



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

**HB1499**

Introduced 2/17/2021, by Rep. Emanuel Chris Welch

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/501

from Ch. 120, par. 5-501

Amends the Illinois Income Tax Act. Makes a technical change in a Section concerning notices or regulations requiring records, statements, and special reports.

LRB102 03515 HLH 13528 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 5. The Illinois Income Tax Act is amended by  
5 changing Section 501 as follows:

6 (35 ILCS 5/501) (from Ch. 120, par. 5-501)

7 Sec. 501. Notice or Regulations Requiring Records,  
8 Statements and Special Returns.

9 (a) In general. Every person liable for any tax imposed by  
10 this Act shall keep such records, render such statements, make  
11 such returns and ~~and~~ notices, and comply with such rules and  
12 regulations as the Department may from time to time prescribe.  
13 Whenever in the judgment of the Director it is necessary, he  
14 may require any person, by notice served upon such person or by  
15 regulations, to make such returns and notices, render such  
16 statements, or keep such records, as the Director deems  
17 sufficient to show whether or not such person is liable for tax  
18 under this Act.

19 (b) Reportable transactions. For each taxable year in  
20 which a taxpayer is required to make a disclosure statement  
21 under Treasury Regulations Section 1.6011-4 (26 CFR 1.6011-4)  
22 (including any taxpayer that is a member of a consolidated  
23 group required to make such disclosure) with respect to a

1 reportable transaction (including a listed transaction) in  
2 which the taxpayer participated in a taxable year for which a  
3 return is required under Section 502 of this Act, such  
4 taxpayer shall file a copy of such disclosure with the  
5 Department. Disclosure under this subsection is required to be  
6 made by any taxpayer that is a member of a unitary business  
7 group that includes any person required to make a disclosure  
8 statement under Treasury Regulations Section 1.6011-4.  
9 Disclosure under this subsection is required with respect to  
10 any transaction entered into after February 28, 2000 that  
11 becomes a listed transaction at any time, and shall be made in  
12 the manner prescribed by the Department. With respect to  
13 transactions in which the taxpayer participated for taxable  
14 years ending before December 31, 2004, disclosure shall be  
15 made by the due date (including extensions) of the first  
16 return required under Section 502 of this Act due after the  
17 effective date of this amendatory Act of the 93rd General  
18 Assembly. With respect to transactions in which the taxpayer  
19 participated for taxable years ending on and after December  
20 31, 2004, disclosure shall be made in the time and manner  
21 prescribed in Treasury Regulations Section 1.6011-4(e).  
22 Notwithstanding the above, no disclosure is required for  
23 transactions entered into after February 28, 2000 and before  
24 January 1, 2005 (i) if the taxpayer has filed an amended  
25 Illinois income tax return which reverses the tax benefits of  
26 the potential tax avoidance transaction, or (ii) as a result

1 of a federal audit the Internal Revenue Service has determined  
2 the tax treatment of the transaction and an Illinois amended  
3 return has been filed to reflect the federal treatment.

4 (Source: P.A. 93-840, eff. 7-30-04.)