



Rep. Christian L. Mitchell

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LRB099 04503 HLH 34475 a

1 AMENDMENT TO HOUSE BILL 670

2 AMENDMENT NO. _____. Amend House Bill 670 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Comprehensive Fund Administration Services Tax Act.

6 Section 5. Definitions. As used in this Act:

7 "Department" means the Department of Revenue.

8 "Comprehensive fund administration services" means and
9 includes:

- 10 (1) fund accounting;
- 11 (2) fund consulting;
- 12 (3) partnership accounting;
- 13 (4) third party transfer agency services;
- 14 (5) management company services;
- 15 (6) trustee and fiduciary services; and
- 16 (7) regulatory and financial reporting services.

1 "Private market fund" means any private equity fund,
2 venture capital fund, hedge fund, real estate fund, or other
3 investment vehicle that is not publicly traded.

4 Section 10. Tax imposed.

5 (a) Beginning on July 1, 2015, a service tax is imposed
6 upon each business that:

7 (1) has a principal place of business located in the
8 State;

9 (2) provides comprehensive fund administration
10 services to private market funds; and

11 (3) has \$10,000,000,000 or more in capital, funds, and
12 assets under management at any time during the reporting
13 period.

14 The tax shall be imposed at the rate of 3% of the fees
15 charged for those services.

16 (b) Every business subject to the tax under subsection (a)
17 shall apply to the Department (upon a form prescribed and
18 furnished by the Department) for a certificate of registration
19 under this Act.

20 (c) The Department shall have full power to administer and
21 enforce this Act, to collect all taxes and penalties due
22 hereunder, to dispose of taxes and penalties so collected in
23 the manner hereinafter provided, and to determine all rights to
24 credit memoranda, arising on account of the erroneous payment
25 of tax or penalty hereunder.

1 (d) The tax imposed under this Act shall be in addition to
2 all other taxes imposed by the State of Illinois or by any
3 municipal corporation or political subdivision thereof.

4 (e) The tax under this Act is not imposed with respect to
5 any business that may not, under the Constitution and statutes
6 of the United States, be made the subject of taxation by this
7 State.

8 Section 15. Returns. On or before the twentieth day of each
9 calendar month, each person who is subject to the tax under
10 this Act during the preceding calendar month shall file a
11 return with the Department, stating:

12 (1) the name of the taxpayer;

13 (2) the address of the taxpayer's principal place of
14 business;

15 (3) the amount of tax due;

16 (4) the signature of the taxpayer; and

17 (5) such other reasonable information as the
18 Department may require.

19 If a taxpayer fails to sign a return within 30 days after
20 the proper notice and demand for signature by the Department,
21 the return shall be considered valid and any amount shown to be
22 due on the return shall be deemed assessed.

23 The taxpayer shall remit the amount of the tax due to the
24 Department at the time the taxpayer files his or her return.

1 Section 20. Suspension or revocation of certificates of
2 registration. The Department may, after notice and a hearing as
3 provided herein, suspend or revoke the certificate of
4 registration of any person who violates any of the provisions
5 of this Act. Before suspension or revocation of a certificate
6 of registration, the Department shall, within 90 days after
7 non-compliance and at least 7 days prior to the date of the
8 hearing, give the person so accused notice in writing of the
9 charge against him or her, and on the date designated shall
10 conduct a hearing upon this matter. The lapse of such 90 day
11 period shall not preclude the Department from conducting
12 suspension or revocation proceedings at a later date if
13 necessary. Any hearing held under this Section shall be
14 conducted by the Director of Revenue or by any officer or
15 employee of the Department designated, in writing, by the
16 Director of Revenue.

17 Upon the hearing of any such proceeding, the Director of
18 Revenue, or any officer or employee of the Department
19 designated, in writing, by the Director of Revenue, may
20 administer oaths and the Department may procure by its subpoena
21 the attendance of witnesses and, by its subpoena duces tecum,
22 the production of relevant books and papers. Any circuit court,
23 upon application either of the accused or of the Department,
24 may, by order duly entered, require the attendance of witnesses
25 and the production of relevant books and papers, before the
26 Department in any hearing relating to the suspension or

1 revocation of certificates of registration. Upon refusal or
2 neglect to obey the order of the court, the court may compel
3 obedience thereof by proceedings for contempt.

4 Section 25. Review of Department decisions. Any person
5 aggrieved by any decision of the Department under this Act may,
6 within 20 days after notice of such decision, protest and
7 request a hearing, whereupon the Department shall give notice
8 to such person of the time and place fixed for such hearing and
9 shall hold a hearing in conformity with the provisions of this
10 Act and then issue its final administrative decision in the
11 matter to such person. In the absence of such a protest within
12 20 days, the Department's decision shall become final without
13 any further determination being made or notice given.

14 Section 30. Distribution of proceeds. The first
15 \$32,000,000 of the proceeds collected under this Act annually
16 shall be deposited into the Textbook Block Grant Fund, a
17 special Fund created in the State treasury. Moneys in the
18 Textbook Block Grant Fund shall be used by the State Board of
19 Education, subject to appropriation, for the purpose of
20 administering the textbook block grant program established
21 under Section 2-3.155 of the School Code. The remainder of the
22 proceeds shall be used for the purpose of increasing General
23 State Aid to school districts.

1 Section 35. Rules. The Department may adopt rules related
2 to the enforcement of this Act.

3 Section 100. The State Finance Act is amended by adding
4 Section 5.866 as follows:

5 (30 ILCS 105/5.866 new)

6 Sec. 5.866. The Textbook Block Grant Fund.

7 Section 999. Effective date. This Act takes effect upon
8 becoming law."