



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB1355

Introduced 2/9/2011, by Rep. Karen May

SYNOPSIS AS INTRODUCED:

35 ILCS 5/803

from Ch. 120, par. 8-803

820 ILCS 405/1400.2

Amends the Illinois Income Tax Act and the Unemployment Insurance Act. Provides that employers with fewer than 25 employees are exempt from paying estimated taxes and may pay their unemployment insurance contributions and submit their wage and contribution reports on an annual basis (instead of quarterly). Effective immediately.

LRB097 07051 HLH 47144 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 Illinois Income Tax Act is amended by
5 changing Section 803 as follows:

6 (35 ILCS 5/803) (from Ch. 120, par. 8-803)

7 Sec. 803. Payment of Estimated Tax.

8 (a) Every taxpayer other than an estate, trust,
9 partnership, Subchapter S corporation, business employing
10 fewer than 25 employees, or farmer is required to pay estimated
11 tax for the taxable year, in such amount and with such forms as
12 the Department shall prescribe, if the amount payable as
13 estimated tax can reasonably be expected to be more than (i)
14 \$250 for taxable years ending before December 31, 2001 and \$500
15 for taxable years ending on or after December 31, 2001 or (ii)
16 \$400 for corporations.

17 (b) Estimated tax defined. The term "estimated tax" means
18 the excess of:

19 (1) The amount which the taxpayer estimates to be his
20 tax under this Act for the taxable year, over

21 (2) The amount which he estimates to be the sum of any
22 amounts to be withheld on account of or credited against
23 such tax.

1 (c) Joint payment. If they are eligible to do so for
2 federal tax purposes, a husband and wife may pay estimated tax
3 as if they were one taxpayer, in which case the liability with
4 respect to the estimated tax shall be joint and several. If a
5 joint payment is made but the husband and wife elect to
6 determine their taxes under this Act separately, the estimated
7 tax for such year may be treated as the estimated tax of either
8 husband or wife, or may be divided between them, as they may
9 elect.

10 (d) There shall be paid 4 equal installments of estimated
11 tax for each taxable year, payable as follows:

Required Installment:	Due Date:
13 1st	April 15
14 2nd	June 15
15 3rd	September 15
16 4th	Individuals: January 15 of the 17 following taxable year 18 Corporations: December 15

19 (e) Farmers. An individual, having gross income from
20 farming for the taxable year which is at least 2/3 of his total
21 estimated gross income for such year.

22 (f) Application to short taxable years. The application of
23 this section to taxable years of less than 12 months shall be
24 in accordance with regulations prescribed by the Department.

25 (g) Fiscal years. In the application of this section to the
26 case of a taxable year beginning on any date other than January

1 1, there shall be substituted, for the months specified in
2 subsections (d) and (e), the months which correspond thereto.

3 (h) Installments paid in advance. Any installment of
4 estimated tax may be paid before the date prescribed for its
5 payment.

6 The changes in this Section made by this amendatory Act of
7 1985 shall apply to taxable years ending on or after January 1,
8 1986.

9 (Source: P.A. 91-913, eff. 1-1-01.)

10 Section 10. The Unemployment Insurance Act is amended by
11 changing Section 1400.2 as follows:

12 (820 ILCS 405/1400.2)

13 Sec. 1400.2. Annual reporting and paying; household
14 workers. This Section applies to an employer who ~~solely~~ employs
15 fewer than 25 workers ~~one or more household workers~~ with
16 respect to whom the employer files federal unemployment taxes
17 as part of his or her federal income tax return, or could file
18 federal unemployment taxes as part of his or her federal income
19 tax return if the worker or workers were providing services in
20 employment for purposes of the federal unemployment tax. ~~For~~
21 ~~purposes of this Section, "household worker" has the meaning~~
22 ~~ascribed to it for purposes of Section 3510 of the federal~~
23 ~~Internal Revenue Code.~~ If an employer to whom this Section
24 applies notifies the Director, in writing, that he or she

1 wishes to pay his or her contributions for each quarter and
2 submit his or her wage and contribution reports for each
3 quarter on an annual basis, then the due date for filing the
4 reports and paying the contributions shall be April 15 of the
5 calendar year immediately following the close of the quarters
6 to which the reports and contributions apply, except that the
7 Director may, by rule, establish a different due date for good
8 cause.

9 (Source: P.A. 94-723, eff. 1-19-06.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.