

SB0111



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB0111

Introduced 2/1/2005, by Sen. William E. Peterson

SYNOPSIS AS INTRODUCED:

35 ILCS 630/3

from Ch. 120, par. 2003

35 ILCS 630/4

from Ch. 120, par. 2004

Amends the Telecommunications Excise Tax Act. Provides that the tax exemptions for prepaid telephone calling arrangements are exempt from the sunset provisions of the Act. Effective immediately.

LRB094 07285 BDD 37443 b

FISCAL NOTE ACT
MAY APPLY

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 Telecommunications Excise Tax Act is amended
5 by changing Sections 3 and 4 as follows:

6 (35 ILCS 630/3) (from Ch. 120, par. 2003)

7 Sec. 3. Tax imposed on intrastate telecommunications;
8 exemptions.

9 (a) Until December 31, 1997, a tax is imposed upon the act
10 or privilege of originating or receiving intrastate
11 telecommunications by a person in this State at the rate of 5%
12 of the gross charge for such telecommunications purchased at
13 retail from a retailer by such person. Beginning January 1,
14 1998, a tax is imposed upon the act or privilege of originating
15 in this State or receiving in this State intrastate
16 telecommunications by a person in this State at the rate of 7%
17 of the gross charge for such telecommunications purchased at
18 retail from a retailer by such person. However, such tax is not
19 imposed on the act or privilege to the extent such act or
20 privilege may not, under the Constitution and statutes of the
21 United States, be made the subject of taxation by the State.

22 (b) Beginning January 1, 2001, prepaid telephone calling
23 arrangements shall not be considered telecommunications
24 subject to the tax imposed under this Act. This subsection is
25 exempt from the provisions of Section 4.5.

26 (Source: P.A. 90-548, eff. 12-4-97; 91-870, eff. 6-22-00.)

27 (35 ILCS 630/4) (from Ch. 120, par. 2004)

28 Sec. 4. Tax imposed on interstate telecommunications;
29 exemptions.

30 (a) Until December 31, 1997, a tax is imposed upon the act
31 or privilege of originating in this State or receiving in this

1 State interstate telecommunications by a person in this State
2 at the rate of 5% of the gross charge for such
3 telecommunications purchased at retail from a retailer by such
4 person. Beginning January 1, 1998, a tax is imposed upon the
5 act or privilege of originating in this State or receiving in
6 this State interstate telecommunications by a person in this
7 State at the rate of 7% of the gross charge for such
8 telecommunications purchased at retail from a retailer by such
9 person. To prevent actual multi-state taxation of the act or
10 privilege that is subject to taxation under this paragraph, any
11 taxpayer, upon proof that that taxpayer has paid a tax in
12 another state on such event, shall be allowed a credit against
13 the tax imposed in this Section 4 to the extent of the amount
14 of such tax properly due and paid in such other state. However,
15 such tax is not imposed on the act or privilege to the extent
16 such act or privilege may not, under the Constitution and
17 statutes of the United States, be made the subject of taxation
18 by the State.

19 (b) Beginning on January 1, 2001, prepaid telephone calling
20 arrangements shall not be considered telecommunications
21 subject to the tax imposed under this Act. This subsection is
22 exempt from the provisions of Section 4.5.

23 (Source: P.A. 90-548, eff. 12-4-97; 91-870, eff. 6-22-00.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.