



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004

Introduced 2/6/2004, by Chris Lauzen

SYNOPSIS AS INTRODUCED:

25 ILCS 130/1-3	from Ch. 63, par. 1001-3
25 ILCS 130/1-5	from Ch. 63, par. 1001-5
25 ILCS 130/Art. 4A heading new	
25 ILCS 130/4A-1 new	
35 ILCS 5/917	from Ch. 120, par. 9-917

Amends the Legislative Commission Reorganization Act of 1984. Creates the Illinois Tax Policy Commission as a legislative support services agency. Creates a board with legislative and public members. Provides for the Commission to study and evaluate tax policy and to make reports. Requires changes in tax laws to be submitted to and considered by the Commission. Amends the Illinois Income Tax Act to allow Commission members and staff to receive tax-related data that is otherwise confidential. Effective January 1, 2005.

LRB093 20360 RCE 46128 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning tax policy

2 **Be it enacted by the People of the State of Illinois,**
 3 **represented in the General Assembly:**

4 Section 5. The Legislative Commission Reorganization Act
 5 of 1984 is amended by changing Sections 1-3 and 1-5 and by
 6 adding the heading of Article 4A and Section 4A-1 as follows:

7 (25 ILCS 130/1-3) (from Ch. 63, par. 1001-3)

8 Sec. 1-3. Legislative support services agencies. The Joint
 9 Committee on Legislative Support Services is responsible for
 10 establishing general policy and coordinating activities among
 11 the legislative support services agencies. The legislative
 12 support services agencies include the following:

- 13 (1) Joint Committee on Administrative Rules;
 14 (2) Illinois Economic and Fiscal Commission;
 15 (3) Legislative Information System;
 16 (4) Legislative Reference Bureau;
 17 (5) Legislative Audit Commission;
 18 (6) Legislative Printing Unit;
 19 (7) Legislative Research Unit; ~~and~~
 20 (8) Office of the Architect of the Capitol; and ~~and~~
 21 (9) Illinois Tax Policy Commission.

22 (Source: P.A. 93-632, eff. 2-1-04.)

23 (25 ILCS 130/1-5) (from Ch. 63, par. 1001-5)

24 Sec. 1-5. Composition of agencies; directors.

25 (a)(1) Each legislative support services agency listed in
 26 Section 1-3 is hereafter in this Section referred to as the
 27 Agency.

28 (2) (Blank).

29 (2.1) (Blank).

30 (2.5) The Board of the Office of the Architect of the
 31 Capitol shall consist of the Secretary and Assistant Secretary

1 of the Senate and the Clerk and Assistant Clerk of the House of
2 Representatives.

3 (2.6) The Illinois Tax Policy Commission shall consist of
4 12 members. The Joint Committee shall appoint 8 members to
5 include the following: 2 tax managers from corporations doing
6 business in Illinois; 2 tax managers from partnerships,
7 subchapter S corporations, limited liability companies, or
8 sole proprietorships doing business in Illinois; 2 Illinois
9 individual income taxpayers; and 2 academic economists from
10 colleges and universities located in Illinois. The 4 remaining
11 members shall be members of the General Assembly, of whom one
12 shall be appointed by the President of the Senate, one by the
13 Minority Leader of the Senate, one by the Speaker of the House
14 of Representatives, and one by the Minority Leader of the House
15 of Representatives. All appointments shall be in writing and
16 filed with the Secretary of State as a public record. Members
17 of the Tax Policy Commission must be appointed during the month
18 of January in each odd-numbered year for 2-year terms beginning
19 February 1. Any vacancy on the Commission shall be filled by
20 appointment for the balance of the term in the same manner as
21 the original appointment. A vacancy shall exist when a public
22 member no longer holds the respective position held at the time
23 of the appointment or at the termination of a legislative
24 member's term of office.

25 (3) The other legislative support services agencies shall
26 each consist of 12 members of the General Assembly, of whom 3
27 shall be appointed by the President of the Senate, 3 shall be
28 appointed by the Minority Leader of the Senate, 3 shall be
29 appointed by the Speaker of the House of Representatives, and 3
30 shall be appointed by the Minority Leader of the House of
31 Representatives. All appointments shall be in writing and filed
32 with the Secretary of State as a public record.

33 Members shall serve a 2-year term, and must be appointed by
34 the Joint Committee during the month of January in each
35 odd-numbered year for terms beginning February 1. Any vacancy
36 in an Agency shall be filled by appointment for the balance of

1 the term in the same manner as the original appointment. A
2 vacancy shall exist when a member no longer holds the elected
3 legislative office held at the time of the appointment or at
4 the termination of the member's legislative service.

5 (b) (Blank).

6 (c) During the month of February of each odd-numbered year,
7 the Joint Committee on Legislative Support Services shall
8 select from the members of each agency, other than the Office
9 of the Architect of the Capitol, 2 co-chairmen and such other
10 officers as the Joint Committee deems necessary. The
11 co-chairmen of each Agency shall serve for a 2-year term,
12 beginning February 1 of the odd-numbered year, and the 2
13 co-chairmen shall not be members of or identified with the same
14 house or the same political party. The co-chairmen of the Board
15 of the Office of the Architect of the Capitol shall be the
16 Secretary of the Senate and the Clerk of the House of
17 Representatives, each ex officio. The co-chairmen for the
18 Illinois Tax Policy Commission shall be selected from among the
19 4 appointed members of the Illinois General Assembly.

20 Each Agency, except the Illinois Tax Policy Commission,
21 shall meet twice annually or more often upon the call of the
22 chair or any 9 members (or any 3 members in the case of the
23 Office of the Architect of the Capitol). A quorum of the Agency
24 shall consist of a majority of the appointed members.

25 The Illinois Tax Policy Commission shall meet quarterly, or
26 more often upon the call of the chair or any 9 members. A
27 quorum of the Agency shall consist of a majority of the
28 appointed members.

29 (d) Members of each Agency shall serve without
30 compensation, but shall be reimbursed for expenses incurred in
31 carrying out the duties of the Agency pursuant to rules and
32 regulations adopted by the Joint Committee on Legislative
33 Support Services.

34 (e) Beginning February 1, 1985, and every 2 years
35 thereafter, the Joint Committee shall select an Executive
36 Director who shall be the chief executive officer and staff

1 director of each Agency. The Executive Director shall receive a
2 salary as fixed by the Joint Committee and shall be authorized
3 to employ and fix the compensation of necessary professional,
4 technical and secretarial staff and prescribe their duties,
5 sign contracts, and issue vouchers for the payment of
6 obligations pursuant to rules and regulations adopted by the
7 Joint Committee on Legislative Support Services. The Executive
8 Director and other employees of the Agency shall not be subject
9 to the Personnel Code.

10 The executive director of the Office of the Architect of
11 the Capitol shall be known as the Architect of the Capitol.

12 (Source: P.A. 93-632, eff. 2-1-04.)

13 (25 ILCS 130/Art. 4A heading new)

14 ARTICLE 4A.

15 (25 ILCS 130/4A-1 new)

16 Sec. 4A-1. Illinois Tax Policy Commission.

17 (a) The Illinois Tax Policy Commission is hereby
18 established as a legislative support services agency. The
19 Commission is subject to the provisions of this Act. It shall
20 have the powers, duties, and functions that may be provided by
21 law.

22 (b) The Commission shall, in cooperation with the Illinois
23 Economic and Fiscal Commission and the Illinois Department of
24 Revenue, make a continuing study of the laws, rules, and
25 practices pertaining to the various State and local tax laws
26 and related requirements for individual taxpayers and business
27 taxpayers.

28 (c) The Commission shall evaluate existing laws, rules, and
29 practices and shall review and make recommendations on proposed
30 changes to those laws, rules, and practices.

31 (d) The Commission shall report to the General Assembly
32 annually or as it deems necessary or useful on the results of
33 its studies and the performance of its duties.

34 (e) The Commission may request assistance from any other

1 entity, including but not limited to the Illinois Economic and
2 Fiscal Commission, the Illinois Department of Commerce and
3 Economic Opportunity, and the Illinois Department of Revenue,
4 necessary or useful for the performance of its duties.

5 (f) Upon successful completion of any background
6 investigation required of then current Department of Revenue
7 employees and upon signing a confidentiality statement under
8 the penalty of perjury, members and staff of the Illinois Tax
9 Policy Commission may receive tax-related data otherwise not
10 available under State and federal confidentiality limitations.
11 Any such data that is disclosed must be necessary for the
12 comprehensive research and analysis of tax laws and any
13 proposed changes to those laws.

14 (g) All proposed legislation to create or change a tax
15 exemption, credit, or deduction, as well as any proposed
16 legislation to increase or decrease the rate of any tax imposed
17 or collected under the auspices of the Illinois Department of
18 Revenue, including but not limited to the Illinois Income Tax
19 Act, the Retailer's Occupation Tax Act, the Use Tax Act, the
20 Service Use Tax Act, and the Service Occupation Tax Act, must
21 be submitted to and considered and analyzed by the Illinois Tax
22 Policy Commission. To demonstrate completion of its
23 deliberation, the Commission shall issue a report of its
24 findings, by majority vote of the Commission.

25 Section 10. The Illinois Income Tax Act is amended by
26 changing Section 917 as follows:

27 (35 ILCS 5/917) (from Ch. 120, par. 9-917)

28 Sec. 917. Confidentiality and information sharing.

29 (a) Confidentiality. Except as provided in this Section,
30 all information received by the Department from returns filed
31 under this Act, or from any investigation conducted under the
32 provisions of this Act, shall be confidential, except for
33 official purposes within the Department or pursuant to official
34 procedures for collection of any State tax or pursuant to an

1 investigation or audit by the Illinois State Scholarship
2 Commission of a delinquent student loan or monetary award or
3 enforcement of any civil or criminal penalty or sanction
4 imposed by this Act or by another statute imposing a State tax,
5 and any person who divulges any such information in any manner,
6 except for such purposes and pursuant to order of the Director
7 or in accordance with a proper judicial order, shall be guilty
8 of a Class A misdemeanor. However, the provisions of this
9 paragraph are not applicable to information furnished to a
10 licensed attorney representing the taxpayer where an appeal or
11 a protest has been filed on behalf of the taxpayer.

12 (b) Public information. Nothing contained in this Act shall
13 prevent the Director from publishing or making available to the
14 public the names and addresses of persons filing returns under
15 this Act, or from publishing or making available reasonable
16 statistics concerning the operation of the tax wherein the
17 contents of returns are grouped into aggregates in such a way
18 that the information contained in any individual return shall
19 not be disclosed.

20 (c) Governmental agencies. The Director may make available
21 to the Secretary of the Treasury of the United States or his
22 delegate, or the proper officer or his delegate of any other
23 state imposing a tax upon or measured by income, for
24 exclusively official purposes, information received by the
25 Department in the administration of this Act, but such
26 permission shall be granted only if the United States or such
27 other state, as the case may be, grants the Department
28 substantially similar privileges. The Director may exchange
29 information with the Illinois Department of Public Aid and the
30 Department of Human Services (acting as successor to the
31 Department of Public Aid under the Department of Human Services
32 Act) for the purpose of verifying sources and amounts of income
33 and for other purposes directly connected with the
34 administration of this Act and the Illinois Public Aid Code.
35 The Director may exchange information with the Director of the
36 Department of Employment Security for the purpose of verifying

1 sources and amounts of income and for other purposes directly
2 connected with the administration of this Act and Acts
3 administered by the Department of Employment Security. The
4 Director may make available to the Illinois Industrial
5 Commission information regarding employers for the purpose of
6 verifying the insurance coverage required under the Workers'
7 Compensation Act and Workers' Occupational Diseases Act.

8 The Director may make available to any State agency,
9 including the Illinois Supreme Court, which licenses persons to
10 engage in any occupation, information that a person licensed by
11 such agency has failed to file returns under this Act or pay
12 the tax, penalty and interest shown therein, or has failed to
13 pay any final assessment of tax, penalty or interest due under
14 this Act. The Director may make available to any State agency,
15 including the Illinois Supreme Court, information regarding
16 whether a bidder, contractor, or an affiliate of a bidder or
17 contractor has failed to file returns under this Act or pay the
18 tax, penalty, and interest shown therein, or has failed to pay
19 any final assessment of tax, penalty, or interest due under
20 this Act, for the limited purpose of enforcing bidder and
21 contractor certifications. For purposes of this Section, the
22 term "affiliate" means any entity that (1) directly,
23 indirectly, or constructively controls another entity, (2) is
24 directly, indirectly, or constructively controlled by another
25 entity, or (3) is subject to the control of a common entity.
26 For purposes of this subsection (a), an entity controls another
27 entity if it owns, directly or individually, more than 10% of
28 the voting securities of that entity. As used in this
29 subsection (a), the term "voting security" means a security
30 that (1) confers upon the holder the right to vote for the
31 election of members of the board of directors or similar
32 governing body of the business or (2) is convertible into, or
33 entitles the holder to receive upon its exercise, a security
34 that confers such a right to vote. A general partnership
35 interest is a voting security.

36 The Director may make available to any State agency,

1 including the Illinois Supreme Court, units of local
2 government, and school districts, information regarding
3 whether a bidder or contractor is an affiliate of a person who
4 is not collecting and remitting Illinois Use taxes, for the
5 limited purpose of enforcing bidder and contractor
6 certifications.

7 The Director may also make available to the Secretary of
8 State information that a corporation which has been issued a
9 certificate of incorporation by the Secretary of State has
10 failed to file returns under this Act or pay the tax, penalty
11 and interest shown therein, or has failed to pay any final
12 assessment of tax, penalty or interest due under this Act. An
13 assessment is final when all proceedings in court for review of
14 such assessment have terminated or the time for the taking
15 thereof has expired without such proceedings being instituted.
16 For taxable years ending on or after December 31, 1987, the
17 Director may make available to the Director or principal
18 officer of any Department of the State of Illinois, information
19 that a person employed by such Department has failed to file
20 returns under this Act or pay the tax, penalty and interest
21 shown therein. For purposes of this paragraph, the word
22 "Department" shall have the same meaning as provided in Section
23 3 of the State Employees Group Insurance Act of 1971.

24 Subject to the provisions of Section 4A-1 of the
25 Legislative Commission Reorganization Act of 1984, the
26 Director shall make available to qualified members and staff of
27 the Illinois Tax Policy Commission all information necessary
28 for the purposes set forth in that Section 4A-1.

29 (d) The Director shall make available for public inspection
30 in the Department's principal office and for publication, at
31 cost, administrative decisions issued on or after January 1,
32 1995. These decisions are to be made available in a manner so
33 that the following taxpayer information is not disclosed:

34 (1) The names, addresses, and identification numbers
35 of the taxpayer, related entities, and employees.

36 (2) At the sole discretion of the Director, trade

1 secrets or other confidential information identified as
2 such by the taxpayer, no later than 30 days after receipt
3 of an administrative decision, by such means as the
4 Department shall provide by rule.

5 The Director shall determine the appropriate extent of the
6 deletions allowed in paragraph (2). In the event the taxpayer
7 does not submit deletions, the Director shall make only the
8 deletions specified in paragraph (1).

9 The Director shall make available for public inspection and
10 publication an administrative decision within 180 days after
11 the issuance of the administrative decision. The term
12 "administrative decision" has the same meaning as defined in
13 Section 3-101 of Article III of the Code of Civil Procedure.
14 Costs collected under this Section shall be paid into the Tax
15 Compliance and Administration Fund.

16 (e) Nothing contained in this Act shall prevent the
17 Director from divulging information to any person pursuant to a
18 request or authorization made by the taxpayer, by an authorized
19 representative of the taxpayer, or, in the case of information
20 related to a joint return, by the spouse filing the joint
21 return with the taxpayer.

22 (Source: P.A. 93-25, eff. 6-20-03.)

23 Section 99. Effective date. This Act takes effect January
24 1, 2005.