

SB0127



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB0127

Introduced 2/3/2021, by Sen. Emil Jones, III

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.

LRB102 13986 JLS 19338 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7 (Section scheduled to be repealed on December 31, 2025)

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

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

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

1 report, interim annual report or final transition annual
2 report required by this Act to be filed in the office of
3 the Secretary of State.

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

1 will be computed to the anniversary month or, in the case
2 of a corporation which has established an extended filing
3 month, the extended filing month of the surviving or new
4 corporation in the next succeeding calendar year.

5 (d) An annual franchise tax payable each year with the
6 annual report which the corporation is required by this
7 Act to file.

8 ~~(e)~~ On or after January 1, 2020 and prior to January 1,
9 2021, the first \$30 in liability is exempt from the tax imposed
10 under this Section. On or after January 1, 2021 and prior to
11 January 1, 2022, the first \$1,000 in liability is exempt from
12 the tax imposed under this Section. On or after January 1, 2022
13 and prior to January 1, 2023, the first \$10,000 in liability is
14 exempt from the tax imposed under this Section. On or after
15 January 1, 2023 and prior to January 1, 2024, the first
16 \$100,000 in liability is exempt from the tax imposed under
17 this Section. The provisions of this Section shall not require
18 the payment of any franchise tax that would otherwise have
19 been due and payable on or after January 1, 2024. There shall
20 be no refunds or proration of franchise tax for any taxes due
21 and payable on or after January 1, 2024 on the basis that a
22 portion of the corporation's taxable year extends beyond
23 January 1, 2024. Public Act 101-9 ~~This amendatory Act of the~~
24 ~~101st General Assembly~~ shall not affect any right accrued or
25 established, or any liability or penalty incurred prior to
26 January 1, 2024.

1 ~~(f)~~ This Section is repealed on December 31, 2025.

2 (Source: P.A. 101-9, eff. 6-5-19; revised 7-18-19.)