

AN ACT concerning revenue.

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

Section 5. The Department of Revenue Law of the Civil Administrative Code of Illinois is amended by adding Section 2505-430 as follows:

(20 ILCS 2505/2505-430 new)

Sec. 2505-430. Financial institution data matching.

(a) Definitions. As used in this Section:

"Account" means a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money market mutual fund account.

"Financial institution" means:

(1) a depository institution, which is any bank or saving association;

(2) an insured depository institution, which is any bank or saving institution the deposits of which are insured pursuant to the Federal Deposit Insurance Act, or any uninsured branch or agency of a foreign bank or a commercial lending company owned or controlled by a foreign bank;

(3) a federal depository institution, which is any national bank, any federal savings association, or any

federal branch;

(4) a state depository institution, which is any state bank, any state savings association, or any insured branch that is not a federal branch;

(5) a federal credit union, which is a cooperative association organized in accordance with the provisions of the Federal Credit Union Act;

(6) a state-chartered credit union that is organized and operated according to the laws of this or any other state, which laws provide for the organization of credit unions similar in principle and objectives to federal credit unions; and

(7) any benefit association, insurance company, safe deposit company, money market mutual fund, or similar entity authorized to do business in this State.

"Financial record" has the meaning given to that term in Section 3401 of the federal Right to Financial Privacy Act of 1978.

(b) The Department may design and implement a data match system pursuant to which the Department and financial institutions doing business in this State may enter into agreements for the purpose of identifying accounts of taxpayers who are delinquent in the payment of a tax collected by the Department. No financial institution shall be required to enter into any such agreement with the Department. Nothing in this Section shall be interpreted as requiring a financial

institution to enter into an agreement with the Department or as requiring a financial institution to change its current practice of cooperating with the Department's requests on a case-by-case basis.

Any agreement entered into with a financial institution under this Section shall provide that the financial institution shall compare the data of account holders, owners, or customers who maintain one or more accounts at the financial institution with data of individuals and business entities who are identified by the Department as delinquent taxpayers and whose name, record address, and social security number or tax identification number are provided by the Department to the financial institution.

If the financial institution or the Department determines that the name and social security number or tax identification number of an individual or business entity identified by the Department as a delinquent taxpayer matches the name and social security number or tax identification number of an account holder, owner, or customer who maintains one or more accounts at the financial institution, then the financial institution shall report the individual's or business entity's name and either social security number or tax identification number to the Department for each calendar quarter in which the Department notifies the financial institution that the individual or business entity is a delinquent taxpayer.

(c) The reporting requirements of subsection (b) of this

Section apply to personal (both individual and joint) and business accounts, including sole proprietorship accounts. In the case of a joint account, the account holder or owner shall be deemed to be the primary account holder or owner established by the financial institution in accordance with the financial institution's internal procedures.

(d) The Department shall make a reasonable effort to accommodate those financial institutions on which the requirements of this Section would impose a hardship. In the case of a non-automated financial institution, a paper copy including either social security numbers or tax identification numbers is an acceptable format. In order to allow for data processing implementation, no agreement shall become effective earlier than 90 days after its execution.

(e) All information provided by a financial institution under this Section is confidential and may be used only for the purpose of enforcing payment of delinquent taxes.

(f) A financial institution that provides information under this Section shall not be liable to any account holder, owner, or other person in any civil, criminal, or administrative action for any of the following:

(1) disclosing the required information to the Department, any other provisions of law notwithstanding;

(2) holding, encumbering, or surrendering any of an individual's accounts as defined in subsection (a) of this Section in response to a lien or order to withhold and

deliver issued by the Department; or

(3) any other action taken or omission made in good faith to comply with this Section, including individual or mechanical errors, provided that the action or omission does not constitute gross negligence or willful misconduct.

(g) Each agreement under this Section shall provide that the Department shall pay to the financial institution providing or comparing the data a reasonable fee not to exceed the institution's actual cost of providing the data or performing the comparison.

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