



Sen. Mattie Hunter

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1 AMENDMENT TO SENATE BILL 512

2 AMENDMENT NO. _____. Amend Senate Bill 512 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The 21st Century Workforce Development Fund Act
5 is amended by changing Section 15 as follows:

6 (30 ILCS 787/15)

7 Sec. 15. Use of Fund.

8 (a) Role of Fund. Subject to appropriation, resources from
9 the Fund are intended to be used flexibly to support innovative
10 and locally-driven strategies, to leverage other funding
11 sources, and to fill gaps in existing workforce development
12 resources in Illinois. They are not intended to supplant
13 existing workforce development resources.

14 (b) Distribution of funds. Funds shall be distributed
15 through competitive grantmaking processes administered by the
16 Department and overseen by the Advisory Committee. No more than

1 6% of funds used for grants may be retained by the Department
2 for administrative costs or for program evaluation or technical
3 assistance activities.

4 (c) Grantmaking. The Department must administer funds
5 through competitive grantmaking in accordance with the
6 priorities described in this Act. Grantmaking must be used to
7 support workforce development strategies consistent with the
8 priorities outlined in this Act. Strategies may include, but
9 are not limited to the following:

10 (i) Expanded grantmaking for existing State workforce
11 development strategies, including the Job Training and
12 Economic Development Program and programs designed to
13 increase the number of persons traditionally
14 underrepresented in the building trades, specifically
15 minorities and women.

16 (ii) Workforce development initiatives that help the
17 least skilled adults access employment and education
18 opportunities, including transitional jobs programs and
19 educational bridge programming that integrate basic
20 education and occupational skills training.

21 (iii) Sectoral strategies that develop
22 industry-specific workforce education and training
23 services that lead to existing or expected jobs with
24 identified employers and that include services to ensure
25 that low-income, low-skilled adults can be served.

26 (iv) Support for the development and implementation of

1 workforce education and training programs in the energy
2 efficiency, renewable energy, and pollution control
3 cleanup and prevention industries.

4 (v) Support for planning activities that: ensure that
5 workforce development and education needs of low-skilled
6 adults are integrated into industry-specific career
7 pathways; analyze labor market data to track workforce
8 trends in the State's energy-related initiatives; or
9 increase the capacity of communities to provide workforce
10 services to low-income, low-skilled adults.

11 (d) Allowable expenditures. Grant funds are limited to
12 expenditures for the following:

13 (i) Basic skills training, adult education,
14 occupational training, job readiness training, and
15 soft-skills training for which financial aid is otherwise
16 not available.

17 (ii) Workforce development-related services including
18 mentoring, job development, support services,
19 transportation assistance, and wage subsidies, that are
20 tied to participation in training and employment.

21 (iii) Capacity building, program development, and
22 technical assistance activities necessary for the
23 development and implementation of new workforce education
24 and training strategies.

25 No more than 5% of any grant may be used for administrative
26 costs.

1 (e) Eligible applicants. For grants under this Section,
2 eligible applicants include the following:

3 (i) Any private, public, and non-profit entities that
4 provide education, training, and workforce development
5 services to low-income individuals.

6 (ii) Educational institutions.

7 (iii) Labor and business associations.

8 (f) No chargebacks. Notwithstanding any other provision of
9 law, the 21st Century Workforce Development Fund is not subject
10 to sweeps, administrative charges or chargebacks, or any other
11 fiscal or budgetary maneuver that would in any way transfer any
12 funds from the 21st Century Workforce Development Fund into any
13 other fund of the State.

14 (Source: P.A. 96-771, eff. 8-28-09; 97-581, eff. 8-26-11.)

15 Section 10. The Illinois Income Tax Act is amended by
16 changing Sections 901 and 1501 as follows:

17 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

18 Sec. 901. Collection authority.

19 (a) In general.

20 The Department shall collect the taxes imposed by this Act.
21 The Department shall collect certified past due child support
22 amounts under Section 2505-650 of the Department of Revenue Law
23 (20 ILCS 2505/2505-650). Except as provided in subsections (c),
24 (e), (f), (g), ~~and~~ (h), and (i) of this Section, money

1 collected pursuant to subsections (a) and (b) of Section 201 of
2 this Act shall be paid into the General Revenue Fund in the
3 State treasury; money collected pursuant to subsections (c) and
4 (d) of Section 201 of this Act shall be paid into the Personal
5 Property Tax Replacement Fund, a special fund in the State
6 Treasury; and money collected under Section 2505-650 of the
7 Department of Revenue Law (20 ILCS 2505/2505-650) shall be paid
8 into the Child Support Enforcement Trust Fund, a special fund
9 outside the State Treasury, or to the State Disbursement Unit
10 established under Section 10-26 of the Illinois Public Aid
11 Code, as directed by the Department of Healthcare and Family
12 Services.

13 (b) Local Government Distributive Fund.

14 Beginning August 1, 1969, and continuing through June 30,
15 1994, the Treasurer shall transfer each month from the General
16 Revenue Fund to a special fund in the State treasury, to be
17 known as the "Local Government Distributive Fund", an amount
18 equal to 1/12 of the net revenue realized from the tax imposed
19 by subsections (a) and (b) of Section 201 of this Act during
20 the preceding month. Beginning July 1, 1994, and continuing
21 through June 30, 1995, the Treasurer shall transfer each month
22 from the General Revenue Fund to the Local Government
23 Distributive Fund an amount equal to 1/11 of the net revenue
24 realized from the tax imposed by subsections (a) and (b) of
25 Section 201 of this Act during the preceding month. Beginning
26 July 1, 1995 and continuing through January 31, 2011, the

1 Treasurer shall transfer each month from the General Revenue
2 Fund to the Local Government Distributive Fund an amount equal
3 to the net of (i) 1/10 of the net revenue realized from the tax
4 imposed by subsections (a) and (b) of Section 201 of the
5 Illinois Income Tax Act during the preceding month (ii) minus,
6 beginning July 1, 2003 and ending June 30, 2004, \$6,666,666,
7 and beginning July 1, 2004, zero. Beginning February 1, 2011,
8 and continuing through January 31, 2015, the Treasurer shall
9 transfer each month from the General Revenue Fund to the Local
10 Government Distributive Fund an amount equal to the sum of (i)
11 6% (10% of the ratio of the 3% individual income tax rate prior
12 to 2011 to the 5% individual income tax rate after 2010) of the
13 net revenue realized from the tax imposed by subsections (a)
14 and (b) of Section 201 of this Act upon individuals, trusts,
15 and estates during the preceding month and (ii) 6.86% (10% of
16 the ratio of the 4.8% corporate income tax rate prior to 2011
17 to the 7% corporate income tax rate after 2010) of the net
18 revenue realized from the tax imposed by subsections (a) and
19 (b) of Section 201 of this Act upon corporations during the
20 preceding month. Beginning February 1, 2015 and continuing
21 through January 31, 2025, the Treasurer shall transfer each
22 month from the General Revenue Fund to the Local Government
23 Distributive Fund an amount equal to the sum of (i) 8% (10% of
24 the ratio of the 3% individual income tax rate prior to 2011 to
25 the 3.75% individual income tax rate after 2014) of the net
26 revenue realized from the tax imposed by subsections (a) and

1 (b) of Section 201 of this Act upon individuals, trusts, and
2 estates during the preceding month and (ii) 9.14% (10% of the
3 ratio of the 4.8% corporate income tax rate prior to 2011 to
4 the 5.25% corporate income tax rate after 2014) of the net
5 revenue realized from the tax imposed by subsections (a) and
6 (b) of Section 201 of this Act upon corporations during the
7 preceding month. Beginning February 1, 2025, the Treasurer
8 shall transfer each month from the General Revenue Fund to the
9 Local Government Distributive Fund an amount equal to the sum
10 of (i) 9.23% (10% of the ratio of the 3% individual income tax
11 rate prior to 2011 to the 3.25% individual income tax rate
12 after 2024) of the net revenue realized from the tax imposed by
13 subsections (a) and (b) of Section 201 of this Act upon
14 individuals, trusts, and estates during the preceding month and
15 (ii) 10% of the net revenue realized from the tax imposed by
16 subsections (a) and (b) of Section 201 of this Act upon
17 corporations during the preceding month. Net revenue realized
18 for a month shall be defined as the revenue from the tax
19 imposed by subsections (a) and (b) of Section 201 of this Act
20 which is deposited in the General Revenue Fund, the Education
21 Assistance Fund, the Income Tax Surcharge Local Government
22 Distributive Fund, the Fund for the Advancement of Education,
23 and the Commitment to Human Services Fund during the month
24 minus the amount paid out of the General Revenue Fund in State
25 warrants during that same month as refunds to taxpayers for
26 overpayment of liability under the tax imposed by subsections

1 (a) and (b) of Section 201 of this Act.

2 Beginning on August 26, 2014 (the effective date of Public
3 Act 98-1052), the Comptroller shall perform the transfers
4 required by this subsection (b) no later than 60 days after he
5 or she receives the certification from the Treasurer as
6 provided in Section 1 of the State Revenue Sharing Act.

7 (c) Deposits Into Income Tax Refund Fund.

8 (1) Beginning on January 1, 1989 and thereafter, the
9 Department shall deposit a percentage of the amounts
10 collected pursuant to subsections (a) and (b)(1), (2), and
11 (3), of Section 201 of this Act into a fund in the State
12 treasury known as the Income Tax Refund Fund. The
13 Department shall deposit 6% of such amounts during the
14 period beginning January 1, 1989 and ending on June 30,
15 1989. Beginning with State fiscal year 1990 and for each
16 fiscal year thereafter, the percentage deposited into the
17 Income Tax Refund Fund during a fiscal year shall be the
18 Annual Percentage. For fiscal years 1999 through 2001, the
19 Annual Percentage shall be 7.1%. For fiscal year 2003, the
20 Annual Percentage shall be 8%. For fiscal year 2004, the
21 Annual Percentage shall be 11.7%. Upon the effective date
22 of this amendatory Act of the 93rd General Assembly, the
23 Annual Percentage shall be 10% for fiscal year 2005. For
24 fiscal year 2006, the Annual Percentage shall be 9.75%. For
25 fiscal year 2007, the Annual Percentage shall be 9.75%. For
26 fiscal year 2008, the Annual Percentage shall be 7.75%. For

1 fiscal year 2009, the Annual Percentage shall be 9.75%. For
2 fiscal year 2010, the Annual Percentage shall be 9.75%. For
3 fiscal year 2011, the Annual Percentage shall be 8.75%. For
4 fiscal year 2012, the Annual Percentage shall be 8.75%. For
5 fiscal year 2013, the Annual Percentage shall be 9.75%. For
6 fiscal year 2014, the Annual Percentage shall be 9.5%. For
7 fiscal year 2015, the Annual Percentage shall be 10%. For
8 all other fiscal years, the Annual Percentage shall be
9 calculated as a fraction, the numerator of which shall be
10 the amount of refunds approved for payment by the
11 Department during the preceding fiscal year as a result of
12 overpayment of tax liability under subsections (a) and
13 (b) (1), (2), and (3) of Section 201 of this Act plus the
14 amount of such refunds remaining approved but unpaid at the
15 end of the preceding fiscal year, minus the amounts
16 transferred into the Income Tax Refund Fund from the
17 Tobacco Settlement Recovery Fund, and the denominator of
18 which shall be the amounts which will be collected pursuant
19 to subsections (a) and (b) (1), (2), and (3) of Section 201
20 of this Act during the preceding fiscal year; except that
21 in State fiscal year 2002, the Annual Percentage shall in
22 no event exceed 7.6%. The Director of Revenue shall certify
23 the Annual Percentage to the Comptroller on the last
24 business day of the fiscal year immediately preceding the
25 fiscal year for which it is to be effective.

26 (2) Beginning on January 1, 1989 and thereafter, the

1 Department shall deposit a percentage of the amounts
2 collected pursuant to subsections (a) and (b) (6), (7), and
3 (8), (c) and (d) of Section 201 of this Act into a fund in
4 the State treasury known as the Income Tax Refund Fund. The
5 Department shall deposit 18% of such amounts during the
6 period beginning January 1, 1989 and ending on June 30,
7 1989. Beginning with State fiscal year 1990 and for each
8 fiscal year thereafter, the percentage deposited into the
9 Income Tax Refund Fund during a fiscal year shall be the
10 Annual Percentage. For fiscal years 1999, 2000, and 2001,
11 the Annual Percentage shall be 19%. For fiscal year 2003,
12 the Annual Percentage shall be 27%. For fiscal year 2004,
13 the Annual Percentage shall be 32%. Upon the effective date
14 of this amendatory Act of the 93rd General Assembly, the
15 Annual Percentage shall be 24% for fiscal year 2005. For
16 fiscal year 2006, the Annual Percentage shall be 20%. For
17 fiscal year 2007, the Annual Percentage shall be 17.5%. For
18 fiscal year 2008, the Annual Percentage shall be 15.5%. For
19 fiscal year 2009, the Annual Percentage shall be 17.5%. For
20 fiscal year 2010, the Annual Percentage shall be 17.5%. For
21 fiscal year 2011, the Annual Percentage shall be 17.5%. For
22 fiscal year 2012, the Annual Percentage shall be 17.5%. For
23 fiscal year 2013, the Annual Percentage shall be 14%. For
24 fiscal year 2014, the Annual Percentage shall be 13.4%. For
25 fiscal year 2015, the Annual Percentage shall be 14%. For
26 all other fiscal years, the Annual Percentage shall be

1 calculated as a fraction, the numerator of which shall be
2 the amount of refunds approved for payment by the
3 Department during the preceding fiscal year as a result of
4 overpayment of tax liability under subsections (a) and
5 (b) (6), (7), and (8), (c) and (d) of Section 201 of this
6 Act plus the amount of such refunds remaining approved but
7 unpaid at the end of the preceding fiscal year, and the
8 denominator of which shall be the amounts which will be
9 collected pursuant to subsections (a) and (b) (6), (7), and
10 (8), (c) and (d) of Section 201 of this Act during the
11 preceding fiscal year; except that in State fiscal year
12 2002, the Annual Percentage shall in no event exceed 23%.
13 The Director of Revenue shall certify the Annual Percentage
14 to the Comptroller on the last business day of the fiscal
15 year immediately preceding the fiscal year for which it is
16 to be effective.

17 (3) The Comptroller shall order transferred and the
18 Treasurer shall transfer from the Tobacco Settlement
19 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
20 in January, 2001, (ii) \$35,000,000 in January, 2002, and
21 (iii) \$35,000,000 in January, 2003.

22 (d) Expenditures from Income Tax Refund Fund.

23 (1) Beginning January 1, 1989, money in the Income Tax
24 Refund Fund shall be expended exclusively for the purpose
25 of paying refunds resulting from overpayment of tax
26 liability under Section 201 of this Act, for paying rebates

1 under Section 208.1 in the event that the amounts in the
2 Homeowners' Tax Relief Fund are insufficient for that
3 purpose, and for making transfers pursuant to this
4 subsection (d).

5 (2) The Director shall order payment of refunds
6 resulting from overpayment of tax liability under Section
7 201 of this Act from the Income Tax Refund Fund only to the
8 extent that amounts collected pursuant to Section 201 of
9 this Act and transfers pursuant to this subsection (d) and
10 item (3) of subsection (c) have been deposited and retained
11 in the Fund.

12 (3) 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 Income Tax Refund Fund to the Personal Property Tax
16 Replacement Fund an amount, certified by the Director to
17 the Comptroller, equal to the excess of the amount
18 collected pursuant to subsections (c) and (d) of Section
19 201 of this Act deposited into the Income Tax Refund Fund
20 during the fiscal year over the amount of refunds resulting
21 from overpayment of tax liability under subsections (c) and
22 (d) of Section 201 of this Act paid from the Income Tax
23 Refund Fund during the fiscal year.

24 (4) As soon as possible after the end of each fiscal
25 year, the Director shall order transferred and the State
26 Treasurer and State Comptroller shall transfer from the

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

10 (4.5) As soon as possible after the end of fiscal year
11 1999 and of each fiscal year thereafter, the Director shall
12 order transferred and the State Treasurer and State
13 Comptroller shall transfer from the Income Tax Refund Fund
14 to the General Revenue Fund any surplus remaining in the
15 Income Tax Refund Fund as of the end of such fiscal year;
16 excluding for fiscal years 2000, 2001, and 2002 amounts
17 attributable to transfers under item (3) of subsection (c)
18 less refunds resulting from the earned income tax credit.

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

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

25 On July 1, 1991, and thereafter, of the amounts collected
26 pursuant to subsections (a) and (b) of Section 201 of this Act,

1 minus deposits into the Income Tax Refund Fund, the Department
2 shall deposit 7.3% into the Education Assistance Fund in the
3 State Treasury. Beginning July 1, 1991, and continuing through
4 January 31, 1993, of the amounts collected pursuant to
5 subsections (a) and (b) of Section 201 of the Illinois Income
6 Tax Act, minus deposits into the Income Tax Refund Fund, the
7 Department shall deposit 3.0% into the Income Tax Surcharge
8 Local Government Distributive Fund in the State Treasury.
9 Beginning February 1, 1993 and continuing through June 30,
10 1993, of the amounts collected pursuant to subsections (a) and
11 (b) of Section 201 of the Illinois Income Tax Act, minus
12 deposits into the Income Tax Refund Fund, the Department shall
13 deposit 4.4% into the Income Tax Surcharge Local Government
14 Distributive Fund in the State Treasury. Beginning July 1,
15 1993, and continuing through June 30, 1994, of the amounts
16 collected under subsections (a) and (b) of Section 201 of this
17 Act, minus deposits into the Income Tax Refund Fund, the
18 Department shall deposit 1.475% into the Income Tax Surcharge
19 Local Government Distributive Fund in the State Treasury.

20 (f) Deposits into the Fund for the Advancement of
21 Education. Beginning February 1, 2015, the Department shall
22 deposit the following portions of the revenue realized from the
23 tax imposed upon individuals, trusts, and estates by
24 subsections (a) and (b) of Section 201 of this Act during the
25 preceding month, minus deposits into the Income Tax Refund
26 Fund, into the Fund for the Advancement of Education:

1 (1) beginning February 1, 2015, and prior to February
2 1, 2025, 1/30; and

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

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

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

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 (g) on or after the effective date of the reduction.

22 (h) Deposits into the Tax Compliance and Administration
23 Fund. Beginning on the first day of the first calendar month to
24 occur on or after August 26, 2014 (the effective date of Public
25 Act 98-1098), each month the Department shall pay into the Tax
26 Compliance and Administration Fund, to be used, subject to

1 appropriation, to fund additional auditors and compliance
2 personnel at the Department, an amount equal to 1/12 of 5% of
3 the cash receipts collected during the preceding fiscal year by
4 the Audit Bureau of the Department from the tax imposed by
5 subsections (a), (b), (c), and (d) of Section 201 of this Act,
6 net of deposits into the Income Tax Refund Fund made from those
7 cash receipts.

8 (i) Deposits into the 21st Century Workforce Development
9 Fund. On and after the effective date of this amendatory Act of
10 the 99th General Assembly, the Department shall deposit into
11 the 21st Century Workforce Development Fund each month an
12 amount equal to all of the revenue realized from the tax
13 imposed by subsections (a) and (b) of Section 201 of this Act
14 during the preceding month, net of any deposits into the Income
15 tax Refund Fund, that is attributable to the changes made to
16 Section 1501 of this Act by this amendatory Act of the 99th
17 General Assembly.

18 (Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14;
19 98-1052, eff. 8-26-14; 98-1098, eff. 8-26-14; 99-78, eff.
20 7-20-15.)

21 (35 ILCS 5/1501) (from Ch. 120, par. 15-1501)

22 Sec. 1501. Definitions.

23 (a) In general. When used in this Act, where not otherwise
24 distinctly expressed or manifestly incompatible with the
25 intent thereof:

1 (1) Business income. The term "business income" means
2 all income that may be treated as apportionable business
3 income under the Constitution of the United States.
4 Business income is net of the deductions allocable thereto.
5 Such term does not include compensation or the deductions
6 allocable thereto. For each taxable year beginning on or
7 after January 1, 2003, a taxpayer may elect to treat all
8 income other than compensation as business income. This
9 election shall be made in accordance with rules adopted by
10 the Department and, once made, shall be irrevocable.

11 (1.5) Captive real estate investment trust:

12 (A) The term "captive real estate investment
13 trust" means a corporation, trust, or association:

14 (i) that is considered a real estate
15 investment trust for the taxable year under
16 Section 856 of the Internal Revenue Code;

17 (ii) the certificates of beneficial interest
18 or shares of which are not regularly traded on an
19 established securities market; and

20 (iii) of which more than 50% of the voting
21 power or value of the beneficial interest or
22 shares, at any time during the last half of the
23 taxable year, is owned or controlled, directly,
24 indirectly, or constructively, by a single
25 corporation.

26 (B) The term "captive real estate investment

1 trust" does not include:

2 (i) a real estate investment trust of which
3 more than 50% of the voting power or value of the
4 beneficial interest or shares is owned or
5 controlled, directly, indirectly, or
6 constructively, by:

7 (a) a real estate investment trust, other
8 than a captive real estate investment trust;

9 (b) a person who is exempt from taxation
10 under Section 501 of the Internal Revenue Code,
11 and who is not required to treat income
12 received from the real estate investment trust
13 as unrelated business taxable income under
14 Section 512 of the Internal Revenue Code;

15 (c) a listed Australian property trust, if
16 no more than 50% of the voting power or value
17 of the beneficial interest or shares of that
18 trust, at any time during the last half of the
19 taxable year, is owned or controlled, directly
20 or indirectly, by a single person;

21 (d) an entity organized as a trust,
22 provided a listed Australian property trust
23 described in subparagraph (c) owns or
24 controls, directly or indirectly, or
25 constructively, 75% or more of the voting power
26 or value of the beneficial interests or shares

1 of such entity; or

2 (e) an entity that is organized outside of
3 the laws of the United States and that
4 satisfies all of the following criteria:

5 (1) at least 75% of the entity's total
6 asset value at the close of its taxable
7 year is represented by real estate assets
8 (as defined in Section 856(c)(5)(B) of the
9 Internal Revenue Code, thereby including
10 shares or certificates of beneficial
11 interest in any real estate investment
12 trust), cash and cash equivalents, and
13 U.S. Government securities;

14 (2) the entity is not subject to tax on
15 amounts that are distributed to its
16 beneficial owners or is exempt from
17 entity-level taxation;

18 (3) the entity distributes at least
19 85% of its taxable income (as computed in
20 the jurisdiction in which it is organized)
21 to the holders of its shares or
22 certificates of beneficial interest on an
23 annual basis;

24 (4) either (i) the shares or
25 beneficial interests of the entity are
26 regularly traded on an established

1 securities market or (ii) not more than 10%
2 of the voting power or value in the entity
3 is held, directly, indirectly, or
4 constructively, by a single entity or
5 individual; and

6 (5) the entity is organized in a
7 country that has entered into a tax treaty
8 with the United States; or

9 (ii) during its first taxable year for which it
10 elects to be treated as a real estate investment
11 trust under Section 856(c)(1) of the Internal
12 Revenue Code, a real estate investment trust the
13 certificates of beneficial interest or shares of
14 which are not regularly traded on an established
15 securities market, but only if the certificates of
16 beneficial interest or shares of the real estate
17 investment trust are regularly traded on an
18 established securities market prior to the earlier
19 of the due date (including extensions) for filing
20 its return under this Act for that first taxable
21 year or the date it actually files that return.

22 (C) For the purposes of this subsection (1.5), the
23 constructive ownership rules prescribed under Section
24 318(a) of the Internal Revenue Code, as modified by
25 Section 856(d)(5) of the Internal Revenue Code, apply
26 in determining the ownership of stock, assets, or net

1 profits of any person.

2 (D) For the purposes of this item (1.5), for
3 taxable years ending on or after August 16, 2007, the
4 voting power or value of the beneficial interest or
5 shares of a real estate investment trust does not
6 include any voting power or value of beneficial
7 interest or shares in a real estate investment trust
8 held directly or indirectly in a segregated asset
9 account by a life insurance company (as described in
10 Section 817 of the Internal Revenue Code) to the extent
11 such voting power or value is for the benefit of
12 entities or persons who are either immune from taxation
13 or exempt from taxation under subtitle A of the
14 Internal Revenue Code.

15 (2) Commercial domicile. The term "commercial
16 domicile" means the principal place from which the trade or
17 business of the taxpayer is directed or managed.

18 (3) Compensation. The term "compensation" means wages,
19 salaries, commissions and any other form of remuneration
20 paid to employees for personal services.

21 (4) Corporation. The term "corporation" includes
22 associations, joint-stock companies, insurance companies
23 and cooperatives. Any entity, including a limited
24 liability company formed under the Illinois Limited
25 Liability Company Act, shall be treated as a corporation if
26 it is so classified for federal income tax purposes.

1 (5) Department. The term "Department" means the
2 Department of Revenue of this State.

3 (6) Director. The term "Director" means the Director of
4 Revenue of this State.

5 (7) Fiduciary. The term "fiduciary" means a guardian,
6 trustee, executor, administrator, receiver, or any person
7 acting in any fiduciary capacity for any person.

8 (8) Financial organization.

9 (A) The term "financial organization" means any
10 bank, bank holding company, trust company, savings
11 bank, industrial bank, land bank, safe deposit
12 company, private banker, savings and loan association,
13 building and loan association, credit union, currency
14 exchange, cooperative bank, small loan company, sales
15 finance company, investment company, or any person
16 which is owned by a bank or bank holding company. For
17 the purpose of this Section a "person" will include
18 only those persons which a bank holding company may
19 acquire and hold an interest in, directly or
20 indirectly, under the provisions of the Bank Holding
21 Company Act of 1956 (12 U.S.C. 1841, et seq.), except
22 where interests in any person must be disposed of
23 within certain required time limits under the Bank
24 Holding Company Act of 1956.

25 (B) For purposes of subparagraph (A) of this
26 paragraph, the term "bank" includes (i) any entity that

1 is regulated by the Comptroller of the Currency under
2 the National Bank Act, or by the Federal Reserve Board,
3 or by the Federal Deposit Insurance Corporation and
4 (ii) any federally or State chartered bank operating as
5 a credit card bank.

6 (C) For purposes of subparagraph (A) of this
7 paragraph, the term "sales finance company" has the
8 meaning provided in the following item (i) or (ii):

9 (i) A person primarily engaged in one or more
10 of the following businesses: the business of
11 purchasing customer receivables, the business of
12 making loans upon the security of customer
13 receivables, the business of making loans for the
14 express purpose of funding purchases of tangible
15 personal property or services by the borrower, or
16 the business of finance leasing. For purposes of
17 this item (i), "customer receivable" means:

18 (a) a retail installment contract or
19 retail charge agreement within the meaning of
20 the Sales Finance Agency Act, the Retail
21 Installment Sales Act, or the Motor Vehicle
22 Retail Installment Sales Act;

23 (b) an installment, charge, credit, or
24 similar contract or agreement arising from the
25 sale of tangible personal property or services
26 in a transaction involving a deferred payment

1 price payable in one or more installments
2 subsequent to the sale; or

3 (c) the outstanding balance of a contract
4 or agreement described in provisions (a) or (b)
5 of this item (i).

6 A customer receivable need not provide for
7 payment of interest on deferred payments. A sales
8 finance company may purchase a customer receivable
9 from, or make a loan secured by a customer
10 receivable to, the seller in the original
11 transaction or to a person who purchased the
12 customer receivable directly or indirectly from
13 that seller.

14 (ii) A corporation meeting each of the
15 following criteria:

16 (a) the corporation must be a member of an
17 "affiliated group" within the meaning of
18 Section 1504(a) of the Internal Revenue Code,
19 determined without regard to Section 1504(b)
20 of the Internal Revenue Code;

21 (b) more than 50% of the gross income of
22 the corporation for the taxable year must be
23 interest income derived from qualifying loans.
24 A "qualifying loan" is a loan made to a member
25 of the corporation's affiliated group that
26 originates customer receivables (within the

1 meaning of item (i)) or to whom customer
2 receivables originated by a member of the
3 affiliated group have been transferred, to the
4 extent the average outstanding balance of
5 loans from that corporation to members of its
6 affiliated group during the taxable year do not
7 exceed the limitation amount for that
8 corporation. The "limitation amount" for a
9 corporation is the average outstanding
10 balances during the taxable year of customer
11 receivables (within the meaning of item (i))
12 originated by all members of the affiliated
13 group. If the average outstanding balances of
14 the loans made by a corporation to members of
15 its affiliated group exceed the limitation
16 amount, the interest income of that
17 corporation from qualifying loans shall be
18 equal to its interest income from loans to
19 members of its affiliated groups times a
20 fraction equal to the limitation amount
21 divided by the average outstanding balances of
22 the loans made by that corporation to members
23 of its affiliated group;

24 (c) the total of all shareholder's equity
25 (including, without limitation, paid-in
26 capital on common and preferred stock and

1 retained earnings) of the corporation plus the
2 total of all of its loans, advances, and other
3 obligations payable or owed to members of its
4 affiliated group may not exceed 20% of the
5 total assets of the corporation at any time
6 during the tax year; and

7 (d) more than 50% of all interest-bearing
8 obligations of the affiliated group payable to
9 persons outside the group determined in
10 accordance with generally accepted accounting
11 principles must be obligations of the
12 corporation.

13 This amendatory Act of the 91st General Assembly is
14 declaratory of existing law.

15 (D) Subparagraphs (B) and (C) of this paragraph are
16 declaratory of existing law and apply retroactively,
17 for all tax years beginning on or before December 31,
18 1996, to all original returns, to all amended returns
19 filed no later than 30 days after the effective date of
20 this amendatory Act of 1996, and to all notices issued
21 on or before the effective date of this amendatory Act
22 of 1996 under subsection (a) of Section 903, subsection
23 (a) of Section 904, subsection (e) of Section 909, or
24 Section 912. A taxpayer that is a "financial
25 organization" that engages in any transaction with an
26 affiliate shall be a "financial organization" for all

1 purposes of this Act.

2 (E) For all tax years beginning on or before
3 December 31, 1996, a taxpayer that falls within the
4 definition of a "financial organization" under
5 subparagraphs (B) or (C) of this paragraph, but who
6 does not fall within the definition of a "financial
7 organization" under the Proposed Regulations issued by
8 the Department of Revenue on July 19, 1996, may
9 irrevocably elect to apply the Proposed Regulations
10 for all of those years as though the Proposed
11 Regulations had been lawfully promulgated, adopted,
12 and in effect for all of those years. For purposes of
13 applying subparagraphs (B) or (C) of this paragraph to
14 all of those years, the election allowed by this
15 subparagraph applies only to the taxpayer making the
16 election and to those members of the taxpayer's unitary
17 business group who are ordinarily required to
18 apportion business income under the same subsection of
19 Section 304 of this Act as the taxpayer making the
20 election. No election allowed by this subparagraph
21 shall be made under a claim filed under subsection (d)
22 of Section 909 more than 30 days after the effective
23 date of this amendatory Act of 1996.

24 (F) Finance Leases. For purposes of this
25 subsection, a finance lease shall be treated as a loan
26 or other extension of credit, rather than as a lease,

1 regardless of how the transaction is characterized for
2 any other purpose, including the purposes of any
3 regulatory agency to which the lessor is subject. A
4 finance lease is any transaction in the form of a lease
5 in which the lessee is treated as the owner of the
6 leased asset entitled to any deduction for
7 depreciation allowed under Section 167 of the Internal
8 Revenue Code.

9 (9) Fiscal year. The term "fiscal year" means an
10 accounting period of 12 months ending on the last day of
11 any month other than December.

12 (9.5) Fixed place of business. The term "fixed place of
13 business" has the same meaning as that term is given in
14 Section 864 of the Internal Revenue Code and the related
15 Treasury regulations.

16 (10) Includes and including. The terms "includes" and
17 "including" when used in a definition contained in this Act
18 shall not be deemed to exclude other things otherwise
19 within the meaning of the term defined.

20 (11) Internal Revenue Code. The term "Internal Revenue
21 Code" means the United States Internal Revenue Code of 1954
22 or any successor law or laws relating to federal income
23 taxes in effect for the taxable year.

24 (11.5) Investment partnership.

25 (A) The term "investment partnership" means any
26 entity that is treated as a partnership for federal

1 income tax purposes that meets the following
2 requirements:

3 (i) no less than 90% of the partnership's cost
4 of its total assets consists of qualifying
5 investment securities, deposits at banks or other
6 financial institutions, and office space and
7 equipment reasonably necessary to carry on its
8 activities as an investment partnership;

9 (ii) no less than 90% of its gross income
10 consists of interest, dividends, and gains from
11 the sale or exchange of qualifying investment
12 securities; and

13 (iii) the partnership is not a dealer in
14 qualifying investment securities.

15 (B) For purposes of this paragraph (11.5), the term
16 "qualifying investment securities" includes all of the
17 following:

18 (i) common stock, including preferred or debt
19 securities convertible into common stock, and
20 preferred stock;

21 (ii) bonds, debentures, and other debt
22 securities;

23 (iii) foreign and domestic currency deposits
24 secured by federal, state, or local governmental
25 agencies;

26 (iv) mortgage or asset-backed securities

1 secured by federal, state, or local governmental
2 agencies;

3 (v) repurchase agreements and loan
4 participations;

5 (vi) foreign currency exchange contracts and
6 forward and futures contracts on foreign
7 currencies;

8 (vii) stock and bond index securities and
9 futures contracts and other similar financial
10 securities and futures contracts on those
11 securities;

12 (viii) options for the purchase or sale of any
13 of the securities, currencies, contracts, or
14 financial instruments described in items (i) to
15 (vii), inclusive;

16 (ix) regulated futures contracts;

17 (x) commodities (not described in Section
18 1221(a)(1) of the Internal Revenue Code) or
19 futures, forwards, and options with respect to
20 such commodities, provided, however, that any item
21 of a physical commodity to which title is actually
22 acquired in the partnership's capacity as a dealer
23 in such commodity shall not be a qualifying
24 investment security;

25 (xi) derivatives; and

26 (xii) a partnership interest in another

1 partnership that is an investment partnership.

2 (12) Mathematical error. The term "mathematical error"
3 includes the following types of errors, omissions, or
4 defects in a return filed by a taxpayer which prevents
5 acceptance of the return as filed for processing:

6 (A) arithmetic errors or incorrect computations on
7 the return or supporting schedules;

8 (B) entries on the wrong lines;

9 (C) omission of required supporting forms or
10 schedules or the omission of the information in whole
11 or in part called for thereon; and

12 (D) an attempt to claim, exclude, deduct, or
13 improperly report, in a manner directly contrary to the
14 provisions of the Act and regulations thereunder any
15 item of income, exemption, deduction, or credit.

16 (13) Nonbusiness income. The term "nonbusiness income"
17 means all income other than business income or
18 compensation.

19 (14) Nonresident. The term "nonresident" means a
20 person who is not a resident.

21 (15) Paid, incurred and accrued. The terms "paid",
22 "incurred" and "accrued" shall be construed according to
23 the method of accounting upon the basis of which the
24 person's base income is computed under this Act.

25 (16) Partnership and partner. The term "partnership"
26 includes a syndicate, group, pool, joint venture or other

1 unincorporated organization, through or by means of which
2 any business, financial operation, or venture is carried
3 on, and which is not, within the meaning of this Act, a
4 trust or estate or a corporation; and the term "partner"
5 includes a member in such syndicate, group, pool, joint
6 venture or organization.

7 The term "partnership" includes any entity, including
8 a limited liability company formed under the Illinois
9 Limited Liability Company Act, classified as a partnership
10 for federal income tax purposes.

11 The term "partnership" does not include a syndicate,
12 group, pool, joint venture, or other unincorporated
13 organization established for the sole purpose of playing
14 the Illinois State Lottery.

15 (17) Part-year resident. The term "part-year resident"
16 means an individual who became a resident during the
17 taxable year or ceased to be a resident during the taxable
18 year. Under Section 1501(a)(20)(A)(i) residence commences
19 with presence in this State for other than a temporary or
20 transitory purpose and ceases with absence from this State
21 for other than a temporary or transitory purpose. Under
22 Section 1501(a)(20)(A)(ii) residence commences with the
23 establishment of domicile in this State and ceases with the
24 establishment of domicile in another State.

25 (18) Person. The term "person" shall be construed to
26 mean and include an individual, a trust, estate,

1 partnership, association, firm, company, corporation,
2 limited liability company, or fiduciary. For purposes of
3 Section 1301 and 1302 of this Act, a "person" means (i) an
4 individual, (ii) a corporation, (iii) an officer, agent, or
5 employee of a corporation, (iv) a member, agent or employee
6 of a partnership, or (v) a member, manager, employee,
7 officer, director, or agent of a limited liability company
8 who in such capacity commits an offense specified in
9 Section 1301 and 1302.

10 (18A) Records. The term "records" includes all data
11 maintained by the taxpayer, whether on paper, microfilm,
12 microfiche, or any type of machine-sensible data
13 compilation.

14 (19) Regulations. The term "regulations" includes
15 rules promulgated and forms prescribed by the Department.

16 (20) Resident. The term "resident" means:

17 (A) an individual (i) who is in this State for
18 other than a temporary or transitory purpose during the
19 taxable year; or (ii) who is domiciled in this State
20 but is absent from the State for a temporary or
21 transitory purpose during the taxable year;

22 (B) The estate of a decedent who at his or her
23 death was domiciled in this State;

24 (C) A trust created by a will of a decedent who at
25 his death was domiciled in this State; and

26 (D) An irrevocable trust, the grantor of which was

1 domiciled in this State at the time such trust became
2 irrevocable. For purpose of this subparagraph, a trust
3 shall be considered irrevocable to the extent that the
4 grantor is not treated as the owner thereof under
5 Sections 671 through 678 of the Internal Revenue Code.

6 (21) Sales. The term "sales" means all gross receipts
7 of the taxpayer not allocated under Sections 301, 302 and
8 303.

9 (22) State. The term "state" when applied to a
10 jurisdiction other than this State means any state of the
11 United States, the District of Columbia, the Commonwealth
12 of Puerto Rico, any Territory or Possession of the United
13 States, and any foreign country, or any political
14 subdivision of any of the foregoing. For purposes of the
15 foreign tax credit under Section 601, the term "state"
16 means any state of the United States, the District of
17 Columbia, the Commonwealth of Puerto Rico, and any
18 territory or possession of the United States, or any
19 political subdivision of any of the foregoing, effective
20 for tax years ending on or after December 31, 1989.

21 (23) Taxable year. The term "taxable year" means the
22 calendar year, or the fiscal year ending during such
23 calendar year, upon the basis of which the base income is
24 computed under this Act. "Taxable year" means, in the case
25 of a return made for a fractional part of a year under the
26 provisions of this Act, the period for which such return is

1 made.

2 (24) Taxpayer. The term "taxpayer" means any person
3 subject to the tax imposed by this Act.

4 (25) International banking facility. The term
5 international banking facility shall have the same meaning
6 as is set forth in the Illinois Banking Act or as is set
7 forth in the laws of the United States or regulations of
8 the Board of Governors of the Federal Reserve System.

9 (26) Income Tax Return Preparer.

10 (A) The term "income tax return preparer" means any
11 person who prepares for compensation, or who employs
12 one or more persons to prepare for compensation, any
13 return of tax imposed by this Act or any claim for
14 refund of tax imposed by this Act. The preparation of a
15 substantial portion of a return or claim for refund
16 shall be treated as the preparation of that return or
17 claim for refund.

18 (B) A person is not an income tax return preparer
19 if all he or she does is

20 (i) furnish typing, reproducing, or other
21 mechanical assistance;

22 (ii) prepare returns or claims for refunds for
23 the employer by whom he or she is regularly and
24 continuously employed;

25 (iii) prepare as a fiduciary returns or claims
26 for refunds for any person; or

1 (iv) prepare claims for refunds for a taxpayer
2 in response to any notice of deficiency issued to
3 that taxpayer or in response to any waiver of
4 restriction after the commencement of an audit of
5 that taxpayer or of another taxpayer if a
6 determination in the audit of the other taxpayer
7 directly or indirectly affects the tax liability
8 of the taxpayer whose claims he or she is
9 preparing.

10 (27) Unitary business group.

11 (A) The term "unitary business group" means a group
12 of persons related through common ownership whose
13 business activities are integrated with, dependent
14 upon and contribute to each other. The group will not
15 include those members whose business activity outside
16 the United States is 80% or more of any such member's
17 total business activity; for purposes of this
18 paragraph and clause (a)(3)(B)(ii) of Section 304,
19 business activity within the United States shall be
20 measured by means of the factors ordinarily applicable
21 under subsections (a), (b), (c), (d), or (h) of Section
22 304 except that, in the case of members ordinarily
23 required to apportion business income by means of the 3
24 factor formula of property, payroll and sales
25 specified in subsection (a) of Section 304, including
26 the formula as weighted in subsection (h) of Section

1 304, such members shall not use the sales factor in the
2 computation and the results of the property and payroll
3 factor computations of subsection (a) of Section 304
4 shall be divided by 2 (by one if either the property or
5 payroll factor has a denominator of zero). The
6 computation required by the preceding sentence shall,
7 in each case, involve the division of the member's
8 property, payroll, or revenue miles in the United
9 States, insurance premiums on property or risk in the
10 United States, or financial organization business
11 income from sources within the United States, as the
12 case may be, by the respective worldwide figures for
13 such items. Common ownership in the case of
14 corporations is the direct or indirect control or
15 ownership of more than 50% of the outstanding voting
16 stock of the persons carrying on unitary business
17 activity. Unitary business activity can ordinarily be
18 illustrated where the activities of the members are:
19 (1) in the same general line (such as manufacturing,
20 wholesaling, retailing of tangible personal property,
21 insurance, transportation or finance); or (2) are
22 steps in a vertically structured enterprise or process
23 (such as the steps involved in the production of
24 natural resources, which might include exploration,
25 mining, refining, and marketing); and, in either
26 instance, the members are functionally integrated

1 through the exercise of strong centralized management
2 (where, for example, authority over such matters as
3 purchasing, financing, tax compliance, product line,
4 personnel, marketing and capital investment is not
5 left to each member).

6 (B) In no event, for tax years ending prior to June
7 30, 2016, shall any unitary business group include
8 members which are ordinarily required to apportion
9 business income under different subsections of Section
10 304 except that for tax years ending on or after
11 December 31, 1987 this prohibition shall not apply to a
12 holding company that would otherwise be a member of a
13 unitary business group with taxpayers that apportion
14 business income under any of subsections (b), (c),
15 (c-1), or (d) of Section 304. If a unitary business
16 group would, but for the preceding sentence, include
17 members that are ordinarily required to apportion
18 business income under different subsections of Section
19 304, then for each subsection of Section 304 for which
20 there are two or more members, there shall be a
21 separate unitary business group composed of such
22 members. For purposes of the preceding two sentences, a
23 member is "ordinarily required to apportion business
24 income" under a particular subsection of Section 304 if
25 it would be required to use the apportionment method
26 prescribed by such subsection except for the fact that

1 it derives business income solely from Illinois. As
2 used in this paragraph, the phrase "United States"
3 means only the 50 states and the District of Columbia,
4 but does not include any territory or possession of the
5 United States or any area over which the United States
6 has asserted jurisdiction or claimed exclusive rights
7 with respect to the exploration for or exploitation of
8 natural resources. This paragraph (B) does not apply
9 for tax years ending on or after June 30, 2016.

10 (C) Holding companies.

11 (i) For purposes of this subparagraph, a
12 "holding company" is a corporation (other than a
13 corporation that is a financial organization under
14 paragraph (8) of this subsection (a) of Section
15 1501 because it is a bank holding company under the
16 provisions of the Bank Holding Company Act of 1956
17 (12 U.S.C. 1841, et seq.) or because it is owned by
18 a bank or a bank holding company) that owns a
19 controlling interest in one or more other
20 taxpayers ("controlled taxpayers"); that, during
21 the period that includes the taxable year and the 2
22 immediately preceding taxable years or, if the
23 corporation was formed during the current or
24 immediately preceding taxable year, the taxable
25 years in which the corporation has been in
26 existence, derived substantially all its gross

1 income from dividends, interest, rents, royalties,
2 fees or other charges received from controlled
3 taxpayers for the provision of services, and gains
4 on the sale or other disposition of interests in
5 controlled taxpayers or in property leased or
6 licensed to controlled taxpayers or used by the
7 taxpayer in providing services to controlled
8 taxpayers; and that incurs no substantial expenses
9 other than expenses (including interest and other
10 costs of borrowing) incurred in connection with
11 the acquisition and holding of interests in
12 controlled taxpayers and in the provision of
13 services to controlled taxpayers or in the leasing
14 or licensing of property to controlled taxpayers.

15 (ii) The income of a holding company which is a
16 member of more than one unitary business group
17 shall be included in each unitary business group of
18 which it is a member on a pro rata basis, by
19 including in each unitary business group that
20 portion of the base income of the holding company
21 that bears the same proportion to the total base
22 income of the holding company as the gross receipts
23 of the unitary business group bears to the combined
24 gross receipts of all unitary business groups (in
25 both cases without regard to the holding company)
26 or on any other reasonable basis, consistently

1 applied.

2 (iii) A holding company shall apportion its
3 business income under the subsection of Section
4 304 used by the other members of its unitary
5 business group. The apportionment factors of a
6 holding company which would be a member of more
7 than one unitary business group shall be included
8 with the apportionment factors of each unitary
9 business group of which it is a member on a pro
10 rata basis using the same method used in clause
11 (ii).

12 (iv) The provisions of this subparagraph (C)
13 are intended to clarify existing law.

14 (D) If including the base income and factors of a
15 holding company in more than one unitary business group
16 under subparagraph (C) does not fairly reflect the
17 degree of integration between the holding company and
18 one or more of the unitary business groups, the
19 dependence of the holding company and one or more of
20 the unitary business groups upon each other, or the
21 contributions between the holding company and one or
22 more of the unitary business groups, the holding
23 company may petition the Director, under the
24 procedures provided under Section 304(f), for
25 permission to include all base income and factors of
26 the holding company only with members of a unitary

1 business group apportioning their business income
2 under one subsection of subsections (a), (b), (c), or
3 (d) of Section 304. If the petition is granted, the
4 holding company shall be included in a unitary business
5 group only with persons apportioning their business
6 income under the selected subsection of Section 304
7 until the Director grants a petition of the holding
8 company either to be included in more than one unitary
9 business group under subparagraph (C) or to include its
10 base income and factors only with members of a unitary
11 business group apportioning their business income
12 under a different subsection of Section 304.

13 (E) If the unitary business group members'
14 accounting periods differ, the common parent's
15 accounting period or, if there is no common parent, the
16 accounting period of the member that is expected to
17 have, on a recurring basis, the greatest Illinois
18 income tax liability must be used to determine whether
19 to use the apportionment method provided in subsection
20 (a) or subsection (h) of Section 304. The prohibition
21 against membership in a unitary business group for
22 taxpayers ordinarily required to apportion income
23 under different subsections of Section 304 does not
24 apply to taxpayers required to apportion income under
25 subsection (a) and subsection (h) of Section 304. The
26 provisions of this amendatory Act of 1998 apply to tax

1 years ending on or after December 31, 1998.

2 (28) Subchapter S corporation. The term "Subchapter S
3 corporation" means a corporation for which there is in
4 effect an election under Section 1362 of the Internal
5 Revenue Code, or for which there is a federal election to
6 opt out of the provisions of the Subchapter S Revision Act
7 of 1982 and have applied instead the prior federal
8 Subchapter S rules as in effect on July 1, 1982.

9 (30) Foreign person. The term "foreign person" means
10 any person who is a nonresident alien individual and any
11 nonindividual entity, regardless of where created or
12 organized, whose business activity outside the United
13 States is 80% or more of the entity's total business
14 activity.

15 (b) Other definitions.

16 (1) Words denoting number, gender, and so forth, when
17 used in this Act, where not otherwise distinctly expressed
18 or manifestly incompatible with the intent thereof:

19 (A) Words importing the singular include and apply
20 to several persons, parties or things;

21 (B) Words importing the plural include the
22 singular; and

23 (C) Words importing the masculine gender include
24 the feminine as well.

25 (2) "Company" or "association" as including successors

1 and assigns. The word "company" or "association", when used
2 in reference to a corporation, shall be deemed to embrace
3 the words "successors and assigns of such company or
4 association", and in like manner as if these last-named
5 words, or words of similar import, were expressed.

6 (3) Other terms. Any term used in any Section of this
7 Act with respect to the application of, or in connection
8 with, the provisions of any other Section of this Act shall
9 have the same meaning as in such other Section.

10 (Source: P.A. 99-213, eff. 7-31-15.)"