

1 AN ACT concerning taxes.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Procurement Code is amended by  
5 changing Section 45-10 and adding Sections 1-15.120 and 50-17  
6 as follows:

7 (30 ILCS 500/1-15.120 new)

8 Sec. 1-15.120. Expatriate corporation. "Expatriate  
9 corporation" means a foreign incorporated entity to which all  
10 the following apply:

11 (1) It is publicly traded in the United States;

12 (2) Is incorporated in a tax haven, including Andorra,  
13 Anguilla, Antigua and Barbuda, Aruba, the Bahamas,  
14 Bahrain, Barbados, Belize, Bermuda, British Virgin  
15 Islands, Cayman Islands, Cook Islands, Turks and Caicos  
16 Islands, Dominica, Gibraltar, Grenada,  
17 Guernsey-Sark-Alderney, Isle of Man, Jersey, Liberia,  
18 Liechtenstein, Luxemburg, Maldives, Marshall Islands,  
19 Monaco, Montserrat, Nauru, Netherlands Antilles, Niue,  
20 Panama, Samoa, Seychelles, St. Kitts and Nevis, St. Lucia,  
21 St. Vincent and the Grenadines, Tonga, U.S. Virgin Islands,  
22 and Vanuatu;

23 (3) Less than 10% of the gross income of the foreign  
24 entity is derived from activities in the tax haven;

25 (4) Less than 10% of the employees of the foreign  
26 entity are permanently located in the tax haven;

27 (5) Either clause (A) or clause (B) applies:

28 (A) The foreign entity was established in  
29 connection with a transaction or series of related  
30 transactions pursuant to which (I) the foreign entity  
31 directly or indirectly acquired substantially all of  
32 the properties held by a domestic corporation or all of

1           the properties constituting a trade or business of a  
2           domestic partnership or related foreign partnership  
3           and (II) immediately after the acquisition, more than  
4           50% of the publicly traded stock, by vote or value, of  
5           the foreign entity is held by former shareholders of  
6           the domestic corporation or by former partners of the  
7           domestic partnership or related foreign partnership.  
8           For purposes of subclause (II), any stock sold in a  
9           public offering related to the transaction or a series  
10           of transactions is disregarded.

11           (B) The foreign entity was established in  
12           connection with a transaction or series of related  
13           transactions pursuant to which (I) the foreign entity  
14           directly or indirectly acquired substantially all of  
15           the properties held by a domestic corporation or all of  
16           the properties constituting a trade or business of a  
17           domestic partnership or related foreign partnership  
18           and (II) the acquiring foreign entity is more than 50%  
19           owned, by vote or value, by domestic shareholders or  
20           partners.

21           (30 ILCS 500/45-10)

22           Sec. 45-10. Resident bidders.

23           (a) Amount of preference. When a contract is to be awarded  
24           to the lowest responsible bidder, a resident bidder shall be  
25           allowed a preference as against a non-resident bidder from any  
26           state that gives or requires a preference to bidders from that  
27           state. The preference shall be equal to the preference given or  
28           required by the state of the non-resident bidder. Further, if  
29           only non-resident bidders are bidding, the purchasing agency is  
30           within its right to specify that Illinois labor and  
31           manufacturing locations be used as a part of the manufacturing  
32           process, if applicable. This specification may be negotiated as  
33           part of the solicitation process.

34           (b) Residency. A resident bidder is a person authorized to  
35           transact business in this State and having a bona fide

1 establishment for transacting business within this State where  
2 it was actually transacting business on the date when any bid  
3 for a public contract is first advertised or announced. A  
4 resident bidder includes a foreign corporation duly authorized  
5 to transact business in this State that has a bona fide  
6 establishment for transacting business within this State where  
7 it was actually transacting business on the date when any bid  
8 for a public contract is first advertised or announced;  
9 however, an expatriate corporation shall be considered a  
10 non-resident bidder.

11 (c) Federal funds. This Section does not apply to any  
12 contract for any project as to which federal funds are  
13 available for expenditure when its provisions may be in  
14 conflict with federal law or federal regulation.

15 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

16 (30 ILCS 500/50-17 new)

17 Sec. 50-17. Expatriate corporations. No business or member  
18 of a unitary business group, as defined in the Illinois Income  
19 Tax Act, shall submit a bid for or enter into a contract with a  
20 State agency under this Code if that business or any member of  
21 the unitary business group is an expatriate corporation as  
22 defined in this Code.

23 Section 10. The Illinois Income Tax Act is amended by  
24 changing Section 1501 as follows:

25 (35 ILCS 5/1501) (from Ch. 120, par. 15-1501)

26 Sec. 1501. Definitions.

27 (a) In general. When used in this Act, where not otherwise  
28 distinctly expressed or manifestly incompatible with the  
29 intent thereof:

30 (1) Business income. The term "business income" means  
31 income arising from transactions and activity in the  
32 regular course of the taxpayer's trade or business, net of  
33 the deductions allocable thereto, and includes income from

1        tangible and intangible property if the acquisition,  
2        management, and disposition of the property constitute  
3        integral parts of the taxpayer's regular trade or business  
4        operations. Such term does not include compensation or the  
5        deductions allocable thereto. For each taxable year  
6        beginning on or after January 1, 2003, a taxpayer may elect  
7        to treat all income other than compensation as business  
8        income. This election shall be made in accordance with  
9        rules adopted by the Department and, once made, shall be  
10        irrevocable.

11        (2) Commercial domicile. The term "commercial  
12        domicile" means the principal place from which the trade or  
13        business of the taxpayer is directed or managed.

14        (3) Compensation. The term "compensation" means wages,  
15        salaries, commissions and any other form of remuneration  
16        paid to employees for personal services.

17        (4) Corporation. The term "corporation" includes  
18        associations, joint-stock companies, insurance companies  
19        and cooperatives. Any entity, including a limited  
20        liability company formed under the Illinois Limited  
21        Liability Company Act, shall be treated as a corporation if  
22        it is so classified for federal income tax purposes.

23        (5) Department. The term "Department" means the  
24        Department of Revenue of this State.

25        (6) Director. The term "Director" means the Director of  
26        Revenue of this State.

27        (7) Fiduciary. The term "fiduciary" means a guardian,  
28        trustee, executor, administrator, receiver, or any person  
29        acting in any fiduciary capacity for any person.

30        (8) Financial organization.

31                (A) The term "financial organization" means any  
32        bank, bank holding company, trust company, savings  
33        bank, industrial bank, land bank, safe deposit  
34        company, private banker, savings and loan association,  
35        building and loan association, credit union, currency  
36        exchange, cooperative bank, small loan company, sales

1 finance company, investment company, or any person  
2 which is owned by a bank or bank holding company. For  
3 the purpose of this Section a "person" will include  
4 only those persons which a bank holding company may  
5 acquire and hold an interest in, directly or  
6 indirectly, under the provisions of the Bank Holding  
7 Company Act of 1956 (12 U.S.C. 1841, et seq.), except  
8 where interests in any person must be disposed of  
9 within certain required time limits under the Bank  
10 Holding Company Act of 1956.

11 (B) For purposes of subparagraph (A) of this  
12 paragraph, the term "bank" includes (i) any entity that  
13 is regulated by the Comptroller of the Currency under  
14 the National Bank Act, or by the Federal Reserve Board,  
15 or by the Federal Deposit Insurance Corporation and  
16 (ii) any federally or State chartered bank operating as  
17 a credit card bank.

18 (C) For purposes of subparagraph (A) of this  
19 paragraph, the term "sales finance company" has the  
20 meaning provided in the following item (i) or (ii):

21 (i) A person primarily engaged in one or more  
22 of the following businesses: the business of  
23 purchasing customer receivables, the business of  
24 making loans upon the security of customer  
25 receivables, the business of making loans for the  
26 express purpose of funding purchases of tangible  
27 personal property or services by the borrower, or  
28 the business of finance leasing. For purposes of  
29 this item (i), "customer receivable" means:

30 (a) a retail installment contract or  
31 retail charge agreement within the meaning of  
32 the Sales Finance Agency Act, the Retail  
33 Installment Sales Act, or the Motor Vehicle  
34 Retail Installment Sales Act;

35 (b) an installment, charge, credit, or  
36 similar contract or agreement arising from the

1 sale of tangible personal property or services  
2 in a transaction involving a deferred payment  
3 price payable in one or more installments  
4 subsequent to the sale; or

5 (c) the outstanding balance of a contract  
6 or agreement described in provisions (a) or (b)  
7 of this item (i).

8 A customer receivable need not provide for  
9 payment of interest on deferred payments. A sales  
10 finance company may purchase a customer receivable  
11 from, or make a loan secured by a customer  
12 receivable to, the seller in the original  
13 transaction or to a person who purchased the  
14 customer receivable directly or indirectly from  
15 that seller.

16 (ii) A corporation meeting each of the  
17 following criteria:

18 (a) the corporation must be a member of an  
19 "affiliated group" within the meaning of  
20 Section 1504(a) of the Internal Revenue Code,  
21 determined without regard to Section 1504(b)  
22 of the Internal Revenue Code;

23 (b) more than 50% of the gross income of  
24 the corporation for the taxable year must be  
25 interest income derived from qualifying loans.  
26 A "qualifying loan" is a loan made to a member  
27 of the corporation's affiliated group that  
28 originates customer receivables (within the  
29 meaning of item (i)) or to whom customer  
30 receivables originated by a member of the  
31 affiliated group have been transferred, to the  
32 extent the average outstanding balance of  
33 loans from that corporation to members of its  
34 affiliated group during the taxable year do not  
35 exceed the limitation amount for that  
36 corporation. The "limitation amount" for a

1 corporation is the average outstanding  
2 balances during the taxable year of customer  
3 receivables (within the meaning of item (i))  
4 originated by all members of the affiliated  
5 group. If the average outstanding balances of  
6 the loans made by a corporation to members of  
7 its affiliated group exceed the limitation  
8 amount, the interest income of that  
9 corporation from qualifying loans shall be  
10 equal to its interest income from loans to  
11 members of its affiliated groups times a  
12 fraction equal to the limitation amount  
13 divided by the average outstanding balances of  
14 the loans made by that corporation to members  
15 of its affiliated group;

16 (c) the total of all shareholder's equity  
17 (including, without limitation, paid-in  
18 capital on common and preferred stock and  
19 retained earnings) of the corporation plus the  
20 total of all of its loans, advances, and other  
21 obligations payable or owed to members of its  
22 affiliated group may not exceed 20% of the  
23 total assets of the corporation at any time  
24 during the tax year; and

25 (d) more than 50% of all interest-bearing  
26 obligations of the affiliated group payable to  
27 persons outside the group determined in  
28 accordance with generally accepted accounting  
29 principles must be obligations of the  
30 corporation.

31 This amendatory Act of the 91st General Assembly is  
32 declaratory of existing law.

33 (D) Subparagraphs (B) and (C) of this paragraph are  
34 declaratory of existing law and apply retroactively,  
35 for all tax years beginning on or before December 31,  
36 1996, to all original returns, to all amended returns

1 filed no later than 30 days after the effective date of  
2 this amendatory Act of 1996, and to all notices issued  
3 on or before the effective date of this amendatory Act  
4 of 1996 under subsection (a) of Section 903, subsection  
5 (a) of Section 904, subsection (e) of Section 909, or  
6 Section 912. A taxpayer that is a "financial  
7 organization" that engages in any transaction with an  
8 affiliate shall be a "financial organization" for all  
9 purposes of this Act.

10 (E) For all tax years beginning on or before  
11 December 31, 1996, a taxpayer that falls within the  
12 definition of a "financial organization" under  
13 subparagraphs (B) or (C) of this paragraph, but who  
14 does not fall within the definition of a "financial  
15 organization" under the Proposed Regulations issued by  
16 the Department of Revenue on July 19, 1996, may  
17 irrevocably elect to apply the Proposed Regulations  
18 for all of those years as though the Proposed  
19 Regulations had been lawfully promulgated, adopted,  
20 and in effect for all of those years. For purposes of  
21 applying subparagraphs (B) or (C) of this paragraph to  
22 all of those years, the election allowed by this  
23 subparagraph applies only to the taxpayer making the  
24 election and to those members of the taxpayer's unitary  
25 business group who are ordinarily required to  
26 apportion business income under the same subsection of  
27 Section 304 of this Act as the taxpayer making the  
28 election. No election allowed by this subparagraph  
29 shall be made under a claim filed under subsection (d)  
30 of Section 909 more than 30 days after the effective  
31 date of this amendatory Act of 1996.

32 (F) Finance Leases. For purposes of this  
33 subsection, a finance lease shall be treated as a loan  
34 or other extension of credit, rather than as a lease,  
35 regardless of how the transaction is characterized for  
36 any other purpose, including the purposes of any



1 regulatory agency to which the lessor is subject. A  
2 finance lease is any transaction in the form of a lease  
3 in which the lessee is treated as the owner of the  
4 leased asset entitled to any deduction for  
5 depreciation allowed under Section 167 of the Internal  
6 Revenue Code.

7 (9) Fiscal year. The term "fiscal year" means an  
8 accounting period of 12 months ending on the last day of  
9 any month other than December.

10 (10) Includes and including. The terms "includes" and  
11 "including" when used in a definition contained in this Act  
12 shall not be deemed to exclude other things otherwise  
13 within the meaning of the term defined.

14 (11) Internal Revenue Code. The term "Internal Revenue  
15 Code" means the United States Internal Revenue Code of 1954  
16 or any successor law or laws relating to federal income  
17 taxes in effect for the taxable year.

18 (12) Mathematical error. The term "mathematical error"  
19 includes the following types of errors, omissions, or  
20 defects in a return filed by a taxpayer which prevents  
21 acceptance of the return as filed for processing:

22 (A) arithmetic errors or incorrect computations on  
23 the return or supporting schedules;

24 (B) entries on the wrong lines;

25 (C) omission of required supporting forms or  
26 schedules or the omission of the information in whole  
27 or in part called for thereon; and

28 (D) an attempt to claim, exclude, deduct, or  
29 improperly report, in a manner directly contrary to the  
30 provisions of the Act and regulations thereunder any  
31 item of income, exemption, deduction, or credit.

32 (13) Nonbusiness income. The term "nonbusiness income"  
33 means all income other than business income or  
34 compensation.

35 (14) Nonresident. The term "nonresident" means a  
36 person who is not a resident.

1           (15) Paid, incurred and accrued. The terms "paid",  
2 "incurred" and "accrued" shall be construed according to  
3 the method of accounting upon the basis of which the  
4 person's base income is computed under this Act.

5           (16) Partnership and partner. The term "partnership"  
6 includes a syndicate, group, pool, joint venture or other  
7 unincorporated organization, through or by means of which  
8 any business, financial operation, or venture is carried  
9 on, and which is not, within the meaning of this Act, a  
10 trust or estate or a corporation; and the term "partner"  
11 includes a member in such syndicate, group, pool, joint  
12 venture or organization.

13           The term "partnership" includes any entity, including  
14 a limited liability company formed under the Illinois  
15 Limited Liability Company Act, classified as a partnership  
16 for federal income tax purposes.

17           The term "partnership" does not include a syndicate,  
18 group, pool, joint venture, or other unincorporated  
19 organization established for the sole purpose of playing  
20 the Illinois State Lottery.

21           (17) Part-year resident. The term "part-year resident"  
22 means an individual who became a resident during the  
23 taxable year or ceased to be a resident during the taxable  
24 year. Under Section 1501(a)(20)(A)(i) residence commences  
25 with presence in this State for other than a temporary or  
26 transitory purpose and ceases with absence from this State  
27 for other than a temporary or transitory purpose. Under  
28 Section 1501(a)(20)(A)(ii) residence commences with the  
29 establishment of domicile in this State and ceases with the  
30 establishment of domicile in another State.

31           (18) Person. The term "person" shall be construed to  
32 mean and include an individual, a trust, estate,  
33 partnership, association, firm, company, corporation,  
34 limited liability company, or fiduciary. For purposes of  
35 Section 1301 and 1302 of this Act, a "person" means (i) an  
36 individual, (ii) a corporation, (iii) an officer, agent, or

1 employee of a corporation, (iv) a member, agent or employee  
2 of a partnership, or (v) a member, manager, employee,  
3 officer, director, or agent of a limited liability company  
4 who in such capacity commits an offense specified in  
5 Section 1301 and 1302.

6 (18A) Records. The term "records" includes all data  
7 maintained by the taxpayer, whether on paper, microfilm,  
8 microfiche, or any type of machine-sensible data  
9 compilation.

10 (19) Regulations. The term "regulations" includes  
11 rules promulgated and forms prescribed by the Department.

12 (20) Resident. The term "resident" means:

13 (A) an individual (i) who is in this State for  
14 other than a temporary or transitory purpose during the  
15 taxable year; or (ii) who is domiciled in this State  
16 but is absent from the State for a temporary or  
17 transitory purpose during the taxable year;

18 (B) The estate of a decedent who at his or her  
19 death was domiciled in this State;

20 (C) A trust created by a will of a decedent who at  
21 his death was domiciled in this State; and

22 (D) An irrevocable trust, the grantor of which was  
23 domiciled in this State at the time such trust became  
24 irrevocable. For purpose of this subparagraph, a trust  
25 shall be considered irrevocable to the extent that the  
26 grantor is not treated as the owner thereof under  
27 Sections 671 through 678 of the Internal Revenue Code.

28 (21) Sales. The term "sales" means all gross receipts  
29 of the taxpayer not allocated under Sections 301, 302 and  
30 303.

31 (22) State. The term "state" when applied to a  
32 jurisdiction other than this State means any state of the  
33 United States, the District of Columbia, the Commonwealth  
34 of Puerto Rico, any Territory or Possession of the United  
35 States, and any foreign country, or any political  
36 subdivision of any of the foregoing. For purposes of the

1 foreign tax credit under Section 601, the term "state"  
2 means any state of the United States, the District of  
3 Columbia, the Commonwealth of Puerto Rico, and any  
4 territory or possession of the United States, or any  
5 political subdivision of any of the foregoing, effective  
6 for tax years ending on or after December 31, 1989.

7 (23) Taxable year. The term "taxable year" means the  
8 calendar year, or the fiscal year ending during such  
9 calendar year, upon the basis of which the base income is  
10 computed under this Act. "Taxable year" means, in the case  
11 of a return made for a fractional part of a year under the  
12 provisions of this Act, the period for which such return is  
13 made.

14 (24) Taxpayer. The term "taxpayer" means any person  
15 subject to the tax imposed by this Act.

16 (25) International banking facility. The term  
17 international banking facility shall have the same meaning  
18 as is set forth in the Illinois Banking Act or as is set  
19 forth in the laws of the United States or regulations of  
20 the Board of Governors of the Federal Reserve System.

21 (26) Income Tax Return Preparer.

22 (A) The term "income tax return preparer" means any  
23 person who prepares for compensation, or who employs  
24 one or more persons to prepare for compensation, any  
25 return of tax imposed by this Act or any claim for  
26 refund of tax imposed by this Act. The preparation of a  
27 substantial portion of a return or claim for refund  
28 shall be treated as the preparation of that return or  
29 claim for refund.

30 (B) A person is not an income tax return preparer  
31 if all he or she does is

32 (i) furnish typing, reproducing, or other  
33 mechanical assistance;

34 (ii) prepare returns or claims for refunds for  
35 the employer by whom he or she is regularly and  
36 continuously employed;

1 (iii) prepare as a fiduciary returns or claims  
2 for refunds for any person; or

3 (iv) prepare claims for refunds for a taxpayer  
4 in response to any notice of deficiency issued to  
5 that taxpayer or in response to any waiver of  
6 restriction after the commencement of an audit of  
7 that taxpayer or of another taxpayer if a  
8 determination in the audit of the other taxpayer  
9 directly or indirectly affects the tax liability  
10 of the taxpayer whose claims he or she is  
11 preparing.

12 (27) Unitary business group. The term "unitary  
13 business group" means a group of persons related through  
14 common ownership whose business activities are integrated  
15 with, dependent upon and contribute to each other. The  
16 group will not include those members whose business  
17 activity outside the United States is 80% or more of any  
18 such member's total business activity; for purposes of this  
19 paragraph and clause (a)(3)(B)(ii) of Section 304,  
20 business activity within the United States shall be  
21 measured by means of the factors ordinarily applicable  
22 under subsections (a), (b), (c), (d), or (h) of Section 304  
23 except that, in the case of members ordinarily required to  
24 apportion business income by means of the 3 factor formula  
25 of property, payroll and sales specified in subsection (a)  
26 of Section 304, including the formula as weighted in  
27 subsection (h) of Section 304, such members shall not use  
28 the sales factor in the computation and the results of the  
29 property and payroll factor computations of subsection (a)  
30 of Section 304 shall be divided by 2 (by one if either the  
31 property or payroll factor has a denominator of zero). The  
32 computation required by the preceding sentence shall, in  
33 each case, involve the division of the member's property,  
34 payroll, or revenue miles in the United States, insurance  
35 premiums on property or risk in the United States, or  
36 financial organization business income from sources within

1 the United States, as the case may be, by the respective  
2 worldwide figures for such items. Common ownership in the  
3 case of corporations is the direct or indirect control or  
4 ownership of more than 50% of the outstanding voting stock  
5 of the persons carrying on unitary business activity.  
6 Unitary business activity can ordinarily be illustrated  
7 where the activities of the members are: (1) in the same  
8 general line (such as manufacturing, wholesaling,  
9 retailing of tangible personal property, insurance,  
10 transportation or finance); or (2) are steps in a  
11 vertically structured enterprise or process (such as the  
12 steps involved in the production of natural resources,  
13 which might include exploration, mining, refining, and  
14 marketing); and, in either instance, the members are  
15 functionally integrated through the exercise of strong  
16 centralized management (where, for example, authority over  
17 such matters as purchasing, financing, tax compliance,  
18 product line, personnel, marketing and capital investment  
19 is not left to each member). In no event, however, will any  
20 unitary business group include members which are  
21 ordinarily required to apportion business income under  
22 different subsections of Section 304 except that for tax  
23 years ending on or after December 31, 1987 this prohibition  
24 shall not apply to a unitary business group composed of one  
25 or more taxpayers all of which apportion business income  
26 pursuant to subsection (b) of Section 304, or all of which  
27 apportion business income pursuant to subsection (d) of  
28 Section 304, and a holding company of such single-factor  
29 taxpayers (see definition of "financial organization" for  
30 rule regarding holding companies of financial  
31 organizations). If a unitary business group would, but for  
32 the preceding sentence, include members that are  
33 ordinarily required to apportion business income under  
34 different subsections of Section 304, then for each  
35 subsection of Section 304 for which there are two or more  
36 members, there shall be a separate unitary business group

1 composed of such members. For purposes of the preceding two  
2 sentences, a member is "ordinarily required to apportion  
3 business income" under a particular subsection of Section  
4 304 if it would be required to use the apportionment method  
5 prescribed by such subsection except for the fact that it  
6 derives business income solely from Illinois. If the  
7 unitary business group members' accounting periods differ,  
8 the common parent's accounting period or, if there is no  
9 common parent, the accounting period of the member that is  
10 expected to have, on a recurring basis, the greatest  
11 Illinois income tax liability must be used to determine  
12 whether to use the apportionment method provided in  
13 subsection (a) or subsection (h) of Section 304. The  
14 prohibition against membership in a unitary business group  
15 for taxpayers ordinarily required to apportion income  
16 under different subsections of Section 304 does not apply  
17 to taxpayers required to apportion income under subsection  
18 (a) and subsection (h) of Section 304. The provisions of  
19 this amendatory Act of 1998 apply to tax years ending on or  
20 after December 31, 1998.

21 (28) Subchapter S corporation. The term "Subchapter S  
22 corporation" means a corporation for which there is in  
23 effect an election under Section 1362 of the Internal  
24 Revenue Code, or for which there is a federal election to  
25 opt out of the provisions of the Subchapter S Revision Act  
26 of 1982 and have applied instead the prior federal  
27 Subchapter S rules as in effect on July 1, 1982.

28 (29) Foreign tax haven.

29 (A) Notwithstanding any provision of item (27),  
30 any person formed or incorporated in a foreign tax  
31 haven may be a member of a unitary business group  
32 without regard to where its business activities are  
33 conducted.

34 (B) The term "foreign tax haven" includes Andorra,  
35 Anguilla, Antigua and Barbuda, Aruba, the Bahamas,  
36 Bahrain, Barbados, Belize, Bermuda, British Virgin

1 Islands, Cayman Islands, Cook Islands, Turks and  
2 Caicos Islands, Dominica, Gibraltar, Grenada,  
3 Guernsey-Sark-Alderney, Isle of Man, Jersey, Liberia,  
4 Liechtenstein, Luxemburg, Maldives, Marshall Islands,  
5 Monaco, Montserrat, Nauru, Netherlands Antilles, Niue,  
6 Panama, Samoa, Seychelles, St. Kitts and Nevis, St.  
7 Lucia, St. Vincent and the Grenadines, Tonga, U.S.  
8 Virgin Islands, and Vanuatu.

9 (C) The term "foreign tax haven" also includes any  
10 foreign country that does not impose a substantial  
11 business income tax or other substantial business  
12 activity tax, as determined by the Department by rule.

13 (D) The provisions of this item (29) apply to tax  
14 years ending on or after December 31, 2004.

15 (b) Other definitions.

16 (1) Words denoting number, gender, and so forth, when  
17 used in this Act, where not otherwise distinctly expressed  
18 or manifestly incompatible with the intent thereof:

19 (A) Words importing the singular include and apply  
20 to several persons, parties or things;

21 (B) Words importing the plural include the  
22 singular; and

23 (C) Words importing the masculine gender include  
24 the feminine as well.

25 (2) "Company" or "association" as including successors  
26 and assigns. The word "company" or "association", when used  
27 in reference to a corporation, shall be deemed to embrace  
28 the words "successors and assigns of such company or  
29 association", and in like manner as if these last-named  
30 words, or words of similar import, were expressed.

31 (3) Other terms. Any term used in any Section of this  
32 Act with respect to the application of, or in connection  
33 with, the provisions of any other Section of this Act shall  
34 have the same meaning as in such other Section.

35 (Source: P.A. 91-535, eff. 1-1-00; 91-913, eff. 1-1-01; 92-846,



1     eff. 8-23-02.)

2             Section 99. Effective date. This Act takes effect July 1,  
3     2004.