

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 and financial  
21 institutions doing business in this State may enter into  
22 agreements for the purpose of identifying accounts of  
23 taxpayers who are delinquent in the payment of a tax collected  
24 by the Department. No financial institution shall be required  
25 to enter into any such agreement with the Department. Nothing  
26 in this Section shall be interpreted as requiring a financial

1 institution to enter into an agreement with the Department or  
2 as requiring a financial institution to change its current  
3 practice of cooperating with the Department's requests on a  
4 case-by-case basis.

5 Any agreement entered into with a financial institution  
6 under this Section shall provide that the financial  
7 institution shall compare the data of account holders, owners,  
8 or customers who maintain one or more accounts at the  
9 financial institution with data of individuals and business  
10 entities who are identified by the Department as delinquent  
11 taxpayers and whose name, record address, and social security  
12 number or tax identification number are provided by the  
13 Department to the financial institution.

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

26 (c) The reporting requirements of subsection (b) of this

1 Section apply to personal (both individual and joint) and  
2 business accounts, including sole proprietorship accounts. In  
3 the case of a joint account, the account holder or owner shall  
4 be deemed to be the primary account holder or owner  
5 established by the financial institution in accordance with  
6 the financial institution's internal procedures.

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

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

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

22 (1) disclosing the required information to the  
23 Department, any other provisions of law notwithstanding;

24 (2) holding, encumbering, or surrendering any of an  
25 individual's accounts as defined in subsection (a) of this  
26 Section in response to a lien or order to withhold and

1           deliver issued by the Department; or  
2           (3) any other action taken or omission made in good  
3           faith to comply with this Section, including individual or  
4           mechanical errors, provided that the action or omission  
5           does not constitute gross negligence or willful  
6           misconduct.

7           (g) Each agreement under this Section shall provide that  
8           the Department shall pay to the financial institution  
9           providing or comparing the data a reasonable fee not to exceed  
10           the institution's actual cost of providing the data or  
11           performing the comparison.

12           Section 99. Effective date. This Act takes effect upon  
13           becoming law.