

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 Department of Revenue Law of the Civil
5 Administrative Code of Illinois is amended by changing Section
6 2505-210 as follows:

7 (20 ILCS 2505/2505-210) (was 20 ILCS 2505/39c-1)

8 Sec. 2505-210. Electronic funds transfer.

9 (a) The Department may provide means by which persons
10 having a tax liability under any Act administered by the
11 Department may use electronic funds transfer to pay the tax
12 liability.

13 (b) Mandatory payment by electronic funds transfer.
14 Beginning on October 1, 2002, and through September 30, 2010, a
15 taxpayer who has an annual tax liability of \$200,000 or more
16 shall make all payments of that tax to the Department by
17 electronic funds transfer. Beginning October 1, 2010, a
18 taxpayer (other than an individual taxpayer) who has an annual
19 tax liability of \$20,000 or more and an individual taxpayer who
20 has an annual tax liability of \$200,000 or more shall make all
21 payments of that tax to the Department by electronic funds
22 transfer. Before August 1 of each year, beginning in 2002, the
23 Department shall notify all taxpayers required to make payments

1 by electronic funds transfer. All taxpayers required to make
2 payments by electronic funds transfer shall make those payments
3 for a minimum of one year beginning on October 1. For purposes
4 of this subsection (b), the term "annual tax liability" means,
5 except as provided in subsections (c) and (d) of this Section,
6 the sum of the taxpayer's liabilities under a tax Act
7 administered by the Department, except the Motor Fuel Tax Law
8 and the Environmental Impact Fee Law, for the immediately
9 preceding calendar year.

10 (c) For purposes of subsection (b), the term "annual tax
11 liability" means, for a taxpayer that incurs a tax liability
12 under the Retailers' Occupation Tax Act, Service Occupation Tax
13 Act, Use Tax Act, Service Use Tax Act, or any other State or
14 local occupation or use tax law that is administered by the
15 Department, the sum of the taxpayer's liabilities under the
16 Retailers' Occupation Tax Act, Service Occupation Tax Act, Use
17 Tax Act, Service Use Tax Act, and all other State and local
18 occupation and use tax laws administered by the Department for
19 the immediately preceding calendar year.

20 (d) For purposes of subsection (b), the term "annual tax
21 liability" means, for a taxpayer that incurs an Illinois income
22 tax liability, the greater of:

23 (1) the amount of the taxpayer's tax liability under
24 Article 7 of the Illinois Income Tax Act for the
25 immediately preceding calendar year; or

26 (2) the taxpayer's estimated tax payment obligation

1 under Article 8 of the Illinois Income Tax Act for the
2 immediately preceding calendar year.

3 (e) The Department shall adopt such rules as are necessary
4 to effectuate a program of electronic funds transfer and the
5 requirements of this Section.

6 (Source: P.A. 91-239, eff. 1-1-00; 92-492, eff. 1-1-02.)

7 Section 10. The Illinois Income Tax Act is amended by
8 changing Section 704A as follows:

9 (35 ILCS 5/704A)

10 Sec. 704A. Employer's return and payment of tax withheld.

11 (a) In general, every employer who deducts and withholds or
12 is required to deduct and withhold tax under this Act on or
13 after January 1, 2008 shall make those payments and returns as
14 provided in this Section.

15 (b) Returns. Every employer shall, in the form and manner
16 required by the Department, make returns with respect to taxes
17 withheld or required to be withheld under this Article 7 (i)
18 for each quarter beginning on or after January 1, 2008, and
19 beginning before January 1, 2011, on or before the last day of
20 the first month following the close of that quarter and (ii)
21 for each calendar year beginning on or after January 1, 2011,
22 on or before January 31 of the following year.

23 (c) Payments. With respect to amounts withheld or required
24 to be withheld on or after January 1, 2008:

1 (1) Semi-weekly payments. For each calendar year, each
2 employer who withheld or was required to withhold more than
3 \$12,000 during the one-year period ending on June 30 of the
4 immediately preceding calendar year, payment must be made:

5 (A) on or before each Friday of the calendar year,
6 for taxes withheld or required to be withheld on the
7 immediately preceding Saturday, Sunday, Monday, or
8 Tuesday;

9 (B) on or before each Wednesday of the calendar
10 year, for taxes withheld or required to be withheld on
11 the immediately preceding Wednesday, Thursday, or
12 Friday.

13 (2) Semi-weekly payments. Any employer who withholds
14 or is required to withhold more than \$12,000 in any quarter
15 of a calendar year is required to make payments on the
16 dates set forth under item (1) of this subsection (c) for
17 each remaining quarter of that calendar year and for the
18 subsequent calendar year.

19 (3) Monthly payments. Each employer, other than an
20 employer described in items (1) or (2) of this subsection,
21 shall pay to the Department, on or before the 15th day of
22 each month the taxes withheld or required to be withheld
23 during the immediately preceding month.

24 (4) Payments with returns. Each employer shall pay to
25 the Department, on or before the due date for each return
26 required to be filed under this Section, any tax withheld

1 or required to be withheld during the period for which the
2 return is due and not previously paid to the Department.

3 (d) Regulatory authority. The Department may, by rule:

4 (1) If the aggregate amounts required to be withheld
5 under this Article 7 (other than amounts required to be
6 withheld under Section 709.5) do not exceed \$1,000 for the
7 calendar year, permit employers, in lieu of the
8 requirements of subsections (b) and (c), to file annual
9 returns due on or before January 31 of the following year
10 for taxes withheld or required to be withheld during that
11 calendar year and to pay the taxes required to be shown on
12 each such return no later than the due date for such
13 return.

14 (2) Provide that any payment required to be made under
15 subsection (c)(1) or (c)(2) is deemed to be timely to the
16 extent paid by electronic funds transfer on or before the
17 due date for deposit of federal income taxes withheld from,
18 or federal employment taxes due with respect to, the wages
19 from which the Illinois taxes were withheld.

20 (3) Designate one or more depositories to which payment
21 of taxes required to be withheld under this Article 7 must
22 be paid by some or all employers.

23 (4) Increase the threshold dollar amounts at which
24 employers are required to make semi-weekly payments under
25 subsection (c)(1) or (c)(2).

26 (e) Annual return and payment. Every employer who deducts

1 and withholds or is required to deduct and withhold tax from a
2 person engaged in domestic service employment, as that term is
3 defined in Section 3510 of the Internal Revenue Code, may
4 comply with the requirements of this Section with respect to
5 such employees by filing an annual return and paying the taxes
6 required to be deducted and withheld on or before the 15th day
7 of the fourth month following the close of the employer's
8 taxable year. The Department may allow the employer's return to
9 be submitted with the employer's individual income tax return
10 or to be submitted with a return due from the employer under
11 Section 1400.2 of the Unemployment Insurance Act.

12 (f) Magnetic media and electronic filing. Any W-2 Form
13 that, under the Internal Revenue Code and regulations
14 promulgated thereunder, is required to be submitted to the
15 Internal Revenue Service on magnetic media or electronically
16 must also be submitted to the Department on magnetic media or
17 electronically for Illinois purposes, if required by the
18 Department.

19 (g) For amounts deducted or withheld after December 31,
20 2009, a taxpayer who makes an election under Section 5-15(f) of
21 the Economic Development for a Growing Economy Act for a
22 taxable year shall be allowed a credit against payments due
23 under this Section for amounts withheld during the first
24 calendar year beginning after the end of that taxable year
25 equal to the amount of the credit awarded to the taxpayer by
26 the Department of Commerce and Economic Opportunity under the

1 Economic Development for a Growing Economy Act for the taxable
2 year. The credit may not reduce the taxpayer's obligation for
3 any payment due under this Section to less than zero. If the
4 amount of the credit exceeds the total payments due under this
5 Section with respect to amounts withheld during the calendar
6 year, the excess may be carried forward and applied against the
7 taxpayer's liability under this Section in the 5 succeeding
8 calendar years. The credit shall be applied to the earliest
9 year for which there is a tax liability. If there are credits
10 from more than one taxable year that are available to offset a
11 liability, the earlier credit shall be applied first. This
12 Section is exempt from the provisions of Section 250 of this
13 Act.

14 (Source: P.A. 95-8, eff. 6-29-07; 95-707, eff. 1-11-08; 96-834,
15 eff. 12-14-09.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.