



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB2351

Introduced 2/10/2023, by Sen. Rachel Ventura

#### SYNOPSIS AS INTRODUCED:

New Act  
5 ILCS 100/5-45.35 new

Creates the Financial Transaction Tax Act. Beginning January 1, 2024, imposes a tax on the privilege of engaging in a financial transaction 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 \$1 per transaction for all transactions for which the underlying asset is an agricultural product, a financial instruments contract, or an options contract. Provides that transactions executed via open outcry that are physically filled on the exchange floor are exempt from the tax. Provides that the term "financial transaction" means a transaction involving the purchase or sale of a stock contract, futures contract, swap contract, credit default swap contract, or options contract, but does not include a transaction involving securities held in a retirement account or a transaction involving a mutual fund. Effective January 1, 2024.

LRB103 28233 DTM 54612 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 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 purchase or sale of a stock contract, futures contract,  
10 futures options contract, swap contract, credit default swap  
11 contract, or options contract, but does not include a  
12 transaction involving securities held in a retirement account  
13 or a transaction involving a mutual fund.

14 Section 5. Tax imposed; definitions.

15 (a) Beginning January 1, 2024, a tax is imposed on the  
16 privilege of engaging in a financial transaction on any of the  
17 following exchanges or boards of trade: the Chicago Stock  
18 Exchange; the Chicago Mercantile Exchange; the Chicago Board  
19 of Trade; or the Chicago Board Options Exchange. The tax is  
20 imposed at a rate of \$1 for each transaction for which the  
21 underlying asset is an agricultural product, a financial  
22 instruments contract, or an options contract. The tax shall be

1 paid by the trading facility or, in any other case, by the  
2 purchaser involved in the transaction. All transactions  
3 executed via open outcry that are physically filled on the  
4 exchange floor are exempt from the tax.

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

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

1 deposit into the General Revenue Fund.

2 Section 10. Recordkeeping. Each exchange or board of trade  
3 that is subject to the tax under this Act shall keep records  
4 and books of all transactions giving rise to a tax under this  
5 Act. Those books and records shall be kept in the English  
6 language and shall, at all times during business hours of the  
7 day, be subject to inspection by the Department or its duly  
8 authorized agents and employees.

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

17 Section 20. Rules. The Department shall adopt  
18 administrative rules to implement and administer this Act.  
19 Initial rules may be adopted as emergency rules.

20 Section 25. Interstate commerce exemption. No tax is  
21 imposed under this Act upon the privilege of engaging in a  
22 business in interstate commerce or otherwise when the business

1 may not, under the Constitution and statutes of the United  
2 States, be made the subject of taxation by this State.

3 Section 900. The Illinois Administrative Procedure Act is  
4 amended by adding Section 5-45.35 as follows:

5 (5 ILCS 100/5-45.35 new)

6 Sec. 5-45.35. Emergency rulemaking.To provide for the  
7 expeditious and timely implementation of the Financial  
8 Transaction Tax Act, emergency rules implementing the  
9 Financial Transaction Tax Act may be adopted in accordance  
10 with Section 5-45 by the Department of Revenue. The adoption  
11 of emergency rules authorized by Section 5-45 and this Section  
12 is deemed to be necessary for the public interest,safety, and  
13 welfare. This Section is repealed one year after the effective  
14 date of this amendatory Act of the 103rd General Assembly.

15 Section 999. Effective date. This Act takes effect January  
16 1, 2024.