



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB2483

Introduced 2/4/2025, by Rep. Stephanie A. Kifowit

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/901

Amends the Illinois Income Tax Act. In provisions concerning transfers of surplus moneys from the Income Tax Refund Fund to the General Revenue Fund, provides that "surplus" means the cash balance in the Income Tax Refund Fund at the end of the applicable fiscal year, less amounts attributable to certain specified transfers. Effective immediately.

LRB104 03447 HLH 20736 b

1 AN ACT concerning taxation.

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

4 Section 5. The Illinois Income Tax Act is amended by  
5 changing Section 901 as follows:

6 (35 ILCS 5/901)

7 Sec. 901. Collection authority.

8 (a) In general. The Department shall collect the taxes  
9 imposed by this Act. The Department shall collect certified  
10 past due child support amounts under Section 2505-650 of the  
11 Department of Revenue Law of the Civil Administrative Code of  
12 Illinois. Except as provided in subsections (b), (c), (e),  
13 (f), (g), and (h) of this Section, money collected pursuant to  
14 subsections (a) and (b) of Section 201 of this Act shall be  
15 paid into the General Revenue Fund in the State treasury;  
16 money collected pursuant to subsections (c) and (d) of Section  
17 201 of this Act shall be paid into the Personal Property Tax  
18 Replacement Fund, a special fund in the State Treasury; and  
19 money collected under Section 2505-650 of the Department of  
20 Revenue Law of the Civil Administrative Code of Illinois shall  
21 be paid into the Child Support Enforcement Trust Fund, a  
22 special fund outside the State Treasury, or to the State  
23 Disbursement Unit established under Section 10-26 of the

1 Illinois Public Aid Code, as directed by the Department of  
2 Healthcare and Family Services.

3 (b) Local Government Distributive Fund. Beginning August  
4 1, 2017 and continuing through July 31, 2022, the Treasurer  
5 shall transfer each month from the General Revenue Fund to the  
6 Local Government Distributive Fund an amount equal to the sum  
7 of: (i) 6.06% (10% of the ratio of the 3% individual income tax  
8 rate prior to 2011 to the 4.95% individual income tax rate  
9 after July 1, 2017) of the net revenue realized from the tax  
10 imposed by subsections (a) and (b) of Section 201 of this Act  
11 upon individuals, trusts, and estates during the preceding  
12 month; (ii) 6.85% (10% of the ratio of the 4.8% corporate  
13 income tax rate prior to 2011 to the 7% corporate income tax  
14 rate after July 1, 2017) of the net revenue realized from the  
15 tax imposed by subsections (a) and (b) of Section 201 of this  
16 Act upon corporations during the preceding month; and (iii)  
17 beginning February 1, 2022, 6.06% of the net revenue realized  
18 from the tax imposed by subsection (p) of Section 201 of this  
19 Act upon electing pass-through entities. Beginning August 1,  
20 2022 and continuing through July 31, 2023, the Treasurer shall  
21 transfer each month from the General Revenue Fund to the Local  
22 Government Distributive Fund an amount equal to the sum of:  
23 (i) 6.16% of the net revenue realized from the tax imposed by  
24 subsections (a) and (b) of Section 201 of this Act upon  
25 individuals, trusts, and estates during the preceding month;  
26 (ii) 6.85% of the net revenue realized from the tax imposed by

1 subsections (a) and (b) of Section 201 of this Act upon  
2 corporations during the preceding month; and (iii) 6.16% of  
3 the net revenue realized from the tax imposed by subsection  
4 (p) of Section 201 of this Act upon electing pass-through  
5 entities. Beginning August 1, 2023, the Treasurer shall  
6 transfer each month from the General Revenue Fund to the Local  
7 Government Distributive Fund an amount equal to the sum of:  
8 (i) 6.47% of the net revenue realized from the tax imposed by  
9 subsections (a) and (b) of Section 201 of this Act upon  
10 individuals, trusts, and estates during the preceding month;  
11 (ii) 6.85% of the net revenue realized from the tax imposed by  
12 subsections (a) and (b) of Section 201 of this Act upon  
13 corporations during the preceding month; and (iii) 6.47% of  
14 the net revenue realized from the tax imposed by subsection  
15 (p) of Section 201 of this Act upon electing pass-through  
16 entities. Net revenue realized for a month shall be defined as  
17 the revenue from the tax imposed by subsections (a) and (b) of  
18 Section 201 of this Act which is deposited into the General  
19 Revenue Fund, the Education Assistance Fund, the Income Tax  
20 Surcharge Local Government Distributive Fund, the Fund for the  
21 Advancement of Education, and the Commitment to Human Services  
22 Fund during the month minus the amount paid out of the General  
23 Revenue Fund in State warrants during that same month as  
24 refunds to taxpayers for overpayment of liability under the  
25 tax imposed by subsections (a) and (b) of Section 201 of this  
26 Act.

1       Notwithstanding any provision of law to the contrary,  
2       beginning on July 6, 2017 (the effective date of Public Act  
3       100-23), those amounts required under this subsection (b) to  
4       be transferred by the Treasurer into the Local Government  
5       Distributive Fund from the General Revenue Fund shall be  
6       directly deposited into the Local Government Distributive Fund  
7       as the revenue is realized from the tax imposed by subsections  
8       (a) and (b) of Section 201 of this Act.

9       (c) Deposits Into Income Tax Refund Fund.

10       (1) Beginning on January 1, 1989 and thereafter, the  
11       Department shall deposit a percentage of the amounts  
12       collected pursuant to subsections (a) and (b)(1), (2), and  
13       (3) of Section 201 of this Act into a fund in the State  
14       treasury known as the Income Tax Refund Fund. Beginning  
15       with State fiscal year 1990 and for each fiscal year  
16       thereafter, the percentage deposited into the Income Tax  
17       Refund Fund during a fiscal year shall be the Annual  
18       Percentage. For fiscal year 2011, the Annual Percentage  
19       shall be 8.75%. For fiscal year 2012, the Annual  
20       Percentage shall be 8.75%. For fiscal year 2013, the  
21       Annual Percentage shall be 9.75%. For fiscal year 2014,  
22       the Annual Percentage shall be 9.5%. For fiscal year 2015,  
23       the Annual Percentage shall be 10%. For fiscal year 2018,  
24       the Annual Percentage shall be 9.8%. For fiscal year 2019,  
25       the Annual Percentage shall be 9.7%. For fiscal year 2020,  
26       the Annual Percentage shall be 9.5%. For fiscal year 2021,

1 the Annual Percentage shall be 9%. For fiscal year 2022,  
2 the Annual Percentage shall be 9.25%. For fiscal year  
3 2023, the Annual Percentage shall be 9.25%. For fiscal  
4 year 2024, the Annual Percentage shall be 9.15%. For  
5 fiscal year 2025, the Annual Percentage shall be 9.15%.  
6 For all other fiscal years, the Annual Percentage shall be  
7 calculated as a fraction, the numerator of which shall be  
8 the amount of refunds approved for payment by the  
9 Department during the preceding fiscal year as a result of  
10 overpayment of tax liability under subsections (a) and  
11 (b)(1), (2), and (3) of Section 201 of this Act plus the  
12 amount of such refunds remaining approved but unpaid at  
13 the end of the preceding fiscal year, minus the amounts  
14 transferred into the Income Tax Refund Fund from the  
15 Tobacco Settlement Recovery Fund, and the denominator of  
16 which shall be the amounts which will be collected  
17 pursuant to subsections (a) and (b)(1), (2), and (3) of  
18 Section 201 of this Act during the preceding fiscal year;  
19 except that in State fiscal year 2002, the Annual  
20 Percentage shall in no event exceed 7.6%. The Director of  
21 Revenue shall certify the Annual Percentage to the  
22 Comptroller on the last business day of the fiscal year  
23 immediately preceding the fiscal year for which it is to  
24 be effective.

25 (2) Beginning on January 1, 1989 and thereafter, the  
26 Department shall deposit a percentage of the amounts

collected pursuant to subsections (a) and (b) (6), (7), and (8), (c) and (d) of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual Percentage. For fiscal year 2011, the Annual Percentage shall be 17.5%. For fiscal year 2012, the Annual Percentage shall be 17.5%. For fiscal year 2013, the Annual Percentage shall be 14%. For fiscal year 2014, the Annual Percentage shall be 13.4%. For fiscal year 2015, the Annual Percentage shall be 14%. For fiscal year 2018, the Annual Percentage shall be 17.5%. For fiscal year 2019, the Annual Percentage shall be 15.5%. For fiscal year 2020, the Annual Percentage shall be 14.25%. For fiscal year 2021, the Annual Percentage shall be 14%. For fiscal year 2022, the Annual Percentage shall be 15%. For fiscal year 2023, the Annual Percentage shall be 14.5%. For fiscal year 2024, the Annual Percentage shall be 14%. For fiscal year 2025, the Annual Percentage shall be 14%. For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b) (6), (7), and (8), (c) and (d) of Section 201 of this

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

12 (3) The Comptroller shall order transferred and the  
13 Treasurer shall transfer from the Tobacco Settlement  
14 Recovery Fund to the Income Tax Refund Fund (i)  
15 \$35,000,000 in January, 2001, (ii) \$35,000,000 in January,  
16 2002, and (iii) \$35,000,000 in January, 2003.

17 (d) Expenditures from Income Tax Refund Fund.

18 (1) Beginning January 1, 1989, money in the Income Tax  
19 Refund Fund shall be expended exclusively for the purpose  
20 of paying refunds resulting from overpayment of tax  
21 liability under Section 201 of this Act and for making  
22 transfers pursuant to this subsection (d), except that in  
23 State fiscal years 2022 and 2023, moneys in the Income Tax  
24 Refund Fund shall also be used to pay one-time rebate  
25 payments as provided under Sections 208.5 and 212.1.

26 (2) The Director shall order payment of refunds



1 resulting from overpayment of tax liability under Section  
2 201 of this Act from the Income Tax Refund Fund only to the  
3 extent that amounts collected pursuant to Section 201 of  
4 this Act and transfers pursuant to this subsection (d) and  
5 item (3) of subsection (c) have been deposited and  
6 retained in the Fund.

7 (3) As soon as possible after the end of each fiscal  
8 year, the Director shall order transferred and the State  
9 Treasurer and State Comptroller shall transfer from the  
10 Income Tax Refund Fund to the Personal Property Tax  
11 Replacement Fund an amount, certified by the Director to  
12 the Comptroller, equal to the excess of the amount  
13 collected pursuant to subsections (c) and (d) of Section  
14 201 of this Act deposited into the Income Tax Refund Fund  
15 during the fiscal year over the amount of refunds  
16 resulting from overpayment of tax liability under  
17 subsections (c) and (d) of Section 201 of this Act paid  
18 from the Income Tax Refund Fund during the fiscal year.

19 (4) As soon as possible after the end of each fiscal  
20 year, the Director shall order transferred and the State  
21 Treasurer and State Comptroller shall transfer from the  
22 Personal Property Tax Replacement Fund to the Income Tax  
23 Refund Fund an amount, certified by the Director to the  
24 Comptroller, equal to the excess of the amount of refunds  
25 resulting from overpayment of tax liability under  
26 subsections (c) and (d) of Section 201 of this Act paid

1 from the Income Tax Refund Fund during the fiscal year  
2 over the amount collected pursuant to subsections (c) and  
3 (d) of Section 201 of this Act deposited into the Income  
4 Tax Refund Fund during the fiscal year.

5 (4.5) As soon as possible after the end of fiscal year  
6 1999 and of each fiscal year thereafter, the Director  
7 shall order transferred and the State Treasurer and State  
8 Comptroller shall transfer from the Income Tax Refund Fund  
9 to the General Revenue Fund any surplus remaining in the  
10 Income Tax Refund Fund as of the end of such fiscal year;  
11 excluding for fiscal years 2000, 2001, and 2002 amounts  
12 attributable to transfers under item (3) of subsection (c)  
13 less refunds resulting from the earned income tax credit,  
14 and excluding for fiscal year 2022 amounts attributable to  
15 transfers from the General Revenue Fund authorized by  
16 Public Act 102-700. For purposes of this item (4.5),  
17 "surplus" means the cash balance in the Income Tax Refund  
18 Fund at the end of such fiscal year, less amounts  
19 attributable to transfers under item (3) of this  
20 subsection (d).

21 (5) This Act shall constitute an irrevocable and  
22 continuing appropriation from the Income Tax Refund Fund  
23 for the purposes of (i) paying refunds upon the order of  
24 the Director in accordance with the provisions of this  
25 Section and (ii) paying one-time rebate payments under  
26 Sections 208.5 and 212.1.

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

24           (f) Deposits into the Fund for the Advancement of  
25   Education. Beginning February 1, 2015, the Department shall  
26   deposit the following portions of the revenue realized from

1 the tax imposed upon individuals, trusts, and estates by  
2 subsections (a) and (b) of Section 201 of this Act, minus  
3 deposits into the Income Tax Refund Fund, into the Fund for the  
4 Advancement of Education:

5 (1) beginning February 1, 2015, and prior to February  
6 1, 2025, 1/30; and

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

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

13 (g) Deposits into the Commitment to Human Services Fund.  
14 Beginning February 1, 2015, the Department shall deposit the  
15 following portions of the revenue realized from the tax  
16 imposed upon individuals, trusts, and estates by subsections  
17 (a) and (b) of Section 201 of this Act, minus deposits into the  
18 Income Tax Refund Fund, into the Commitment to Human Services  
19 Fund:

20 (1) beginning February 1, 2015, and prior to February  
21 1, 2025, 1/30; and

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

23 If the rate of tax imposed by subsection (a) and (b) of  
24 Section 201 is reduced pursuant to Section 201.5 of this Act,  
25 the Department shall not make the deposits required by this  
26 subsection (g) on or after the effective date of the

1 reduction.

2 (h) Deposits into the Tax Compliance and Administration  
3 Fund. Beginning on the first day of the first calendar month to  
4 occur on or after August 26, 2014 (the effective date of Public  
5 Act 98-1098), each month the Department shall pay into the Tax  
6 Compliance and Administration Fund, to be used, subject to  
7 appropriation, to fund additional auditors and compliance  
8 personnel at the Department, an amount equal to 1/12 of 5% of  
9 the cash receipts collected during the preceding fiscal year  
10 by the Audit Bureau of the Department from the tax imposed by  
11 subsections (a), (b), (c), and (d) of Section 201 of this Act,  
12 net of deposits into the Income Tax Refund Fund made from those  
13 cash receipts.

14 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;  
15 102-658, eff. 8-27-21; 102-699, eff. 4-19-22; 102-700, eff.  
16 4-19-22; 102-813, eff. 5-13-22; 103-8, eff. 6-7-23; 103-154,  
17 eff. 6-30-23; 103-588, eff. 6-5-24.)

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