

1 AN ACT in relation to taxes.

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 404 as follows:

6 (35 ILCS 5/404) (from Ch. 120, par. 4-404)

7 Sec. 404. Reallocation of items. If it appears to the  
8 Director that any agreement, understanding or arrangement  
9 exists between any persons that which causes any person's  
10 base income allocable to this State to be improperly or  
11 inaccurately reflected, the Director may adjust such items of  
12 income and deduction, and any factor taken into account in  
13 allocating income to this State, to such extent as may  
14 reasonably be required to determine the base income of such  
15 person properly allocable to this State.

16 (Source: P.A. 76-261.)