumers in a month within the calendar year.

16 "Consumer" means an individual who purchases goods or
17 services from a commercial data collector or uses the services
18 of a commercial data collector, whether charged for those
19 services or not.

20 "Consumer contact information" means a consumer's email
21 address, telephone number, telefax number, home address,
22 mailing address, and credit card information necessary to
23 engage in a sales transaction.

1 "Consumer data" mean any information that identifies,
 2 relates to, describes, is capable of being associated with, or
 3 could reasonably be linked with a consumer, whether directly
 4 submitted to the commercial data collector by the consumer or
 5 derived from other sources.

6 "Department" means the Department of Revenue.

7 Section 10. Excise tax on the collection of consumer data
 8 by commercial data collectors.

9 (a) A monthly excise tax on the collection of the consumer
 10 data of individual State consumers by commercial data
 11 collectors shall be paid by the commercial data collectors to
 12 the Department and shall be deposited by the Department into
 13 the General Revenue Fund. The tax shall apply regardless of
 14 the format, electronic or otherwise, in which the consumer
 15 data is collected by the commercial data collector.

16 (b) Except as described in subsection (e), the tax shall
 17 be imposed on commercial data collectors at the following
 18 rates based on the number of consumers located in the State
 19 that a commercial data collector collects data on within the
 20 month:

22 Number of consumers within the 23 State:	Tax imposed:
24 0 to 999,999	\$.05 cents per consumer per month.

1	2,000,000 to 2,999,999	\$50,000 per month plus \$.1 per consumer per month
2	3,000,000 to 3,999,999	\$150,000 per month plus \$.15 per consumer per month
3	4,000,000 to 4,999,999	\$300,000 per month plus \$.2 per consumer per month
4	5,000,000 to 5,999,999	\$500,000 per month plus \$.25 per consumer per month
5	6,000,000 to 6,999,999	\$750,000 per month plus \$.3 per consumer per month
6	7,000,000 to 7,999,999	\$1,050,000 per month plus \$.35 per consumer per month
7	8,000,000 to 8,999,999	\$1,400,000 per month plus \$.4 per consumer per month
8	9,000,000 to 9,999,999	\$1,800,000 per month plus \$.45 per consumer per month
9	10,000,000 and more	\$2,250,000 per month plus \$.5 per consumer per month

10 (c) There shall be a rebuttable presumption that a
11 consumer whose information on record with or available to a
12 commercial data collector indicates a home address within the
13 State, a mailing address within the State, or an internet
14 protocol address connected with a location in the State is a
15 consumer for purposes of this Section. The presumption may be
16 rebutted by evidence that a consumer's primary residence is
17 outside the State. A consumer within the State shall be

1 counted only once in the calculation of the monthly excise tax
2 imposed on a commercial data collector. Business entities
3 having common ownership as defined in Section 1563(a) of the
4 federal Internal Revenue Code shall be treated as a single
5 taxpayer for purposes of meeting the definition of commercial
6 data collector under this Section. The entities constituting
7 the single taxpayer are jointly and severally liable for any
8 tax due.

9 (d) The single member of a single member limited liability
10 company shall be treated as a consumer under this Section.

11 (e) Alternative methods for calculating tax liability. A
12 commercial data collector and the Department may agree on a
13 methodology for determining the number of consumers in the
14 State for the purpose of calculating the tax.

15 (f) A commercial data collector that has paid tax under
16 this Section may claim a credit against the tax paid with
17 respect to a consumer within the State when another State
18 imposes an excise tax similar to the tax imposed under this
19 Section with respect to the same consumer.

20 (g) A commercial data collector shall maintain records as
21 required by the Department.

22 (h) A commercial data collector shall file a return
23 reporting the number of consumers that the commercial data
24 collector has in a format developed by the Department. If a
25 commercial data collector meets the requirements to pay the
26 tax imposed under this Section or a commercial data collector

1 is currently paying the tax imposed under this Section, then
2 that commercial data collector shall file a monthly return in
3 subsequent months until it reports no tax liability for 12
4 consecutive months.

5 (i) The Department shall adopt rules necessary to
6 implement and administer this Act.

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.