

HB3382



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3382

by Rep. Daniel Didech

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.891 new

Creates the Coal Severance Tax Act. Imposes a tax upon the severance and preparation of coal for sale, profit, or commercial use, if the coal is severed from a mine located in this State. Provides that the rate of tax is 5% of the gross value of the severed coal. Contains provisions concerning returns and penalties. Effective January 1, 2020.

LRB101 09104 HLH 54197 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 1. Short title. This Act may be cited as the the
5 "Coal Severance Tax Act".

6 Section 5. Definitions.

7 "Department" means the Illinois Department of Revenue.

8 "Person" means any natural individual, firm, partnership,
9 association, joint stock company, joint adventure, public or
10 private corporation, limited liability company, or a receiver,
11 executor, trustee, guardian, or other representative appointed
12 by order of any court.

13 Section 10. Tax imposed.

14 (a) On and after January 1, 2020, there is hereby imposed a
15 tax upon any person engaged in the business of severing or
16 preparing coal for sale, profit, or commercial use, if the coal
17 is severed from a mine located in this State. The rate of the
18 tax imposed under this Section is 5% of the gross value of the
19 severed coal.

20 (b) The liability for the tax accrues at the time the coal
21 is severed.

1 Section 15. Payment and collection of tax.

2 (a) The tax imposed under this Act shall be due and payable
3 on or before the 20th day of the month following the month in
4 which the coal is severed.

5 (b) The State shall have a lien on all coal severed in this
6 State on or after January 1, 2016 to secure the payment of the
7 tax.

8 Section 20. Registration. A person who is subject to the
9 tax imposed under this Act shall register with the Department.
10 Application for a certificate of registration shall be made to
11 the Department upon forms furnished by the Department and shall
12 contain any reasonable information the Department may require.
13 Upon receipt of the application for a certificate of
14 registration in proper form, the Department shall issue to the
15 applicant a certificate of registration.

16 Section 25. Inspection of records by Department; subpoena
17 power, contempt. For the purpose of computing the amount of the
18 tax due under this Act, the Department shall have the following
19 powers:

20 (1) to require any person who is subject to this tax to
21 furnish any additional information deemed to be necessary
22 for the computation of the tax;

23 (2) to examine books, records, and files of such
24 person; and

1 (3) to issue subpoenas and examine witnesses under
2 oath; if any witness fails or refuses to appear at the
3 request of the Director, or if any witness refuses access
4 to books, records, or files, the circuit court of the
5 proper county, or the judge thereof, on application of the
6 Department, shall compel obedience by proceedings for
7 contempt, as in the case of disobedience of the
8 requirements of a subpoena issued from that court or a
9 refusal to testify therein.

10 Section 30. Returns.

11 (a) Each taxpayer shall make a return to the Department
12 showing:

13 (1) the name of the taxpayer;

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

16 (3) the quantity of coal severed or prepared during the
17 month for which the return is filed;

18 (4) the gross value of the severed coal;

19 (5) the amount of tax due;

20 (6) the signature of the taxpayer; and

21 (7) such other reasonable information as the
22 Department may require.

23 (b) The return shall be filed on or before the 20th day of
24 the month after the month during which the coal is severed. The
25 Department may require any additional report or information it

1 deems necessary for the proper administration of this Act.

2 (c) Returns due under this Section shall be filed
3 electronically in the manner prescribed by the Department.
4 Taxpayers shall make all payments of the tax to the Department
5 under this Act by electronic funds transfer unless, as provided
6 by rule, the Department grants an exception upon petition of a
7 taxpayer. Returns must be accompanied by appropriate computer
8 generated magnetic media supporting schedule data in the format
9 required by the Department, unless, as provided by rule, the
10 Department grants an exception upon petition of a taxpayer.

11 Section 35. Incorporation by reference. All of the
12 provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 6,
13 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the "Retailers'
14 Occupation Tax Act" which are not inconsistent with this Act,
15 and all provisions of the Uniform Penalty and Interest Act
16 shall apply, as far as practicable, to the subject matter of
17 this Act to the same extent as if such provisions were included
18 herein.

19 Section 40. Rulemaking. The Department is hereby
20 authorized to adopt such rules as may be necessary to
21 administer and enforce the provisions of this Act.

22 Section 45. Distribution of proceeds. All moneys received
23 by the Department under this Act shall be paid into the

1 Community Choice Fund, a special fund created in the State
2 Treasury. Moneys in the Fund shall be used by the Department of
3 Healthcare and Family Services to make grants to Rural Health
4 Centers and Federally Qualified Hospitals designated as such by
5 the Secretary of the United States Department of Health and
6 Human Services.

7 Section 90. The State Finance Act is amended by adding
8 Section 5.891 as follows:

9 (30 ILCS 105/5.891 new)

10 Sec. 5.891. The Community Choice Fund.

11 Section 99. Effective date. This Act takes effect January
12 1, 2020.