



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3993

by Rep. Christine Winger

SYNOPSIS AS INTRODUCED:

20 ILCS 2505/2505-760 new

Amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Provides that a person or entity in possession of property or rights to property upon which a levy has been made, or any person who is obligated with respect to that property, who surrenders that property, those rights, or those obligations upon demand of the Director of Revenue is discharged from any obligation or liability to the delinquent taxpayer and any other person with respect to that property. Provides that the Department of Revenue may indemnify any financial institution that returns fraudulent funds to the Department based on the bona fide belief that the funds held by the financial institution were deposited as a result of fraud committed against a taxpayer, the Department, or another agency of the State. Effective immediately.

LRB099 11062 HLH 31453 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Department of Revenue Law of the Civil
5 Administrative Code of Illinois is amended by adding Section
6 2505-760 as follows:

7 (20 ILCS 2505/2505-760 new)

8 Sec. 2505-760. Surrender of property; indemnification.

9 (a) Any person or entity in possession of, or obligated
10 with respect to, property or rights to property subject to
11 levy, upon which a levy has been made, who, upon demand by the
12 Director, surrenders such property or rights to property or
13 discharges such obligation to the Director shall, at the
14 Director's discretion, be discharged from any obligation or
15 liability to the delinquent taxpayer and any other person with
16 respect to such property or rights to property arising from
17 such surrender or payment, but not in an amount in excess of
18 the amount of property or rights to property surrendered to the
19 Director.

20 (b) The General Assembly recognizes that financial
21 institutions, as defined by Section 2 of the Illinois Banking
22 Act, are in a unique position to assist with the identification
23 of fraud pertaining to refunds deposited in their accounts. The

1 General Assembly further recognizes that, due to the
2 relationship between financial institutions and their
3 customers, financial institutions are reluctant to turn over
4 funds they have identified as fraudulent without assurances
5 that they will not be held liable in the event that refunds
6 were identified as fraud in error. In order to facilitate the
7 recapture of refunds that have been identified as having been
8 issued as a result of fraud, the Department has the authority,
9 but is not required, to indemnify any financial institution
10 that returns funds to the Department at the request of the
11 Director based on the bona fide belief that the funds held by
12 the financial institution were deposited as a result of fraud
13 committed against another taxpayer, the Department, or another
14 agency of the State of Illinois.

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.