

# HB4669



## 101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

**HB4669**

Introduced 2/18/2020, by Rep. Kelly M. Burke

### SYNOPSIS AS INTRODUCED:

35 ILCS 120/2-27

Amends the Retailers' Occupation Tax Act. Provides that the term "prepaid telephone calling arrangements" includes only telephone or telecommunications services obtained through the purchase of a prepaid phone, calling card, or other item of tangible personal property. Effective immediately.

LRB101 16497 HLH 65878 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 Retailers' Occupation Tax Act is amended by  
5 changing Section 2-27 as follows:

6 (35 ILCS 120/2-27)

7 Sec. 2-27. Prepaid telephone calling arrangements.

8 "Prepaid telephone calling arrangements" mean the right to  
9 exclusively purchase telephone or telecommunications services  
10 that must be paid for in advance and enable the origination of  
11 one or more intrastate, interstate, or international telephone  
12 calls or other telecommunications using an access number, an  
13 authorization code, or both, whether manually or  
14 electronically dialed, for which payment to a retailer must be  
15 made in advance, provided that (i) unless recharged, no  
16 further service is provided once that prepaid amount of service  
17 has been consumed and (ii) the telephone or telecommunications  
18 services included in such arrangement are obtained through the  
19 purchase of a prepaid phone, calling card, or other item of  
20 tangible personal property. Prepaid telephone calling  
21 arrangements include the recharge of a prepaid calling  
22 arrangement. For purposes of this Section, "recharge" means the  
23 purchase of additional prepaid telephone or telecommunications

1 services whether or not the purchaser acquires a different  
2 access number or authorization code. For purposes of this  
3 Section, "telecommunications" means that term as defined in  
4 Section 2 of the Telecommunications Excise Tax Act. "Prepaid  
5 telephone calling arrangement" does not include an arrangement  
6 whereby the service provider reflects the amount of the  
7 purchase as a credit on an account for a customer under an  
8 existing subscription plan, nor does it include recharging that  
9 is not obtained through the purchase of a prepaid phone,  
10 calling card, or other item of tangible personal property.

11 (Source: P.A. 91-870, eff. 6-22-00.)

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