



Sen. Thomas Cullerton

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LRB098 06118 HLH 60382 a

1 AMENDMENT TO HOUSE BILL 961

2 AMENDMENT NO. _____. Amend House Bill 961 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Revenue Sharing Act is amended by
5 changing Section 1 as follows:

6 (30 ILCS 115/1) (from Ch. 85, par. 611)

7 Sec. 1. Local Government Distributive Fund. Through June
8 30, 1994, as soon as may be after the first day of each month
9 the Department of Revenue shall certify to the Treasurer an
10 amount equal to 1/12 of the net revenue realized from the tax
11 imposed by subsections (a) and (b) of Section 201 of the
12 Illinois Income Tax Act during the preceding month. Beginning
13 July 1, 1994, and continuing through June 30, 1995, as soon as
14 may be after the first day of each month, the Department of
15 Revenue shall certify to the Treasurer an amount equal to 1/11
16 of the net revenue realized from the tax imposed by subsections

1 (a) and (b) of Section 201 of the Illinois Income Tax Act
2 during the preceding month. Beginning July 1, 1995, as soon as
3 may be after the first day of each month, the Department of
4 Revenue shall certify to the Treasurer an amount equal to the
5 amounts calculated pursuant to subsection (b) of Section 901 of
6 the Illinois Income Tax Act based on 1/10 of the net revenue
7 realized from the tax imposed by subsections (a) and (b) of
8 Section 201 of the Illinois Income Tax Act during the preceding
9 month. Net revenue realized for a month shall be defined as the
10 revenue from the tax imposed by subsections (a) and (b) of
11 Section 201 of the Illinois Income Tax Act which is deposited
12 in the General Revenue Fund, the Education Assistance Fund and
13 the Income Tax Surcharge Local Government Distributive Fund
14 during the month minus the amount paid out of the General
15 Revenue Fund in State warrants during that same month as
16 refunds to taxpayers for overpayment of liability under the tax
17 imposed by subsections (a) and (b) of Section 201 of the
18 Illinois Income Tax Act. Upon receipt of such certification,
19 the Treasurer shall transfer from the General Revenue Fund to a
20 special fund in the State treasury, to be known as the "Local
21 Government Distributive Fund", the amount shown on such
22 certification.

23 Beginning on the effective date of this amendatory Act of
24 the 98th General Assembly, the Comptroller shall perform the
25 transfers required by this Section no later than 60 days after
26 he or she receives the certification from the Treasurer.

1 All amounts paid into the Local Government Distributive
2 Fund in accordance with this Section and allocated pursuant to
3 this Act are appropriated on a continuing basis.

4 (Source: P.A. 88-89.)

5 Section 10. The Illinois Income Tax Act is amended by
6 changing Section 901 as follows:

7 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

8 Sec. 901. Collection Authority.

9 (a) In general.

10 The Department shall collect the taxes imposed by this Act.
11 The Department shall collect certified past due child support
12 amounts under Section 2505-650 of the Department of Revenue Law
13 (20 ILCS 2505/2505-650). Except as provided in subsections (c),
14 (e), (f), and (g) of this Section, money collected pursuant to
15 subsections (a) and (b) of Section 201 of this Act shall be
16 paid into the General Revenue Fund in the State treasury; money
17 collected pursuant to subsections (c) and (d) of Section 201 of
18 this Act shall be paid into the Personal Property Tax
19 Replacement Fund, a special fund in the State Treasury; and
20 money collected under Section 2505-650 of the Department of
21 Revenue Law (20 ILCS 2505/2505-650) shall be paid into the
22 Child Support Enforcement Trust Fund, a special fund outside
23 the State Treasury, or to the State Disbursement Unit
24 established under Section 10-26 of the Illinois Public Aid

1 Code, as directed by the Department of Healthcare and Family
2 Services.

3 (b) Local Government Distributive Fund.

4 Beginning August 1, 1969, and continuing through June 30,
5 1994, the Treasurer shall transfer each month from the General
6 Revenue Fund to a special fund in the State treasury, to be
7 known as the "Local Government Distributive Fund", an amount
8 equal to 1/12 of the net revenue realized from the tax imposed
9 by subsections (a) and (b) of Section 201 of this Act during
10 the preceding month. Beginning July 1, 1994, and continuing
11 through June 30, 1995, the Treasurer shall transfer each month
12 from the General Revenue Fund to the Local Government
13 Distributive Fund an amount equal to 1/11 of the net revenue
14 realized from the tax imposed by subsections (a) and (b) of
15 Section 201 of this Act during the preceding month. Beginning
16 July 1, 1995 and continuing through January 31, 2011, the
17 Treasurer shall transfer each month from the General Revenue
18 Fund to the Local Government Distributive Fund an amount equal
19 to the net of (i) 1/10 of the net revenue realized from the tax
20 imposed by subsections (a) and (b) of Section 201 of the
21 Illinois Income Tax Act during the preceding month (ii) minus,
22 beginning July 1, 2003 and ending June 30, 2004, \$6,666,666,
23 and beginning July 1, 2004, zero. Beginning February 1, 2011,
24 and continuing through January 31, 2015, the Treasurer shall
25 transfer each month from the General Revenue Fund to the Local
26 Government Distributive Fund an amount equal to the sum of (i)

1 6% (10% of the ratio of the 3% individual income tax rate prior
2 to 2011 to the 5% individual income tax rate after 2010) of the
3 net revenue realized from the tax imposed by subsections (a)
4 and (b) of Section 201 of this Act upon individuals, trusts,
5 and estates during the preceding month and (ii) 6.86% (10% of
6 the ratio of the 4.8% corporate income tax rate prior to 2011
7 to the 7% corporate income tax rate after 2010) of the net
8 revenue realized from the tax imposed by subsections (a) and
9 (b) of Section 201 of this Act upon corporations during the
10 preceding month. Beginning February 1, 2015 and continuing
11 through January 31, 2025, the Treasurer shall transfer each
12 month from the General Revenue Fund to the Local Government
13 Distributive Fund an amount equal to the sum of (i) 8% (10% of
14 the ratio of the 3% individual income tax rate prior to 2011 to
15 the 3.75% individual income tax rate after 2014) of the net
16 revenue realized from the tax imposed by subsections (a) and
17 (b) of Section 201 of this Act upon individuals, trusts, and
18 estates during the preceding month and (ii) 9.14% (10% of the
19 ratio of the 4.8% corporate income tax rate prior to 2011 to
20 the 5.25% corporate income tax rate after 2014) of the net
21 revenue realized from the tax imposed by subsections (a) and
22 (b) of Section 201 of this Act upon corporations during the
23 preceding month. Beginning February 1, 2025, the Treasurer
24 shall transfer each month from the General Revenue Fund to the
25 Local Government Distributive Fund an amount equal to the sum
26 of (i) 9.23% (10% of the ratio of the 3% individual income tax

1 rate prior to 2011 to the 3.25% individual income tax rate
2 after 2024) of the net revenue realized from the tax imposed by
3 subsections (a) and (b) of Section 201 of this Act upon
4 individuals, trusts, and estates during the preceding month and
5 (ii) 10% of the net revenue realized from the tax imposed by
6 subsections (a) and (b) of Section 201 of this Act upon
7 corporations during the preceding month. Net revenue realized
8 for a month shall be defined as the revenue from the tax
9 imposed by subsections (a) and (b) of Section 201 of this Act
10 which is deposited in the General Revenue Fund, the Education
11 Assistance Fund, the Income Tax Surcharge Local Government
12 Distributive Fund, the Fund for the Advancement of Education,
13 and the Commitment to Human Services Fund during the month
14 minus the amount paid out of the General Revenue Fund in State
15 warrants during that same month as refunds to taxpayers for
16 overpayment of liability under the tax imposed by subsections
17 (a) and (b) of Section 201 of this Act.

18 Beginning on the effective date of this amendatory Act of
19 the 98th General Assembly, the Comptroller shall perform the
20 transfers required by this subsection (b) no later than 60 days
21 after he or she receives the certification from the Treasurer
22 as provided in Section 1 of the State Revenue Sharing Act.

23 (c) Deposits Into Income Tax Refund Fund.

24 (1) Beginning on January 1, 1989 and thereafter, the
25 Department shall deposit a percentage of the amounts
26 collected pursuant to subsections (a) and (b)(1), (2), and

1 (3), of Section 201 of this Act into a fund in the State
2 treasury known as the Income Tax Refund Fund. The
3 Department shall deposit 6% of such amounts during the
4 period beginning January 1, 1989 and ending on June 30,
5 1989. Beginning with State fiscal year 1990 and for each
6 fiscal year thereafter, the percentage deposited into the
7 Income Tax Refund Fund during a fiscal year shall be the
8 Annual Percentage. For fiscal years 1999 through 2001, the
9 Annual Percentage shall be 7.1%. For fiscal year 2003, the
10 Annual Percentage shall be 8%. For fiscal year 2004, the
11 Annual Percentage shall be 11.7%. Upon the effective date
12 of this amendatory Act of the 93rd General Assembly, the
13 Annual Percentage shall be 10% for fiscal year 2005. For
14 fiscal year 2006, the Annual Percentage shall be 9.75%. For
15 fiscal year 2007, the Annual Percentage shall be 9.75%. For
16 fiscal year 2008, the Annual Percentage shall be 7.75%. For
17 fiscal year 2009, the Annual Percentage shall be 9.75%. For
18 fiscal year 2010, the Annual Percentage shall be 9.75%. For
19 fiscal year 2011, the Annual Percentage shall be 8.75%. For
20 fiscal year 2012, the Annual Percentage shall be 8.75%. For
21 fiscal year 2013, the Annual Percentage shall be 9.75%. For
22 fiscal year 2014, the Annual Percentage shall be 9.5%. For
23 all other fiscal years, the Annual Percentage shall be
24 calculated as a fraction, the numerator of which shall be
25 the amount of refunds approved for payment by the
26 Department during the preceding fiscal year as a result of

1 overpayment of tax liability under subsections (a) and
2 (b) (1), (2), and (3) of Section 201 of this Act plus the
3 amount of such refunds remaining approved but unpaid at the
4 end of the preceding fiscal year, minus the amounts
5 transferred into the Income Tax Refund Fund from the
6 Tobacco Settlement Recovery Fund, and the denominator of
7 which shall be the amounts which will be collected pursuant
8 to subsections (a) and (b) (1), (2), and (3) of Section 201
9 of this Act during the preceding fiscal year; except that
10 in State fiscal year 2002, the Annual Percentage shall in
11 no event exceed 7.6%. The Director of Revenue shall certify
12 the Annual Percentage to the Comptroller on the last
13 business day of the fiscal year immediately preceding the
14 fiscal year for which it is to be effective.

15 (2) Beginning on January 1, 1989 and thereafter, the
16 Department shall deposit a percentage of the amounts
17 collected pursuant to subsections (a) and (b) (6), (7), and
18 (8), (c) and (d) of Section 201 of this Act into a fund in
19 the State treasury known as the Income Tax Refund Fund. The
20 Department shall deposit 18% of such amounts during the
21 period beginning January 1, 1989 and ending on June 30,
22 1989. Beginning with State fiscal year 1990 and for each
23 fiscal year thereafter, the percentage deposited into the
24 Income Tax Refund Fund during a fiscal year shall be the
25 Annual Percentage. For fiscal years 1999, 2000, and 2001,
26 the Annual Percentage shall be 19%. For fiscal year 2003,

1 the Annual Percentage shall be 27%. For fiscal year 2004,
2 the Annual Percentage shall be 32%. Upon the effective date
3 of this amendatory Act of the 93rd General Assembly, the
4 Annual Percentage shall be 24% for fiscal year 2005. For
5 fiscal year 2006, the Annual Percentage shall be 20%. For
6 fiscal year 2007, the Annual Percentage shall be 17.5%. For
7 fiscal year 2008, the Annual Percentage shall be 15.5%. For
8 fiscal year 2009, the Annual Percentage shall be 17.5%. For
9 fiscal year 2010, the Annual Percentage shall be 17.5%. For
10 fiscal year 2011, the Annual Percentage shall be 17.5%. For
11 fiscal year 2012, the Annual Percentage shall be 17.5%. For
12 fiscal year 2013, the Annual Percentage shall be 14%. For
13 fiscal year 2014, the Annual Percentage shall be 13.4%. For
14 all other fiscal years, the Annual Percentage shall be
15 calculated as a fraction, the numerator of which shall be
16 the amount of refunds approved for payment by the
17 Department during the preceding fiscal year as a result of
18 overpayment of tax liability under subsections (a) and
19 (b) (6), (7), and (8), (c) and (d) of Section 201 of this
20 Act plus the amount of such refunds remaining approved but
21 unpaid at the end of the preceding fiscal year, and the
22 denominator of which shall be the amounts which will be
23 collected pursuant to subsections (a) and (b) (6), (7), and
24 (8), (c) and (d) of Section 201 of this Act during the
25 preceding fiscal year; except that in State fiscal year
26 2002, the Annual Percentage shall in no event exceed 23%.

1 The Director of Revenue shall certify the Annual Percentage
2 to the Comptroller on the last business day of the fiscal
3 year immediately preceding the fiscal year for which it is
4 to be effective.

5 (3) The Comptroller shall order transferred and the
6 Treasurer shall transfer from the Tobacco Settlement
7 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
8 in January, 2001, (ii) \$35,000,000 in January, 2002, and
9 (iii) \$35,000,000 in January, 2003.

10 (d) Expenditures from Income Tax Refund Fund.

11 (1) Beginning January 1, 1989, money in the Income Tax
12 Refund Fund shall be expended exclusively for the purpose
13 of paying refunds resulting from overpayment of tax
14 liability under Section 201 of this Act, for paying rebates
15 under Section 208.1 in the event that the amounts in the
16 Homeowners' Tax Relief Fund are insufficient for that
17 purpose, and for making transfers pursuant to this
18 subsection (d).

19 (2) The Director shall order payment of refunds
20 resulting from overpayment of tax liability under Section
21 201 of this Act from the Income Tax Refund Fund only to the
22 extent that amounts collected pursuant to Section 201 of
23 this Act and transfers pursuant to this subsection (d) and
24 item (3) of subsection (c) have been deposited and retained
25 in the Fund.

26 (3) As soon as possible after the end of each fiscal

1 year, the Director shall order transferred and the State
2 Treasurer and State Comptroller shall transfer from the
3 Income Tax Refund Fund to the Personal Property Tax
4 Replacement Fund an amount, certified by the Director to
5 the Comptroller, equal to the excess of the amount
6 collected pursuant to subsections (c) and (d) of Section
7 201 of this Act deposited into the Income Tax Refund Fund
8 during the fiscal year over the amount of refunds resulting
9 from overpayment of tax liability under subsections (c) and
10 (d) of Section 201 of this Act paid from the Income Tax
11 Refund Fund during the fiscal year.

12 (4) As soon as possible after the end of each fiscal
13 year, the Director shall order transferred and the State
14 Treasurer and State Comptroller shall transfer from the
15 Personal Property Tax Replacement Fund to the Income Tax
16 Refund Fund an amount, certified by the Director to the
17 Comptroller, equal to the excess of the amount of refunds
18 resulting from overpayment of tax liability under
19 subsections (c) and (d) of Section 201 of this Act paid
20 from the Income Tax Refund Fund during the fiscal year over
21 the amount collected pursuant to subsections (c) and (d) of
22 Section 201 of this Act deposited into the Income Tax
23 Refund Fund during the fiscal year.

24 (4.5) As soon as possible after the end of fiscal year
25 1999 and of each fiscal year thereafter, the Director shall
26 order transferred and the State Treasurer and State

1 Comptroller shall transfer from the Income Tax Refund Fund
2 to the General Revenue Fund any surplus remaining in the
3 Income Tax Refund Fund as of the end of such fiscal year;
4 excluding for fiscal years 2000, 2001, and 2002 amounts
5 attributable to transfers under item (3) of subsection (c)
6 less refunds resulting from the earned income tax credit.

7 (5) This Act shall constitute an irrevocable and
8 continuing appropriation from the Income Tax Refund Fund
9 for the purpose of paying refunds upon the order of the
10 Director in accordance with the provisions of this Section.

11 (e) Deposits into the Education Assistance Fund and the
12 Income Tax Surcharge Local Government Distributive Fund.

13 On July 1, 1991, and thereafter, of the amounts collected
14 pursuant to subsections (a) and (b) of Section 201 of this Act,
15 minus deposits into the Income Tax Refund Fund, the Department
16 shall deposit 7.3% into the Education Assistance Fund in the
17 State Treasury. Beginning July 1, 1991, and continuing through
18 January 31, 1993, of the amounts collected pursuant to
19 subsections (a) and (b) of Section 201 of the Illinois Income
20 Tax Act, minus deposits into the Income Tax Refund Fund, the
21 Department shall deposit 3.0% into the Income Tax Surcharge
22 Local Government Distributive Fund in the State Treasury.
23 Beginning February 1, 1993 and continuing through June 30,
24 1993, of the amounts collected pursuant to subsections (a) and
25 (b) of Section 201 of the Illinois Income Tax Act, minus
26 deposits into the Income Tax Refund Fund, the Department shall

1 deposit 4.4% into the Income Tax Surcharge Local Government
2 Distributive Fund in the State Treasury. Beginning July 1,
3 1993, and continuing through June 30, 1994, of the amounts
4 collected under subsections (a) and (b) of Section 201 of this
5 Act, minus deposits into the Income Tax Refund Fund, the
6 Department shall deposit 1.475% into the Income Tax Surcharge
7 Local Government Distributive Fund in the State Treasury.

8 (f) Deposits into the Fund for the Advancement of
9 Education. Beginning February 1, 2015, the Department shall
10 deposit the following portions of the revenue realized from the
11 tax imposed upon individuals, trusts, and estates by
12 subsections (a) and (b) of Section 201 of this Act during the
13 preceding month, minus deposits into the Income Tax Refund
14 Fund, into the Fund for the Advancement of Education:

15 (1) beginning February 1, 2015, and prior to February
16 1, 2025, 1/30; and

17 (2) beginning February 1, 2025, 1/26.

18 If the rate of tax imposed by subsection (a) and (b) of
19 Section 201 is reduced pursuant to Section 201.5 of this Act,
20 the Department shall not make the deposits required by this
21 subsection (f) on or after the effective date of the reduction.

22 (g) Deposits into the Commitment to Human Services Fund.
23 Beginning February 1, 2015, the Department shall deposit the
24 following portions of the revenue realized from the tax imposed
25 upon individuals, trusts, and estates by subsections (a) and
26 (b) of Section 201 of this Act during the preceding month,

1 minus deposits into the Income Tax Refund Fund, into the
2 Commitment to Human Services Fund:

3 (1) beginning February 1, 2015, and prior to February
4 1, 2025, 1/30; and

5 (2) beginning February 1, 2025, 1/26.

6 If the rate of tax imposed by subsection (a) and (b) of
7 Section 201 is reduced pursuant to Section 201.5 of this Act,
8 the Department shall not make the deposits required by this
9 subsection (g) on or after the effective date of the reduction.
10 (Source: P.A. 97-72, eff. 7-1-11; 97-732, eff. 6-30-12; 98-24,
11 eff. 6-19-13.)

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.".