

HB4000



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4000

Introduced 2/28/2023, by Rep. Robert "Bob" Rita

SYNOPSIS AS INTRODUCED:

New Act

Creates the Financial Transaction Tax Act. Imposes a tax on the privilege of engaging in financial transactions involving the financial assets of a hedge fund on any of the following exchanges or boards of trade: the Chicago Stock Exchange; the Chicago Mercantile Exchange; the Chicago Board of Trade; or the Chicago Board Options Exchange. Provides that the tax is imposed at a rate of \$0.002 for every \$1 of value traded. Effective immediately.

LRB103 29567 HLH 57540 b

A BILL FOR

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 Financial Transaction Tax Act.

6 Section 3. Definitions. As used in this Act:

7 "Department" means the Department of Revenue.

8 "Financial transaction" means a transaction involving the
9 financial assets of a hedge fund where the buyer or the seller
10 is a business entity.

11 Section 5. Tax imposed; definitions.

12 (a) Beginning January 1, 2024 and until January 1, 2029, a
13 tax is imposed on the privilege of engaging in a financial
14 transaction on any of the following exchanges or boards of
15 trade: the Chicago Stock Exchange; the Chicago Mercantile
16 Exchange; the Chicago Board of Trade; or the Chicago Board
17 Options Exchange. The tax is imposed at a rate of \$0.002 per
18 every \$1 of value traded. The tax shall be paid by the trading
19 facility. All transactions executed via open outcry that are
20 physically filled on the exchange floor are exempt from the
21 tax.

22 (b) The tax shall be collected by the exchange or board of

1 trade and shall be remitted to the Department of Revenue
2 biannually in the form and manner required by the Department.
3 The exchange or board of trade may retain 5% of the amount
4 collected, which is allowed to reimburse the exchange or board
5 of trade for the expenses incurred in keeping records,
6 preparing and filing returns, remitting the tax, and supplying
7 data to the Department on request.

8 (c) Subject to the provisions of subsection (b), the tax
9 imposed under this Act, and all civil penalties that may be
10 assessed as an incident thereof, shall be administered,
11 collected, and enforced by the Department of Revenue, and
12 commodity brokers shall register with the Department in the
13 same manner as required under the Retailers' Occupation Tax
14 Act insofar as may be applicable. The Department of Revenue
15 has full power to administer and enforce this Act, to collect
16 all taxes and penalties due under this Act, to dispose of taxes
17 and penalties so collected as provided in this Act, and to
18 determine all rights to credit memoranda arising on account of
19 the erroneous payment of a tax or penalty under this Act. The
20 Department of Revenue shall pay over to the State Treasurer
21 all moneys remitted to the Department under this Act for
22 deposit into the General Revenue Fund.

23 Section 10. Recordkeeping. Each exchange or board of trade
24 that is subject to the tax under this Act shall keep records
25 and books of all transactions giving rise to a tax under this

1 Act. Those books and records shall be kept in the English
2 language and shall, at all times during business hours of the
3 day, be subject to inspection by the Department or its duly
4 authorized agents and employees.

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

13 Section 20. Rules. The Department shall adopt
14 administrative rules to implement and administer this Act.
15 Initial rules may be adopted as emergency rules.

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

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.