



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB3617

Introduced 2/9/2024, by Sen. Sara Feigenholtz

#### SYNOPSIS AS INTRODUCED:

20 ILCS 2505/2505-430 new

Amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Provides that the Department of Revenue may design and implement a data match system pursuant to which the Department of Revenue shall enter into agreements with financial institutions doing business in this State for the purpose of identifying accounts of delinquent taxpayers. Provides that the agreements shall provide that (i) the financial institution shall compare data of account holders, owners, or customers who maintain one or more accounts at the financial institution with data of individuals and business entities who are identified by the Department as delinquent taxpayers and for whom the Department has provided the name, record address, and social security number or tax identification number or (ii) the financial institution shall provide to the Department the social security numbers or tax identification numbers of the account holders, owners, or customers who maintain one or more accounts at the financial institution, and the Department shall compare that data with data of individuals and business entities who are identified by the Department as delinquent taxpayers. Effective immediately.

LRB103 34188 HLH 64011 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 Department of Revenue Law of the Civil  
5 Administrative Code of Illinois is amended by adding Section  
6 2505-430 as follows:

7 (20 ILCS 2505/2505-430 new)

8 Sec. 2505-430. Financial institution data matching.

9 (a) Definitions. As used in this Section:

10 "Account" means a demand deposit account, checking or  
11 negotiable withdrawal order account, savings account, time  
12 deposit account, or money market mutual fund account.

13 "Financial institution" means:

14 (1) a depository institution, which is any bank or  
15 saving association;

16 (2) an insured depository institution, which is any  
17 bank or saving institution the deposits of which are  
18 insured pursuant to the Federal Deposit Insurance Act, or  
19 any uninsured branch or agency of a foreign bank or a  
20 commercial lending company owned or controlled by a  
21 foreign bank;

22 (3) a federal depository institution, which is any  
23 national bank, any federal savings association, or any

1 federal branch;

2 (4) a state depository institution, which is any state  
3 bank, any state savings association, or any insured branch  
4 that is not a federal branch;

5 (5) a federal credit union, which is a cooperative  
6 association organized in accordance with the provisions of  
7 the Federal Credit Union Act;

8 (6) a state-chartered credit union that is organized  
9 and operated according to the laws of this or any other  
10 state, which laws provide for the organization of credit  
11 unions similar in principle and objectives to federal  
12 credit unions; and

13 (7) any benefit association, insurance company, safe  
14 deposit company, money market mutual fund, or similar  
15 entity authorized to do business in this State.

16 "Financial record" has the meaning given to that term in  
17 Section 3401 of the federal Right to Financial Privacy Act of  
18 1978.

19 (b) The Department may design and implement a data match  
20 system pursuant to which the Department shall enter into  
21 agreements with financial institutions doing business in this  
22 State for the purpose of identifying accounts of taxpayers who  
23 are delinquent in the payment of a tax collected by the  
24 Department.

25 Every agreement entered into with a financial institution  
26 under this Section shall provide, at the option of the

1 financial institution, either (i) that the financial  
2 institution shall compare the data of account holders, owners,  
3 or customers who maintain one or more accounts at the  
4 financial institution with data of individuals and business  
5 entities who are identified by the Department as delinquent  
6 taxpayers and whose name, record address, and social security  
7 number or tax identification number are provided by the  
8 Department to the financial institution or (ii) that the  
9 financial institution shall provide to the Department the  
10 social security numbers or tax identification numbers of the  
11 account holders, owners, or customers who maintain one or more  
12 accounts at the financial institution, and the Department  
13 shall compare that data with data of individuals and business  
14 entities who are identified by the Department as delinquent  
15 taxpayers.

16 If the financial institution or the Department determines  
17 that the name and social security number or tax identification  
18 number of an individual or business entity identified by the  
19 Department as a delinquent taxpayer matches the name and  
20 social security number or tax identification number of an  
21 account holder, owner, or customer who maintains one or more  
22 accounts at the financial institution, then the financial  
23 institution shall report the individual's or business entity's  
24 name and either social security number or tax identification  
25 number to the Department for each calendar quarter in which  
26 the Department notifies the financial institution that the

1 individual or business entity is a delinquent taxpayer.

2 (c) The reporting requirements of subsection (b) of this  
3 Section apply to personal (both individual and joint) and  
4 business accounts, including sole proprietorship accounts. In  
5 the case of a joint account, the account holder or owner shall  
6 be deemed to be the primary account holder or owner  
7 established by the financial institution in accordance with  
8 federal 1099 reporting requirements.

9 (d) The Department shall make a reasonable effort to  
10 accommodate those financial institutions on which the  
11 requirements of this Section would impose a hardship. In the  
12 case of a non-automated financial institution, a paper copy  
13 including either social security numbers or tax identification  
14 numbers is an acceptable format. In order to allow for data  
15 processing implementation, no agreement shall become effective  
16 earlier than 90 days after its execution.

17 (e) All information provided by a financial institution  
18 under this Section is confidential and may be used only for the  
19 purpose of enforcing payment of delinquent taxes.

20 (f) A financial institution that provides information  
21 under this Section shall not be liable to any account holder,  
22 owner, or other person in any civil, criminal, or  
23 administrative action for any of the following:

24 (1) Disclosing the required information to the  
25 Department, any other provisions of law notwithstanding.

26 (2) Holding, encumbering, or surrendering any of an

1       individual's accounts as defined in subsection (a) of this  
2       Section in response to a lien or order to withhold and  
3       deliver issued by the Department.

4       (3) Any other action taken or omission made in good  
5       faith to comply with this Section, including individual or  
6       mechanical errors, provided that the action or omission  
7       does not constitute gross negligence or willful  
8       misconduct.

9       Section 99. Effective date. This Act takes effect upon  
10      becoming law.