



Rep. John E. Bradley

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LRB098 03201 HLH 43310 a

1 AMENDMENT TO HOUSE BILL 378

2 AMENDMENT NO. _____. Amend House Bill 378 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Department of Revenue Law of the Civil
5 Administrative Code of Illinois is amended by changing Section
6 2505-200 as follows:

7 (20 ILCS 2505/2505-200) (was 20 ILCS 2505/39c-1a)

8 Sec. 2505-200. Electronic filing rules.

9 (a) The Department may adopt rules to authorize the
10 electronic filing of any return or document required to be
11 filed under any Act administered by the Department.

12 (b) The Department may adopt rules to require the
13 electronic filing of the income and replacement tax return
14 required to be filed under the Illinois Income Tax Act for a
15 taxable year by any taxpayer (other than an individual) who is
16 required to file its federal income tax return electronically

1 for the taxable year.

2 (c) In the case of an electronically filed return or other
3 document required to be filed with the Department or maintained
4 by any taxpayer, these rules may set forth standards that
5 provide for acceptance of a signature in a form other than in
6 the proper handwriting of the person.

7 (d) The Department may adopt rules to require electronic
8 filing of any return or document that is required to be filed
9 on or after January 1, 2014 (without regard to extensions)
10 under any Act administered by the Department, provided that:

11 (1) no individual taxpayer shall be required to file
12 electronically any return or document required to be filed
13 under the Illinois Income Tax Act except as expressly
14 provided in that Act; and

15 (2) such rules shall require the Department to grant a
16 waiver of the electronic filing requirement for any
17 taxpayer who petitions for a waiver and demonstrates that
18 the taxpayer does not have reasonably convenient ability to
19 comply with the electronic filing requirement. Such
20 waivers shall be for a period not to exceed 2 years, but
21 may be renewed an unlimited number of times for periods not
22 to exceed 2 years each.

23 (Source: P.A. 96-520, eff. 8-14-09.)

24 Section 10. The Uniform Penalty and Interest Act is amended
25 by changing Section 3-8 and by adding Section 3-3.5 as follows:

1 (35 ILCS 735/3-3.5 new)

2 Sec. 3-3.5. Failure to comply with electronic filing and
3 payment requirements.

4 (a) Any person who is required to file electronically any
5 information return or any return due under Section 3-1002 of
6 the Illinois Vehicle Code, and who fails to file the return
7 electronically, shall be subject to a penalty equal to \$50 for
8 each such failure.

9 (b) Any person who is required to file electronically any
10 return (other than an information return) that is required to
11 be filed under the Illinois Income Tax Act, and who fails to
12 file the return electronically, shall be subject to a penalty
13 for each such failure equal to:

14 (1) for each tax return required to be filed under
15 Section 502 of the Illinois Income Tax Act, the greater of
16 \$250 or 5% of the amount of tax liability required to be
17 shown on the return, computed without regard to any
18 payments or credits allowable against the liability; and

19 (2) for each tax return required to be filed under
20 Section 704A or Section 711(a-5) of the Illinois Income Tax
21 Act, the greater of \$250 or 5% of the amount of tax
22 required to be withheld for the period for which the return
23 is required.

24 (c) Any person who is required to file electronically any
25 return (other than information return or return due under

1 Section 3-1002 of the Illinois Vehicle Code) that is required
2 to be filed under any Act administered by the Department (other
3 than the Illinois Income Tax Act), and who fails to file the
4 return electronically, shall be subject to a penalty for each
5 such failure equal to:

6 (1) the amount of any discount allowable under Section
7 9 of the Use Tax Act, Section 9 of the Service Use Tax Act,
8 Section 9 of the Service Occupation Tax Act, or Section 3
9 of the Retailers' Occupation Tax Act with regard to the tax
10 reported on the return, provided that this penalty shall
11 not apply to a taxpayer allowed to file the return
12 annually; plus

13 (2) the greater of \$250 or 5% of the amount of tax
14 liability required to be shown on the return, computed
15 without regard to any payments or credits allowable against
16 the tax.

17 (d) Any person required to make any payment of tax to the
18 Department electronically who fails to do so shall be subject
19 to a penalty for each such failure equal to the lesser of
20 \$1,000 or 5% of the payment required to be made.

21 (e) For purposes of this Section, an information return is
22 any tax return (other than a return under Section 704A of the
23 Illinois Income Tax Act) that is required by any tax Act
24 administered by the Department to be filed with the Department
25 and that does not, by law, require the payment of a tax
26 liability.

1 (f) If, without regard to this subsection (f), a taxpayer
2 would be subject to penalty under both Section 3-4 of this Act
3 and subsection (a) of this Section with respect to the same
4 information return, only the penalty under Section 3-4 of this
5 Act shall apply.

6 If, without regard to this subsection (f), a taxpayer would
7 be subject to both a failure to file penalty in Section 3-3 of
8 this Act and a penalty under either subsection (b) or (c) of
9 this Section, only the failure to file penalty under Section
10 3-3 of this Act shall apply.

11 If, without regard to this subsection (f), a taxpayer would
12 be subject to both a failure to pay penalty under Section 3-3
13 of this Act and a penalty under subsection (d) of this Section,
14 only the failure to pay penalty under Section 3-3 of this Act
15 shall apply.

16 (g) Except as provided in subsection (f) of this Section,
17 the penalties imposed under this Section are in addition to all
18 other penalties, and shall apply to returns and payments due
19 (without regard to extensions) on or after January 1, 2014.

20 (35 ILCS 735/3-8) (from Ch. 120, par. 2603-8)

21 Sec. 3-8. No penalties if reasonable cause exists. The
22 penalties imposed under the provisions of Sections 3-3, 3-3.5,
23 3-4, 3-4.5, 3-5, and 3-7.5 of this Act shall not apply if the
24 taxpayer shows that his failure to file a return or pay tax at
25 the required time was due to reasonable cause. Reasonable cause

1 shall be determined in each situation in accordance with the
2 rules and regulations promulgated by the Department. A taxpayer
3 may protest the imposition of a penalty under Section 3-3,
4 3-3.5, 3-4, 3-4.5, 3-5, or 3-7.5 on the basis of reasonable
5 cause without protesting the underlying tax liability.
6 (Source: P.A. 91-803, eff. 1-1-01.)".