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1 AMENDMENT TO HOUSE BILL 4622

2 AMENDMENT NO. _____. Amend House Bill 4622 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Tax Delinquency Amnesty Act is amended by
5 changing Section 10 as follows:

6 (35 ILCS 745/10)

7 Sec. 10. Amnesty program. The Department shall establish an
8 amnesty program for all taxpayers owing any tax imposed by
9 reason of or pursuant to authorization by any law of the State
10 of Illinois and collected by the Department.

11 The amnesty program shall be for a period from October 1,
12 2003 through November 15, 2003 and for a period beginning on
13 the effective date of this amendatory Act of the 96th General
14 Assembly and ending 60 days after the effective date of this
15 amendatory Act of the 96th General Assembly.

16 The amnesty program shall provide that, upon payment by a

1 taxpayer of all taxes due from that taxpayer to the State of
2 Illinois for any taxable period ending (i) after June 30, 1983
3 and prior to July 1, 2002 for the tax amnesty period occurring
4 from October 1, 2003 through November 15, 2003, and (ii) after
5 June 30, 2002 and prior to the effective date of this
6 amendatory Act of the 96th General Assembly for the tax amnesty
7 period beginning on the effective date of this amendatory Act
8 of the 96th General Assembly, the Department shall abate and
9 not seek to collect any interest or penalties that may be
10 applicable and the Department shall not seek civil or criminal
11 prosecution for any taxpayer for the period of time for which
12 amnesty has been granted to the taxpayer. Failure to pay all
13 taxes due to the State for a taxable period shall invalidate
14 any amnesty granted under this Act. Amnesty shall be granted
15 only if all amnesty conditions are satisfied by the taxpayer.

16 Amnesty shall not be granted to taxpayers who are a party
17 to any criminal investigation or to any civil or criminal
18 litigation that is pending in any circuit court or appellate
19 court or the Supreme Court of this State for nonpayment,
20 delinquency, or fraud in relation to any State tax imposed by
21 any law of the State of Illinois.

22 Voluntary payments made under this Act shall be made by
23 cash, check, guaranteed remittance, or ACH debit.

24 The Department shall adopt rules as necessary to implement
25 the provisions of this Act.

26 Except as otherwise provided in this Section, all money

1 collected under this Act for the amnesty period from October 1,
2 2003 through November 15, 2003 that would otherwise be
3 deposited into the General Revenue Fund shall be deposited as
4 follows: (i) one-half into the Common School Fund; (ii)
5 one-half into the General Revenue Fund. Except as otherwise
6 provided in this Section, all money collected under this Act
7 for the 60-day amnesty period beginning on the effective date
8 of this amendatory Act of the 96th General Assembly that would
9 otherwise be deposited into the General Revenue Fund shall be
10 deposited into the Monetary Award Program Reserve Fund. Two
11 percent of all money collected under this Act shall be
12 deposited by the State Treasurer into the Tax Compliance and
13 Administration Fund and, subject to appropriation, shall be
14 used by the Department to cover costs associated with the
15 administration of this Act.

16 (Source: P.A. 93-26, eff. 6-20-03.)

17 Section 10. The Uniform Penalty and Interest Act is amended
18 by changing Sections 3-2, 3-3, 3-4, 3-5, 3-6, and 3-7.5 as
19 follows:

20 (35 ILCS 735/3-2) (from Ch. 120, par. 2603-2)

21 Sec. 3-2. Interest.

22 (a) Interest paid by the Department to taxpayers and
23 interest charged to taxpayers by the Department shall be paid
24 at the annual rate determined by the Department. For periods

1 prior to January 1, 2004, that rate shall be the underpayment
2 rate established under Section 6621 of the Internal Revenue
3 Code. For periods after December 31, 2003, that rate shall be:

4 (1) for the one-year period beginning with the date of
5 underpayment or overpayment, the short-term federal rate
6 established under Section 6621 of the Internal Revenue
7 Code.

8 (2) for any period beginning the day after the one-year
9 period described in paragraph (1) of this subsection (a),
10 the underpayment rate established under Section 6621 of the
11 Internal Revenue Code.

12 (b) The interest rate shall be adjusted on a semiannual
13 basis, on January 1 and July 1, based upon the underpayment
14 rate or short-term federal rate going into effect on that
15 January 1 or July 1 under Section 6621 of the Internal Revenue
16 Code.

17 (c) This subsection (c) is applicable to returns due on and
18 before December 31, 2000. Interest shall be simple interest
19 calculated on a daily basis. Interest shall accrue upon tax and
20 penalty due. If notice and demand is made for the payment of
21 any amount of tax due and if the amount due is paid within 30
22 days after the date of such notice and demand, interest under
23 this Section on the amount so paid shall not be imposed for the
24 period after the date of the notice and demand.

25 (c-5) This subsection (c-5) is applicable to returns due on
26 and after January 1, 2001. Interest shall be simple interest

1 calculated on a daily basis. Interest shall accrue upon tax
2 due. If notice and demand is made for the payment of any amount
3 of tax due and if the amount due is paid within 30 days after
4 the date of the notice and demand, interest under this Section
5 on the amount so paid shall not be imposed for the period after
6 the date of the notice and demand.

7 (d) No interest shall be paid upon any overpayment of tax
8 if the overpayment is refunded or a credit approved within 90
9 days after the last date prescribed for filing the original
10 return, or within 90 days of the receipt of the processable
11 return, or within 90 days after the date of overpayment,
12 whichever date is latest, as determined without regard to
13 processing time by the Comptroller or without regard to the
14 date on which the credit is applied to the taxpayer's account.
15 In order for an original return to be processable for purposes
16 of this Section, it must be in the form prescribed or approved
17 by the Department, signed by the person authorized by law, and
18 contain all information, schedules, and support documents
19 necessary to determine the tax due and to make allocations of
20 tax as prescribed by law. For the purposes of computing
21 interest, a return shall be deemed to be processable unless the
22 Department notifies the taxpayer that the return is not
23 processable within 90 days after the receipt of the return;
24 however, interest shall not accumulate for the period following
25 this date of notice. Interest on amounts refunded or credited
26 pursuant to the filing of an amended return or claim for refund

1 shall be determined from the due date of the original return or
2 the date of overpayment, whichever is later, to the date of
3 payment by the Department without regard to processing time by
4 the Comptroller or the date of credit by the Department or
5 without regard to the date on which the credit is applied to
6 the taxpayer's account. If a claim for refund relates to an
7 overpayment attributable to a net loss carryback as provided by
8 Section 207 of the Illinois Income Tax Act, the date of
9 overpayment shall be the last day of the taxable year in which
10 the loss was incurred.

11 (e) Interest on erroneous refunds. Any portion of the tax
12 imposed by an Act to which this Act is applicable or any
13 interest or penalty which has been erroneously refunded and
14 which is recoverable by the Department shall bear interest from
15 the date of payment of the refund. However, no interest will be
16 charged if the erroneous refund is for an amount less than \$500
17 and is due to a mistake of the Department.

18 (f) If a taxpayer has a tax liability for the taxable
19 period ending after June 30, 1983 and prior to July 1, 2002
20 that is eligible for amnesty under the Tax Delinquency Amnesty
21 Act and the taxpayer fails to satisfy the tax liability during
22 the amnesty period provided for in that Act for that taxable
23 period, then the interest charged by the Department under this
24 Section shall be imposed at a rate that is 200% of the rate
25 that would otherwise be imposed under this Section.

26 (g) If a taxpayer has a tax liability for the taxable

1 period ending after June 30, 2002 and prior to the effective
2 date of this amendatory Act of the 96th General Assembly that
3 is eligible for amnesty under the Tax Delinquency Amnesty Act
4 and the taxpayer fails to satisfy the tax liability during the
5 amnesty period provided for in that Act for that taxable
6 period, then the interest charged by the Department under this
7 Section shall be imposed in an amount that is 200% of the
8 amount that would otherwise be imposed under this Section.

9 (Source: P.A. 95-331, eff. 8-21-07.)

10 (35 ILCS 735/3-3) (from Ch. 120, par. 2603-3)

11 Sec. 3-3. Penalty for failure to file or pay.

12 (a) This subsection (a) is applicable before January 1,
13 1996. A penalty of 5% of the tax required to be shown due on a
14 return shall be imposed for failure to file the tax return on
15 or before the due date prescribed for filing determined with
16 regard for any extension of time for filing (penalty for late
17 filing or nonfiling). If any unprocessable return is corrected
18 and filed within 21 days after notice by the Department, the
19 late filing or nonfiling penalty shall not apply. If a penalty
20 for late filing or nonfiling is imposed in addition to a
21 penalty for late payment, the total penalty due shall be the
22 sum of the late filing penalty and the applicable late payment
23 penalty. Beginning on the effective date of this amendatory Act
24 of 1995, in the case of any type of tax return required to be
25 filed more frequently than annually, when the failure to file

1 the tax return on or before the date prescribed for filing
2 (including any extensions) is shown to be nonfraudulent and has
3 not occurred in the 2 years immediately preceding the failure
4 to file on the prescribed due date, the penalty imposed by
5 Section 3-3(a) shall be abated.

6 (a-5) This subsection (a-5) is applicable to returns due on
7 and after January 1, 1996 and on or before December 31, 2000. A
8 penalty equal to 2% of the tax required to be shown due on a
9 return, up to a maximum amount of \$250, determined without
10 regard to any part of the tax that is paid on time or by any
11 credit that was properly allowable on the date the return was
12 required to be filed, shall be imposed for failure to file the
13 tax return on or before the due date prescribed for filing
14 determined with regard for any extension of time for filing.
15 However, if any return is not filed within 30 days after notice
16 of nonfiling mailed by the Department to the last known address
17 of the taxpayer contained in Department records, an additional
18 penalty amount shall be imposed equal to the greater of \$250 or
19 2% of the tax shown on the return. However, the additional
20 penalty amount may not exceed \$5,000 and is determined without
21 regard to any part of the tax that is paid on time or by any
22 credit that was properly allowable on the date the return was
23 required to be filed (penalty for late filing or nonfiling). If
24 any unprocessable return is corrected and filed within 30 days
25 after notice by the Department, the late filing or nonfiling
26 penalty shall not apply. If a penalty for late filing or

1 nonfiling is imposed in addition to a penalty for late payment,
2 the total penalty due shall be the sum of the late filing
3 penalty and the applicable late payment penalty. In the case of
4 any type of tax return required to be filed more frequently
5 than annually, when the failure to file the tax return on or
6 before the date prescribed for filing (including any
7 extensions) is shown to be nonfraudulent and has not occurred
8 in the 2 years immediately preceding the failure to file on the
9 prescribed due date, the penalty imposed by Section 3-3(a-5)
10 shall be abated.

11 (a-10) This subsection (a-10) is applicable to returns due
12 on and after January 1, 2001. A penalty equal to 2% of the tax
13 required to be shown due on a return, up to a maximum amount of
14 \$250, reduced by any tax that is paid on time or by any credit
15 that was properly allowable on the date the return was required
16 to be filed, shall be imposed for failure to file the tax
17 return on or before the due date prescribed for filing
18 determined with regard for any extension of time for filing.
19 However, if any return is not filed within 30 days after notice
20 of nonfiling mailed by the Department to the last known address
21 of the taxpayer contained in Department records, an additional
22 penalty amount shall be imposed equal to the greater of \$250 or
23 2% of the tax shown on the return. However, the additional
24 penalty amount may not exceed \$5,000 and is determined without
25 regard to any part of the tax that is paid on time or by any
26 credit that was properly allowable on the date the return was

1 required to be filed (penalty for late filing or nonfiling). If
2 any unprocessable return is corrected and filed within 30 days
3 after notice by the Department, the late filing or nonfiling
4 penalty shall not apply. If a penalty for late filing or
5 nonfiling is imposed in addition to a penalty for late payment,
6 the total penalty due shall be the sum of the late filing
7 penalty and the applicable late payment penalty. In the case of
8 any type of tax return required to be filed more frequently
9 than annually, when the failure to file the tax return on or
10 before the date prescribed for filing (including any
11 extensions) is shown to be nonfraudulent and has not occurred
12 in the 2 years immediately preceding the failure to file on the
13 prescribed due date, the penalty imposed by Section 3-3(a-10)
14 shall be abated.

15 (b) This subsection is applicable before January 1, 1998. A
16 penalty of 15% of the tax shown on the return or the tax
17 required to be shown due on the return shall be imposed for
18 failure to pay:

19 (1) the tax shown due on the return on or before the
20 due date prescribed for payment of that tax, an amount of
21 underpayment of estimated tax, or an amount that is
22 reported in an amended return other than an amended return
23 timely filed as required by subsection (b) of Section 506
24 of the Illinois Income Tax Act (penalty for late payment or
25 nonpayment of admitted liability); or

26 (2) the full amount of any tax required to be shown due

1 on a return and which is not shown (penalty for late
2 payment or nonpayment of additional liability), within 30
3 days after a notice of arithmetic error, notice and demand,
4 or a final assessment is issued by the Department. In the
5 case of a final assessment arising following a protest and
6 hearing, the 30-day period shall not begin until all
7 proceedings in court for review of the final assessment
8 have terminated or the period for obtaining a review has
9 expired without proceedings for a review having been
10 instituted. In the case of a notice of tax liability that
11 becomes a final assessment without a protest and hearing,
12 the penalty provided in this paragraph (2) shall be imposed
13 at the expiration of the period provided for the filing of
14 a protest.

15 (b-5) This subsection is applicable to returns due on and
16 after January 1, 1998 and on or before December 31, 2000. A
17 penalty of 20% of the tax shown on the return or the tax
18 required to be shown due on the return shall be imposed for
19 failure to pay:

20 (1) the tax shown due on the return on or before the
21 due date prescribed for payment of that tax, an amount of
22 underpayment of estimated tax, or an amount that is
23 reported in an amended return other than an amended return
24 timely filed as required by subsection (b) of Section 506
25 of the Illinois Income Tax Act (penalty for late payment or
26 nonpayment of admitted liability); or

1 (2) the full amount of any tax required to be shown due
2 on a return and which is not shown (penalty for late
3 payment or nonpayment of additional liability), within 30
4 days after a notice of arithmetic error, notice and demand,
5 or a final assessment is issued by the Department. In the
6 case of a final assessment arising following a protest and
7 hearing, the 30-day period shall not begin until all
8 proceedings in court for review of the final assessment
9 have terminated or the period for obtaining a review has
10 expired without proceedings for a review having been
11 instituted. In the case of a notice of tax liability that
12 becomes a final assessment without a protest and hearing,
13 the penalty provided in this paragraph (2) shall be imposed
14 at the expiration of the period provided for the filing of
15 a protest.

16 (b-10) This subsection (b-10) is applicable to returns due
17 on and after January 1, 2001 and on or before December 31,
18 2003. A penalty shall be imposed for failure to pay:

19 (1) the tax shown due on a return on or before the due
20 date prescribed for payment of that tax, an amount of
21 underpayment of estimated tax, or an amount that is
22 reported in an amended return other than an amended return
23 timely filed as required by subsection (b) of Section 506
24 of the Illinois Income Tax Act (penalty for late payment or
25 nonpayment of admitted liability). The amount of penalty
26 imposed under this subsection (b-10) (1) shall be 2% of any

1 amount that is paid no later than 30 days after the due
2 date, 5% of any amount that is paid later than 30 days
3 after the due date and not later than 90 days after the due
4 date, 10% of any amount that is paid later than 90 days
5 after the due date and not later than 180 days after the
6 due date, and 15% of any amount that is paid later than 180
7 days after the due date. If notice and demand is made for
8 the payment of any amount of tax due and if the amount due
9 is paid within 30 days after the date of the notice and
10 demand, then the penalty for late payment or nonpayment of
11 admitted liability under this subsection (b-10)(1) on the
12 amount so paid shall not accrue for the period after the
13 date of the notice and demand.

14 (2) the full amount of any tax required to be shown due
15 on a return and that is not shown (penalty for late payment
16 or nonpayment of additional liability), within 30 days
17 after a notice of arithmetic error, notice and demand, or a
18 final assessment is issued by the Department. In the case
19 of a final assessment arising following a protest and
20 hearing, the 30-day period shall not begin until all
21 proceedings in court for review of the final assessment
22 have terminated or the period for obtaining a review has
23 expired without proceedings for a review having been
24 instituted. The amount of penalty imposed under this
25 subsection (b-10)(2) shall be 20% of any amount that is not
26 paid within the 30-day period. In the case of a notice of

1 tax liability that becomes a final assessment without a
2 protest and hearing, the penalty provided in this
3 subsection (b-10)(2) shall be imposed at the expiration of
4 the period provided for the filing of a protest.

5 (b-15) This subsection (b-15) is applicable to returns due
6 on and after January 1, 2004 and on or before December 31,
7 2004. A penalty shall be imposed for failure to pay the tax
8 shown due or required to be shown due on a return on or before
9 the due date prescribed for payment of that tax, an amount of
10 underpayment of estimated tax, or an amount that is reported in
11 an amended return other than an amended return timely filed as
12 required by subsection (b) of Section 506 of the Illinois
13 Income Tax Act (penalty for late payment or nonpayment of
14 admitted liability). The amount of penalty imposed under this
15 subsection (b-15)(1) shall be 2% of any amount that is paid no
16 later than 30 days after the due date, 10% of any amount that
17 is paid later than 30 days after the due date and not later
18 than 90 days after the due date, 15% of any amount that is paid
19 later than 90 days after the due date and not later than 180
20 days after the due date, and 20% of any amount that is paid
21 later than 180 days after the due date. If notice and demand is
22 made for the payment of any amount of tax due and if the amount
23 due is paid within 30 days after the date of this notice and
24 demand, then the penalty for late payment or nonpayment of
25 admitted liability under this subsection (b-15)(1) on the
26 amount so paid shall not accrue for the period after the date

1 of the notice and demand.

2 (b-20) This subsection (b-20) is applicable to returns due
3 on and after January 1, 2005.

4 (1) A penalty shall be imposed for failure to pay,
5 prior to the due date for payment, any amount of tax the
6 payment of which is required to be made prior to the filing
7 of a return or without a return (penalty for late payment
8 or nonpayment of estimated or accelerated tax). The amount
9 of penalty imposed under this paragraph (1) shall be 2% of
10 any amount that is paid no later than 30 days after the due
11 date and 10% of any amount that is paid later than 30 days
12 after the due date.

13 (2) A penalty shall be imposed for failure to pay the
14 tax shown due or required to be shown due on a return on or
15 before the due date prescribed for payment of that tax or
16 an amount that is reported in an amended return other than
17 an amended return timely filed as required by subsection
18 (b) of Section 506 of the Illinois Income Tax Act (penalty
19 for late payment or nonpayment of tax). The amount of
20 penalty imposed under this paragraph (2) shall be 2% of any
21 amount that is paid no later than 30 days after the due
22 date, 10% of any amount that is paid later than 30 days
23 after the due date and prior to the date the Department has
24 initiated an audit or investigation of the taxpayer, and
25 20% of any amount that is paid after the date the
26 Department has initiated an audit or investigation of the

1 taxpayer; provided that the penalty shall be reduced to 15%
2 if the entire amount due is paid not later than 30 days
3 after the Department has provided the taxpayer with an
4 amended return (following completion of an occupation,
5 use, or excise tax audit) or a form for waiver of
6 restrictions on assessment (following completion of an
7 income tax audit); provided further that the reduction to
8 15% shall be rescinded if the taxpayer makes any claim for
9 refund or credit of the tax, penalties, or interest
10 determined to be due upon audit, except in the case of a
11 claim filed pursuant to subsection (b) of Section 506 of
12 the Illinois Income Tax Act or to claim a carryover of a
13 loss or credit, the availability of which was not
14 determined in the audit. For purposes of this paragraph
15 (2), any overpayment reported on an original return that
16 has been allowed as a refund or credit to the taxpayer
17 shall be deemed to have not been paid on or before the due
18 date for payment and any amount paid under protest pursuant
19 to the provisions of the State Officers and Employees Money
20 Disposition Act shall be deemed to have been paid after the
21 Department has initiated an audit and more than 30 days
22 after the Department has provided the taxpayer with an
23 amended return (following completion of an occupation,
24 use, or excise tax audit) or a form for waiver of
25 restrictions on assessment (following completion of an
26 income tax audit).

1 (3) The penalty imposed under this subsection (b-20)
2 shall be deemed assessed at the time the tax upon which the
3 penalty is computed is assessed, except that, if the
4 reduction of the penalty imposed under paragraph (2) of
5 this subsection (b-20) to 15% is rescinded because a claim
6 for refund or credit has been filed, the increase in
7 penalty shall be deemed assessed at the time the claim for
8 refund or credit is filed.

9 (c) For purposes of the late payment penalties, the basis
10 of the penalty shall be the tax shown or required to be shown
11 on a return, whichever is applicable, reduced by any part of
12 the tax which is paid on time and by any credit which was
13 properly allowable on the date the return was required to be
14 filed.

15 (d) A penalty shall be applied to the tax required to be
16 shown even if that amount is less than the tax shown on the
17 return.

18 (e) This subsection (e) is applicable to returns due before
19 January 1, 2001. If both a subsection (b)(1) or (b-5)(1)
20 penalty and a subsection (b)(2) or (b-5)(2) penalty are
21 assessed against the same return, the subsection (b)(2) or
22 (b-5)(2) penalty shall be assessed against only the additional
23 tax found to be due.

24 (e-5) This subsection (e-5) is applicable to returns due on
25 and after January 1, 2001. If both a subsection (b-10)(1)
26 penalty and a subsection (b-10)(2) penalty are assessed against

1 the same return, the subsection (b-10)(2) penalty shall be
2 assessed against only the additional tax found to be due.

3 (f) If the taxpayer has failed to file the return, the
4 Department shall determine the correct tax according to its
5 best judgment and information, which amount shall be prima
6 facie evidence of the correctness of the tax due.

7 (g) The time within which to file a return or pay an amount
8 of tax due without imposition of a penalty does not extend the
9 time within which to file a protest to a notice of tax
10 liability or a notice of deficiency.

11 (h) No return shall be determined to be unprocessable
12 because of the omission of any information requested on the
13 return pursuant to Section 2505-575 of the Department of
14 Revenue Law (20 ILCS 2505/2505-575).

15 (i) If a taxpayer has a tax liability for the taxable
16 period ending after June 30, 1983 and prior to July 1, 2002
17 that is eligible for amnesty under the Tax Delinquency Amnesty
18 Act and the taxpayer fails to satisfy the tax liability during
19 the amnesty period provided for in that Act for that taxable
20 period, then the penalty imposed by the Department under this
21 Section shall be imposed in an amount that is 200% of the
22 amount that would otherwise be imposed under this Section.

23 (j) If a taxpayer has a tax liability for the taxable
24 period ending after June 30, 2002 and prior to the effective
25 date of this amendatory Act of the 96th General Assembly that
26 is eligible for amnesty under the Tax Delinquency Amnesty Act

1 and the taxpayer fails to satisfy the tax liability during the
2 amnesty period provided for in that Act for that taxable
3 period, then the penalty imposed by the Department under this
4 Section shall be imposed in an amount that is 200% of the
5 amount that would otherwise be imposed under this Section.

6 (Source: P.A. 92-742, eff. 7-25-02; 93-26, eff. 6-20-03; 93-32,
7 eff. 6-20-03; 93-1068, eff. 1-15-05.)

8 (35 ILCS 735/3-4) (from Ch. 120, par. 2603-4)

9 Sec. 3-4. Penalty for failure to file correct information
10 returns.

11 (a) Failure to file correct information returns -
12 imposition of penalty.

13 (1) In general. Unless otherwise provided in a tax Act,
14 in the case of a failure described in paragraph (2) of this
15 subsection (a) by any person with respect to an information
16 return, that person shall pay a penalty of \$5 for each
17 return or statement with respect to which the failure
18 occurs, but the total amount imposed on that person for all
19 such failures during any calendar year shall not exceed
20 \$25,000.

21 (2) Failures subject to penalty. The following
22 failures are subject to the penalty imposed in paragraph
23 (1) of this subsection (a):

24 (A) any failure to file an information return with
25 the Department on or before the required filing date,

1 or

2 (B) any failure to include all of the information
3 required to be shown on the return or the inclusion of
4 incorrect information.

5 (b) Reduction where correction in specified period.

6 (1) Correction within 60 days. If any failure described
7 in subsection (a) (2) is corrected within 60 days after the
8 required filing date:

9 (A) the penalty imposed by subsection (a) shall be
10 reduced by 50%; and

11 (B) the total amount imposed on the person for all
12 such failures during any calendar year which are so
13 corrected shall not exceed 50% of the maximum
14 prescribed in subsection (a) (1).

15 (c) Information return defined. An information return is
16 any tax return required by a tax Act to be filed with the
17 Department that does not, by law, require the payment of a tax
18 liability.

19 (d) If a taxpayer has a tax liability for the taxable
20 period ending after June 30, 1983 and prior to July 1, 2002
21 that is eligible for amnesty under the Tax Delinquency Amnesty
22 Act and the taxpayer fails to satisfy the tax liability during
23 the amnesty period provided for in that Act for that taxable
24 period, then the penalty imposed by the Department under this
25 Section shall be imposed in an amount that is 200% of the
26 amount that would otherwise be imposed under this Section.

1 (e) If a taxpayer has a tax liability for the taxable
2 period ending after June 30, 2002 and prior to the effective
3 date of this amendatory Act of the 96th General Assembly that
4 is eligible for amnesty under the Tax Delinquency Amnesty Act
5 and the taxpayer fails to satisfy the tax liability during the
6 amnesty period provided for in that Act for that taxable
7 period, then the penalty imposed by the Department under this
8 Section shall be imposed in an amount that is 200% of the
9 amount that would otherwise be imposed under this Section.

10 (Source: P.A. 93-26, eff. 6-20-03.)

11 (35 ILCS 735/3-5) (from Ch. 120, par. 2603-5)

12 Sec. 3-5. Penalty for negligence.

13 (a) If any return or amended return is prepared
14 negligently, but without intent to defraud, and filed, in
15 addition to any penalty imposed under Section 3-3 of this Act,
16 a penalty shall be imposed in an amount equal to 20% of any
17 resulting deficiency.

18 (b) Negligence includes any failure to make a reasonable
19 attempt to comply with the provisions of any tax Act and
20 includes careless, reckless, or intentional disregard of the
21 law or regulations.

22 (c) No penalty shall be imposed under this Section if it is
23 shown that failure to comply with the tax Act is due to
24 reasonable cause. A taxpayer is not negligent if the taxpayer
25 shows substantial authority to support the return as filed.

1 (d) If a taxpayer has a tax liability for the taxable
2 period ending after June 30, 1983 and prior to July 1, 2002
3 that is eligible for amnesty under the Tax Delinquency Amnesty
4 Act and the taxpayer fails to satisfy the tax liability during
5 the amnesty period provided for in that Act for that taxable
6 period, then the penalty imposed by the Department shall be
7 imposed in an amount that is 200% of the amount that would
8 otherwise be imposed in accordance with this Section.

9 (e) If a taxpayer has a tax liability for the taxable
10 period ending after June 30, 2002 and prior to the effective
11 date of this amendatory Act of the 96th General Assembly that
12 is eligible for amnesty under the Tax Delinquency Amnesty Act
13 and the taxpayer fails to satisfy the tax liability during the
14 amnesty period provided for in that Act for that taxable
15 period, then the penalty imposed by the Department under this
16 Section shall be imposed in an amount that is 200% of the
17 amount that would otherwise be imposed under this Section.

18 (Source: P.A. 93-26, eff. 6-20-03.)

19 (35 ILCS 735/3-6) (from Ch. 120, par. 2603-6)

20 Sec. 3-6. Penalty for fraud.

21 (a) If any return or amended return is filed with intent to
22 defraud, in addition to any penalty imposed under Section 3-3
23 of this Act, a penalty shall be imposed in an amount equal to
24 50% of any resulting deficiency.

25 (b) If any claim is filed with intent to defraud, a penalty

1 shall be imposed in an amount equal to 50% of the amount
2 fraudulently claimed for credit or refund.

3 (c) If a taxpayer has a tax liability for the taxable
4 period ending after June 30, 1983 and prior to July 1, 2002
5 that is eligible for amnesty under the Tax Delinquency Amnesty
6 Act and the taxpayer fails to satisfy the tax liability during
7 the amnesty period provided for in that Act for that taxable
8 period, then the penalty imposed by the Department under this
9 Section shall be imposed in an amount that is 200% of the
10 amount that would otherwise be imposed under this Section.

11 (d) If a taxpayer has a tax liability for the taxable
12 period ending after June 30, 2002 and prior to the effective
13 date of this amendatory Act of the 96th General Assembly that
14 is eligible for amnesty under the Tax Delinquency Amnesty Act
15 and the taxpayer fails to satisfy the tax liability during the
16 amnesty period provided for in that Act for that taxable
17 period, then the penalty imposed by the Department under this
18 Section shall be imposed in an amount that is 200% of the
19 amount that would otherwise be imposed under this Section.

20 (Source: P.A. 93-26, eff. 6-20-03.)

21 (35 ILCS 735/3-7.5)

22 Sec. 3-7.5. Bad check penalty.

23 (a) In addition to any other penalty provided in this Act,
24 a penalty of \$25 shall be imposed on any person who issues a
25 check or other draft to the Department that is not honored upon

1 presentment. The penalty imposed under this Section shall be
2 deemed assessed at the time of presentment of the check or
3 other draft and shall be treated for all purposes, including
4 collection and allocation, as part of the tax or other
5 liability for which the check or other draft represented
6 payment.

7 (b) If a taxpayer has a tax liability for the taxable
8 period ending after June 30, 1983 and prior to July 1, 2002
9 that is eligible for amnesty under the Tax Delinquency Amnesty
10 Act and the taxpayer fails to satisfy the tax liability during
11 the amnesty period provided for in that Act for that taxable
12 period, then the penalty imposed by the Department under this
13 Section shall be imposed in an amount that is 200% of the
14 amount that would otherwise be imposed under this Section.

15 (c) If a taxpayer has a tax liability for the taxable
16 period ending after June 30, 2002 and prior to the effective
17 date of this amendatory Act of the 96th General Assembly that
18 is eligible for amnesty under the Tax Delinquency Amnesty Act
19 and the taxpayer fails to satisfy the tax liability during the
20 amnesty period provided for in that Act for that taxable
21 period, then the penalty imposed by the Department under this
22 Section shall be imposed in an amount that is 200% of the
23 amount that would otherwise be imposed under this Section.

24 (Source: P.A. 93-26, eff. 6-20-03.)

25 Section 15. The Higher Education Student Assistance Act is

1 amended by changing Section 35 as follows:

2 (110 ILCS 947/35)

3 Sec. 35. Monetary award program.

4 (a) The Commission shall, each year, receive and consider
5 applications for grant assistance under this Section. Subject
6 to a separate appropriation for such purposes, an applicant is
7 eligible for a grant under this Section when the Commission
8 finds that the applicant:

9 (1) is a resident of this State and a citizen or
10 permanent resident of the United States; and

11 (2) in the absence of grant assistance, will be
12 deterred by financial considerations from completing an
13 educational program at the qualified institution of his or
14 her choice.

15 (b) The Commission shall award renewals only upon the
16 student's application and upon the Commission's finding that
17 the applicant:

18 (1) has remained a student in good standing;

19 (2) remains a resident of this State; and

20 (3) is in a financial situation that continues to
21 warrant assistance.

22 (c) All grants shall be applicable only to tuition and
23 necessary fee costs. The Commission shall determine the grant
24 amount for each student, which shall not exceed the smallest of
25 the following amounts:

1 (1) subject to appropriation, \$5,468 for fiscal year
2 2009, \$5,968 for fiscal year 2010, and \$6,468 for fiscal
3 year 2011 and each fiscal year thereafter, or such lesser
4 amount as the Commission finds to be available, during an
5 academic year;

6 (2) the amount which equals 2 semesters or 3 quarters
7 tuition and other necessary fees required generally by the
8 institution of all full-time undergraduate students; or

9 (3) such amount as the Commission finds to be
10 appropriate in view of the applicant's financial
11 resources.

12 Subject to appropriation, the maximum grant amount for
13 students not subject to subdivision (1) of this subsection (c)
14 must be increased by the same percentage as any increase made
15 by law to the maximum grant amount under subdivision (1) of
16 this subsection (c).

17 "Tuition and other necessary fees" as used in this Section
18 include the customary charge for instruction and use of
19 facilities in general, and the additional fixed fees charged
20 for specified purposes, which are required generally of
21 nongrant recipients for each academic period for which the
22 grant applicant actually enrolls, but do not include fees
23 payable only once or breakage fees and other contingent
24 deposits which are refundable in whole or in part. The
25 Commission may prescribe, by rule not inconsistent with this
26 Section, detailed provisions concerning the computation of

1 tuition and other necessary fees.

2 (d) No applicant, including those presently receiving
3 scholarship assistance under this Act, is eligible for monetary
4 award program consideration under this Act after receiving a
5 baccalaureate degree or the equivalent of 135 semester credit
6 hours of award payments.

7 (e) The Commission, in determining the number of grants to
8 be offered, shall take into consideration past experience with
9 the rate of grant funds unclaimed by recipients. The Commission
10 shall notify applicants that grant assistance is contingent
11 upon the availability of appropriated funds.

12 (f) The Commission may request appropriations for deposit
13 into the Monetary Award Program Reserve Fund. Monies deposited
14 into the Monetary Award Program Reserve Fund may be expended
15 exclusively for one purpose: to make Monetary Award Program
16 grants to eligible students. Amounts on deposit in the Monetary
17 Award Program Reserve Fund, other than amounts deposited as a
18 result of the tax amnesty program established under Section 10
19 of the Tax Delinquency Amnesty Act, may not exceed 2% of the
20 current annual State appropriation for the Monetary Award
21 Program.

22 The purpose of the Monetary Award Program Reserve Fund is
23 to enable the Commission each year to assure as many students
24 as possible of their eligibility for a Monetary Award Program
25 grant and to do so before commencement of the academic year.
26 Moneys deposited in this Reserve Fund are intended to enhance

1 the Commission's management of the Monetary Award Program,
2 minimizing the necessity, magnitude, and frequency of
3 adjusting award amounts and ensuring that the annual Monetary
4 Award Program appropriation can be fully utilized.

5 (g) The Commission shall determine the eligibility of and
6 make grants to applicants enrolled at qualified for-profit
7 institutions in accordance with the criteria set forth in this
8 Section. The eligibility of applicants enrolled at such
9 for-profit institutions shall be limited as follows:

10 (1) Beginning with the academic year 1997, only to
11 eligible first-time freshmen and first-time transfer
12 students who have attained an associate degree.

13 (2) Beginning with the academic year 1998, only to
14 eligible freshmen students, transfer students who have
15 attained an associate degree, and students who receive a
16 grant under paragraph (1) for the academic year 1997 and
17 whose grants are being renewed for the academic year 1998.

18 (3) Beginning with the academic year 1999, to all
19 eligible students.

20 (Source: P.A. 95-917, eff. 8-26-08.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law."