



Sen. John M. Sullivan

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LRB098 04083 HLH 44978 a

1 AMENDMENT TO SENATE BILL 2194

2 AMENDMENT NO. _____. Amend Senate Bill 2194, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Department of Revenue Law of the Civil
6 Administrative Code of Illinois is amended by changing Section
7 2505-200 as follows:

8 (20 ILCS 2505/2505-200) (was 20 ILCS 2505/39c-1a)

9 Sec. 2505-200. Electronic filing rules.

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

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

1 required to file its federal income tax return electronically
2 for the taxable year.

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

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

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

16 (2) no individual taxpayer shall be required to file
17 electronically any return or document required to be filed
18 under the Watercraft Use Tax Act, the Aircraft Use Tax Act,
19 Section 3-1002 of the Illinois Vehicle Code, or Section 10
20 of the Use Tax Act; and

21 (3) those rules shall require the Department to grant a
22 waiver of the electronic filing requirement for any
23 taxpayer who demonstrates lack of access to the Internet;
24 those waivers shall be valid for a period not to exceed 2
25 years, but may be renewed an unlimited number of times for
26 periods not to exceed 2 years for each renewal.

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

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

4 (35 ILCS 735/3-3.5 new)

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

7 (a) Any person who is required by the Department to file
8 electronically any information return and who fails to file the
9 return electronically, shall be subject to a penalty equal to
10 \$25 for each such failure.

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

16 (1) until January 1, 2017, for each tax return required
17 to be filed under Section 502 of the Illinois Income Tax
18 Act, the greater of \$100 or 2% of the amount of tax
19 liability required to be shown on the return, computed
20 without regard to any payments or credits allowable against
21 the liability, and, on and after January 1, 2017, for each
22 tax return required to be filed under Section 502 of the
23 Illinois Income Tax Act, the greater of \$200 or 4% of the
24 amount of tax liability required to be shown on the return,

1 computed without regard to any payments or credits
2 allowable against the liability; and

3 (2) until January 1, 2017, for each tax return required
4 to be filed under Section 704A or subsection (a-5) of
5 Section 711 of the Illinois Income Tax Act, the greater of
6 \$100 or 2% of the amount of tax required to be withheld for
7 the period for which the return is required, and, on and
8 after January 1, 2017, \$200 or 4% of the amount of tax
9 required to be withheld for the period for which the return
10 is required.

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

17 (1) the amount of any discount allowable for keeping
18 records, preparing and filing returns, and remitting tax
19 with regard to the tax reported on the return, provided
20 that this penalty shall not apply to a taxpayer allowed to
21 file the return annually; plus

22 (2) until January 1, 2017, the greater of \$100 or 2% of
23 the amount of tax liability required to be shown on the
24 return, computed without regard to any payments or credits
25 allowable against the tax, and on and after January 1,
26 2017, \$200 or 4% of the amount of tax liability required to

1 be shown on the return, computed without regard to any
2 payments or credits allowable against the tax.

3 (d) Any person required to make any payment of tax to the
4 Department electronically under any Act administered by the
5 Department who fails to make the payment electronically shall
6 be subject to a penalty for each such failure equal to the
7 greater of \$30 or 3% of the payment required to be made. This
8 subsection (d) applies only if the amount of tax due is greater
9 than \$1,000.

10 (e) For purposes of this Section, an information return is
11 any tax return (other than a return under Section 704A of the
12 Illinois Income Tax Act) that is required by any tax Act
13 administered by the Department to be filed with the Department
14 and that does not, by law, require the payment of a tax
15 liability.

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

21 If, without regard to this subsection (f), a taxpayer would
22 be subject to both a failure to file penalty in Section 3-3 of
23 this Act and a penalty under either subsection (b) or (c) of
24 this Section, only the failure to file penalty under Section
25 3-3 of this Act shall apply.

26 If, without regard to this subsection (f), a taxpayer would

1 be subject to both a failure to pay penalty under Section 3-3
2 of his Act and a penalty under subsection (d) of this Section,
3 only the failure to pay penalty under Section 3-3 of this Act
4 shall apply.

5 (g) Except as provided in subsection (f) of this Section,
6 the penalties imposed under this Section are in addition to all
7 other penalties, and shall apply to returns and payments due
8 (without regard to extensions) on or after January 1, 2015.

9 (35 ILCS 735/3-8) (from Ch. 120, par. 2603-8)

10 Sec. 3-8. No penalties if reasonable cause exists. The
11 penalties imposed under the provisions of Sections 3-3, 3-3.5,
12 3-4, 3-4.5 3-5, and 3-7.5 of this Act shall not apply if the
13 taxpayer shows that his failure to file a return or pay tax at
14 the required time was due to reasonable cause. Reasonable cause
15 shall be determined in each situation in accordance with the
16 rules and regulations promulgated by the Department. A taxpayer
17 may protest the imposition of a penalty under Section 3-3,
18 3-3.5, 3-4, 3-4.5, 3-5, or 3-7.5 on the basis of reasonable
19 cause without protesting the underlying tax liability.

20 (Source: P.A. 91-803, eff. 1-1-01.)".