



Rep. Mary E. Flowers

**Filed: 2/3/2017**

10000HB0453ham001

LRB100 04255 HLH 17939 a

1 AMENDMENT TO HOUSE BILL 453

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 453 immediately  
3 above the enacting clause by inserting the following:

4 "WHEREAS, The State of Illinois currently faces a serious  
5 budget crisis; and

6 WHEREAS, A financial transaction tax is a fair and  
7 sustainable source of revenue for the State; and

8 WHEREAS, A financial transaction tax will promote job  
9 growth and economic stability and reduce the negative effects  
10 created by high frequency trading; therefore"; and

11 by replacing everything after the enacting clause with the  
12 following:

13 "Section 1. Short title. This Act may be cited as the  
14 Financial Transaction Tax Act.

1 Section 5. Tax imposed; definitions.

2 (a) Beginning January 1, 2018, a tax is imposed on the  
3 privilege of engaging in a financial transaction on any of the  
4 following exchanges or boards of trade: the Chicago Stock  
5 Exchange, the Chicago Mercantile Exchange, the Chicago Board of  
6 Trade, and the Chicago Board Options Exchange. The tax is  
7 imposed at a rate of \$1 for each transaction for which the  
8 underlying asset is an agricultural product, a financial  
9 instruments contract, or an options contract. The tax shall be  
10 paid by the trading facility or, in any other case, by the  
11 purchaser involved in the transaction. All transactions  
12 executed via open outcry that are physically filled on the  
13 exchange floor are exempt from the tax.

14 (b) The tax shall be collected by the exchange or board of  
15 trade and shall be remitted to the Department of Revenue  
16 biannually in the form and manner required by the Department.  
17 The exchange or board of trade may retain 5% of the amount  
18 collected, which is allowed to reimburse the exchange or board  
19 of trade for the expenses incurred in keeping records,  
20 preparing and filing returns, remitting the tax, and supplying  
21 data to the Department on request.

22 (c) Subject to the provisions of subsection (b), the tax  
23 imposed under this Act, and all civil penalties that may be  
24 assessed as an incident thereof, shall be administered,  
25 collected, and enforced by the Department of Revenue, and

1 commodity brokers shall register with the Department in the  
2 same manner as required under the Retailers' Occupation Tax Act  
3 insofar as may be applicable. The Department of Revenue has  
4 full power to administer and enforce this Act, to collect all  
5 taxes and penalties due under this Act, to dispose of taxes and  
6 penalties so collected as provided in this Act, and to  
7 determine all rights to credit memoranda arising on account of  
8 the erroneous payment of a tax or penalty under this Act. The  
9 Department of Revenue shall pay over to the State Treasurer all  
10 moneys remitted to the Department under this Act for deposit  
11 into the General Revenue Fund.

12 (d) For the purpose of this Act, "financial transaction"  
13 means a transaction involving the purchase or sale of a stock  
14 contract, futures contract, futures options contract, swap  
15 contract, credit default swap contract, or options contract,  
16 but does not include a transaction involving securities held in  
17 a retirement account or a transaction involving a mutual fund.

18 Section 10. Recordkeeping. Each exchange or board of trade  
19 that is subject to the tax under this Act shall keep records  
20 and books of all transactions giving rise to a tax under this  
21 Act. Those books and records shall be kept in the English  
22 language and shall, at all times during business hours of the  
23 day, be subject to inspection by the Department or its duly  
24 authorized agents and employees.

1           Section 15. Retailers' Occupation Tax Act and Uniform  
2 Penalty and Interest Act adopted. The provisions of Sections 4,  
3 5, 5f, 5i, 6, 6a, 6b, 6c, 8, 9, 10, and 12 of the Retailers'  
4 Occupation Tax Act which are not inconsistent with this Act,  
5 and Section 3-7 of the Uniform Penalty and Interest Act, shall  
6 apply as far as practicable to the subject matter of this Act  
7 to the same extent as if those provisions were included in this  
8 Act.

9           Section 20. Rules. The Department shall adopt  
10 administrative rules to implement and administer this Act.  
11 Initial rules may be adopted as emergency rules.

12           Section 25. Interstate commerce exemption. No tax is  
13 imposed under this Act upon the privilege of engaging in a  
14 business in interstate commerce or otherwise when the business  
15 may not, under the Constitution and statutes of the United  
16 States, be made the subject of taxation by this State.

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