



Rep. Jeanne M Ives

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1 AMENDMENT TO SENATE BILL 1227

2 AMENDMENT NO. _____. Amend Senate Bill 1227, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Income Tax Act is amended by
6 changing Section 704 as follows:

7 (35 ILCS 5/704) (from Ch. 120, par. 7-704)

8 Sec. 704. Employer's Return and Payment of Tax Withheld.

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

13 (b) Quarter Monthly Payments: Returns. Every employer who
14 deducts and withholds or is required to deduct and withhold tax
15 under this Act shall, on or before the third banking day
16 following the close of a quarter monthly period, pay to the

1 Department or to a depository designated by the Department,
2 pursuant to regulations prescribed by the Department, the taxes
3 so required to be deducted and withheld, whenever the aggregate
4 amount withheld by such employer (together with amounts
5 previously withheld and not paid to the Department) exceeds
6 \$1,000. For purposes of this Section, Saturdays, Sundays, legal
7 holidays and local bank holidays are not banking days. A
8 quarter monthly period, for purposes of this subsection, ends
9 on the 7th, 15th, 22nd and last day of each calendar month.
10 Every such employer shall for each calendar quarter, on or
11 before the last day of the first month following the close of
12 such quarter, and for the calendar year, on or before January
13 31 of the succeeding calendar year, make a return with respect
14 to such taxes in such form and manner as the Department may by
15 regulations prescribe, and pay to the Department or to a
16 depository designated by the Department all withheld taxes not
17 previously paid to the Department.

18 (c) Monthly Payments: Returns. Every employer required to
19 deduct and withhold tax under this Act shall, on or before the
20 15th day of the second and third months of each calendar
21 quarter, and on or before the last day of the month following
22 the last month of each such quarter, pay to the Department or
23 to a depository designated by the Department, pursuant to
24 regulations prescribed by the Department, the taxes so required
25 to be deducted and withheld, whenever the aggregate amount
26 withheld by such employer (together with amounts previously

1 withheld and not paid to the Department) exceeds \$500 but does
2 not exceed \$1,000. Every such employer shall for each calendar
3 quarter, on or before the last day of the first month following
4 the close of such quarter, and for the calendar year, on or
5 before January 31 of the succeeding calendar year, make a
6 return with respect to such taxes in such form and manner as
7 the Department may by regulations prescribe, and pay to the
8 Department or to a depository designated by the Department all
9 withheld taxes not previously paid to the Department.

10 (d) Annual Payments: Returns. Where the amount of
11 compensation paid by an employer is not sufficient to require
12 the withholding of tax from the compensation of any of its
13 employees (or where the aggregate amount withheld is less than
14 \$500), the Department may by regulation permit such employer to
15 file only an annual return and to pay the taxes required to be
16 deducted and withheld at the time of filing such annual return.

17 (e) Annual Return. The Department may, as it deems
18 appropriate, prescribe by regulation for the filing of annual
19 returns in lieu of quarterly returns described in subsections
20 (b) and (c).

21 (e-5) Annual Return and Payment. On and after January 1,
22 1998, notwithstanding subsections (b) through (d) of this
23 Section, every employer who deducts and withholds or is
24 required to deduct and withhold tax from a person engaged in
25 domestic service employment, as that term is defined in Section
26 3510 of the Internal Revenue Code, may comply with the

1 requirements of this Section by filing an annual return and
2 paying the taxes required to be deducted and withheld on or
3 before the 15th day of the fourth month following the close of
4 the employer's taxable year. The annual return may be submitted
5 with the employer's individual income tax return.

6 (f) Magnetic Media Filing. Forms W-2 that, pursuant to the
7 Internal Revenue Code and regulations promulgated thereunder,
8 are required to be submitted to the Internal Revenue Service on
9 magnetic media, must also be submitted to the Department on
10 magnetic media for Illinois purposes, if required by the
11 Department.

12 (g) EDGE Credit assistance. Every employer who deducts and
13 withholds or is required to deduct and withhold tax under this
14 Act who retains income tax withholdings under Section 5-16 of
15 the Economic Development for a Growing Economy Tax Credit Act
16 must make a return with respect to those taxes and retained
17 amounts in the form and manner that the Department, by rule,
18 requires and pay to the Department or to a depository
19 designated by the Department those withheld taxes not retained
20 by the taxpayer.

21 (Source: P.A. 95-8, eff. 6-29-07.)

22 Section 10. The Economic Development for a Growing Economy
23 Tax Credit Act is amended by adding Section 5-16 as follows:

24 (35 ILCS 10/5-16 new)

1 Sec. 5-16. Optional retention; income tax withholding.

2 (a) An applicant who has been awarded a Credit under this
3 this Act may, in the applicant's sole discretion, opt to retain
4 taxes withheld under Article 7 of the Illinois Income Tax Act
5 in lieu of an income tax credit. The amount of withheld taxes
6 retained by the applicant in a taxable year may not exceed the
7 amount of the Credit awarded by the Department for that taxable
8 year.

9 (b) Each employee whose taxes were withheld by an employer
10 who retains amounts under this subsection must receive credit
11 for 100% of the taxes withheld from his or her pay.

12 (c) The Department shall file annual reports with the
13 General Assembly and the Governor on or before January 1 each
14 year concerning the applicants' retention of withheld taxes
15 during the previous year and regarding the progress this
16 assistance has made in advancing economic development in
17 Illinois and its various regions.

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.".