

HB0687



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB0687

by Rep. Michael J. Madigan

SYNOPSIS AS INTRODUCED:

805 ILCS 5/15.35

from Ch. 32, par. 15.35

Amends the Business Corporation Act of 1983. Makes a technical change in a Section concerning franchise taxes payable by domestic corporations.

LRB101 03750 JLS 48758 b

A BILL FOR

1 AN ACT concerning business.

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

4 Section 5. The Business Corporation Act of 1983 is amended
5 by changing Section 15.35 as follows:

6 (805 ILCS 5/15.35) (from Ch. 32, par. 15.35)

7 Sec. 15.35. Franchise taxes payable by domestic
8 corporations. For the ~~the~~ privilege of exercising its
9 franchises in this State, each domestic corporation shall pay
10 to the Secretary of State the following franchise taxes,
11 computed on the basis, at the rates and for the periods
12 prescribed in this Act:

13 (a) An initial franchise tax at the time of filing its
14 first report of issuance of shares.

15 (b) An additional franchise tax at the time of filing (1) a
16 report of the issuance of additional shares, or (2) a report of
17 an increase in paid-in capital without the issuance of shares,
18 or (3) an amendment to the articles of incorporation or a
19 report of cumulative changes in paid-in capital, whenever any
20 amendment or such report discloses an increase in its paid-in
21 capital over the amount thereof last reported in any document,
22 other than an annual report, interim annual report or final
23 transition annual report required by this Act to be filed in

1 the office of the Secretary of State.

2 (c) An additional franchise tax at the time of filing a
3 report of paid-in capital following a statutory merger or
4 consolidation, which discloses that the paid-in capital of the
5 surviving or new corporation immediately after the merger or
6 consolidation is greater than the sum of the paid-in capital of
7 all of the merged or consolidated corporations as last reported
8 by them in any documents, other than annual reports, required
9 by this Act to be filed in the office of the Secretary of
10 State; and in addition, the surviving or new corporation shall
11 be liable for a further additional franchise tax on the paid-in
12 capital of each of the merged or consolidated corporations as
13 last reported by them in any document, other than an annual
14 report, required by this Act to be filed with the Secretary of
15 State from their taxable year end to the next succeeding
16 anniversary month or, in the case of a corporation which has
17 established an extended filing month, the extended filing month
18 of the surviving or new corporation; however if the taxable
19 year ends within the 2 month period immediately preceding the
20 anniversary month or, in the case of a corporation which has
21 established an extended filing month, the extended filing month
22 of the surviving or new corporation the tax will be computed to
23 the anniversary month or, in the case of a corporation which
24 has established an extended filing month, the extended filing
25 month of the surviving or new corporation in the next
26 succeeding calendar year.

1 (d) An annual franchise tax payable each year with the
2 annual report which the corporation is required by this Act to
3 file.

4 (Source: P.A. 86-985.)