



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

**HB4366**

Introduced 1/14/2026, by Rep. Hoan Huynh

#### SYNOPSIS AS INTRODUCED:

New Act

5 ILCS 100/5-45.71 new

30 ILCS 105/5.1038 new

Creates the Billionaire Hedge Fund Fee Act. Imposes a fee on each covered transaction occurring on or after July 1, 2026. Provides that the amount of the fee shall be the base amount with respect to the covered transaction, multiplied by 0.002. Provides that the term "covered transaction" means: (1) the purchase by a United States person of a security if the purchase occurs on, or is subject to the rules of, the Chicago Board Options Exchange or the Chicago Mercantile Exchange; or (2) the purchase by a United States person of a derivative if the derivative is traded on, or is subject to the rules of, the Chicago Board Options Exchange or the Chicago Mercantile Exchange. Specifies that, for purposes of the Act, "United States person" includes controlled foreign corporations, hedge funds, and private equity funds and their officers and employees. Exempts from the provisions of the Act the purchase of a security or a derivative by an individual for that individual's personal investment account or personal investment portfolio. Provides that the proceeds from the tax imposed under the Act shall be deposited into the Reducing the Cost of Living Fund. Amends the Illinois Administrative Procedure Act. Grants emergency rulemaking powers to the Department of Revenue. Amends the State Finance Act. Create the Reducing the Cost of Living Fund. Effective immediately.

LRB104 15704 HLH 29838 b

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  
5 Billionaire Hedge Fund Fee Act.

6 Section 5. Definitions. As used in this Act:

7 "Base amount" means:

8 (1) in the case of a security, the fair market value of  
9 the security determined as of the time of the covered  
10 transaction; and

11 (2) in the case of any payment with respect to a  
12 derivative, the amount of the payment.

13 "Controlled foreign corporation" has the meaning given to  
14 that term in Section 957 of the federal Internal Revenue Code  
15 of 1986.

16 "Covered transaction" means:

17 (1) the purchase by a United States person of a  
18 security if the purchase occurs on, or is subject to the  
19 rules of, a qualified board or exchange; or

20 (2) the purchase by a United States person of a  
21 derivative if the derivative is traded on, or is subject  
22 to the rules of, a qualified board or exchange.

23 "Department" means the Department of Revenue.

1 "Derivative" means any contract (including any option,  
2 forward contract, futures contract, short position, swap, or  
3 similar contract) the value of which, or any payment or other  
4 transfer with respect to which, is (directly or indirectly)  
5 determined by reference to one or more of the following:

6 (1) any share of stock in a corporation;

7 (2) any partnership or beneficial ownership interest  
8 in a partnership or trust;

9 (3) except as provided in Section 15, any evidence of  
10 indebtedness;

11 (4) any real property;

12 (5) any commodity that is actively traded;

13 (6) any currency;

14 (7) any rate, price, amount, index, formula, or  
15 algorithm; or

16 (8) any other item designated by the Department.

17 "Hedge fund" has the meaning given in 12 U.S.C.  
18 1851(h)(2).

19 "Private equity fund" has the meaning given in 12 U.S.C.  
20 1851(h)(2).

21 "Qualified board or exchange" means the Chicago Board  
22 Options Exchange or the Chicago Mercantile Exchange.

23 "Security" means:

24 (1) any share of stock in a corporation;

25 (2) any partnership or beneficial ownership interest  
26 in a partnership or trust; or

1           (3) except as provided in Section 15, any note, bond,  
2           debenture, or other evidence of indebtedness.

3           "United States person" has the meaning given to that term  
4           in Section 7701 of the federal Internal Revenue Code of 1986.  
5           "United States person" also includes controlled foreign  
6           corporations, hedge funds, and private equity funds and their  
7           officers and employees.

8           Section 10. Fee imposed; amount of fee. There is hereby  
9           imposed a fee on each covered transaction occurring on or  
10          after July 1, 2026. The amount of the fee shall be the base  
11          amount with respect to the covered transaction, multiplied by  
12          0.002.

13          Section 15. Exceptions. No fee shall be imposed under this  
14          Act:

15                 (1) on any covered transaction involving the initial  
16                 public offering of any security; or

17                 (2) on any covered transaction involving a note, bond,  
18                 debenture, or other evidence of indebtedness that has a  
19                 fixed maturity of not more than 100 days.

20          No fee is imposed under this Act upon the privilege of  
21          engaging in a business in interstate commerce or otherwise  
22          when the business may not, under the Constitution and statutes  
23          of the United States, be made the subject of taxation by this  
24          State.

1           Section 25. Collection by qualified board or exchange. The  
2 fee imposed by this Act shall be collected by the qualified  
3 board or exchange from the purchaser and shall be remitted to  
4 the Department monthly in the form and manner required by the  
5 Department.

6           Section 30. Fee administered by the Department of Revenue;  
7 deposit into the Reducing the Cost of Living Fund.

8           (a) The fee imposed under this Act, and all civil  
9 penalties that may be assessed as an incident thereof, shall  
10 be administered, collected, and enforced by the Department.  
11 The Department has full power to administer and enforce this  
12 Act, to collect all fees and penalties due under this Act, to  
13 dispose of fees and penalties so collected as provided in this  
14 Act, and to determine all rights to credit memoranda arising  
15 on account of the erroneous payment of a fee or penalty under  
16 this Act.

17           (b) The Department of Revenue shall pay over to the State  
18 Treasurer all moneys remitted to the Department under this Act  
19 for deposit into the Reducing the Cost of Living Fund, a  
20 special fund created in the State treasury. Subject to  
21 appropriation, moneys in the Reducing the Cost of Living Fund  
22 shall be used as follows:

23                   (1) \$5,000,000,000 shall be used in each State fiscal  
24 year by the State Board of Education to make grants to

1 school districts in exchange for a corresponding reduction  
2 in the school districts' property tax levies;

3 (2) \$800,000,000 shall be used in each State fiscal  
4 year by the Department of Healthcare and Family Services  
5 to provide reimbursement to healthcare providers for  
6 Medicaid services and for Medicaid premium reductions; and

7 (3) in each State fiscal year, the State Comptroller  
8 shall order transferred and the State Treasurer shall  
9 transfer from the Reducing the Cost of Living Fund to the  
10 Road Fund the amount of \$1,000,000,000;

11 (4) \$1,000,000,000 shall be used in each State fiscal  
12 year by the Department of Transportation to make grants to  
13 mass transit districts; and

14 (5) the remainder shall be used in each State fiscal  
15 year to provide stimulus payments, in accordance with  
16 rules adopted by the Department of Commerce and Economic  
17 Opportunity, to Illinois residents who (i) have dependent  
18 children under the age of 18 during the taxable year or  
19 (ii) own a single family homes or a residential dwelling  
20 with 6 units or less.

21 Section 35. Recordkeeping. Each qualified board or  
22 exchange shall keep records and books of all transactions  
23 giving rise to a fee under this Act. Those books and records  
24 shall be kept in the English language and shall, at all times  
25 during business hours of the day, be subject to inspection by

1 the Department or its duly authorized agents and employees.

2 Section 40. Retailers' Occupation Tax Act and Uniform  
3 Penalty and Interest Act adopted. The provisions of Sections  
4 4, 5, 5f, 5i, 6, 6a, 6b, 6c, 8, 9, 10, and 12 of the Retailers'  
5 Occupation Tax Act which are not inconsistent with this Act,  
6 and Section 3-7 of the Uniform Penalty and Interest Act, shall  
7 apply as far as practicable to the subject matter of this Act  
8 to the same extent as if those provisions were included in this  
9 Act.

10 Section 42. Exemption. Notwithstanding any other provision  
11 of this Act, this Act does not apply to the purchase of a  
12 security or a derivative by an individual exclusively for that  
13 individual's personal investment account or personal  
14 investment portfolio.

15 Section 45. Rules. The Department shall adopt  
16 administrative rules to implement and administer this Act.  
17 Initial rules may be adopted as emergency rules.

18 Section 900. The Illinois Administrative Procedure Act is  
19 amended by adding Section 5-45.71 as follows:

20 (5 ILCS 100/5-45.71 new)

21 Sec. 5-45.71. Emergency rulemaking; Billionaire Hedge Fund

1 Fee Act. To provide for the expeditious and timely  
2 implementation of the Billionaire Hedge Fund Fee Act,  
3 emergency rules implementing the Billionaire Hedge Fund Fee  
4 Act may be adopted in accordance with Section 5-45 by the  
5 Department of Revenue. The adoption of emergency rules  
6 authorized by Section 5-45 and this Section is deemed to be  
7 necessary for the public interest, safety, and welfare.

8 This Section is repealed one year after the effective date  
9 of this amendatory Act of the 104th General Assembly.

10 Section 905. The State Finance Act is amended by adding  
11 Section 5.1038 as follows:

12 (30 ILCS 105/5.1038 new)

13 Sec. 5.1038. The Reducing the Cost of Living Fund.

14 Section 999. Effective date. This Act takes effect upon  
15 becoming law.