



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB3831

Introduced 2/25/2009, by Rep. Frank J. Mautino

#### SYNOPSIS AS INTRODUCED:

20 ILCS 2505/2505-255 new	
30 ILCS 210/9 new	
35 ILCS 5/303	from Ch. 120, par. 3-303
35 ILCS 5/304	from Ch. 120, par. 3-304
35 ILCS 5/605	from Ch. 120, par. 6-605
35 ILCS 5/701	from Ch. 120, par. 7-701
35 ILCS 5/710	from Ch. 120, par. 7-710
35 ILCS 120/5	from Ch. 120, par. 444
35 ILCS 120/5f	from Ch. 120, par. 444f
625 ILCS 5/2-123	from Ch. 95 1/2, par. 2-123

Amends the Illinois State Collection Act of 1986. Provides that, in the case of any liability referred to a collection agency, any fee charged to the State by the collection agency is considered an additional liability owed to the State. Amends the Department of Revenue Law of the Civil Administrative Code of Illinois and the Illinois Income Tax Act to authorize the Department of Revenue to adopt rules and regulations for payments by credit card. Amends the Illinois Income Tax Act. Provides that certain lottery and gambling winnings are allocable to the State. Makes other changes. Amends the Retailers' Occupation Tax Act. Makes changes concerning actions by the Department to recover unpaid taxes, penalties, and interest. Amends the Illinois Vehicle Code. Authorizes the Secretary of State to disclose or otherwise make available to the Department of Revenue social security numbers for use by the Department in the administration of any tax administered by the Department of Revenue or in the collection of any tax or debt that the Department of Revenue is authorized or required by law to collect. Effective immediately.

LRB096 11651 HLH 22226 b

FISCAL NOTE ACT  
MAY APPLY

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 5. The Department of Revenue Law of the Civil  
5 Administrative Code of Illinois is amended by adding Section  
6 2505-255 as follows:

7 (20 ILCS 2505/2505-255 new)

8 Sec. 2505-255. Payment by credit card. The Department may  
9 adopt rules and regulations for payment by credit card of any  
10 amount due under any Act administered by the Department  
11 provided that, prior to December 31, 2009, the Department may  
12 accept payment by credit card only when the Department is not  
13 required to pay a discount fee charged by the credit card  
14 issuer.

15 Section 10. The Illinois State Collection Act of 1986 is  
16 amended by adding Section 9 as follows:

17 (30 ILCS 210/9 new)

18 Sec. 9. Collection agency fees. Except where prohibited by  
19 federal law or regulation, in the case of any liability  
20 referred to a collection agency on or after July 1, 2009, any  
21 fee charged to the State by the collection agency is considered

1 an additional liability owed to the State, is immediately  
2 subject to all collection procedures applicable to the  
3 liability referred to the collection agency, and must be  
4 separately stated in any statement or notice of the liability  
5 issued by the collection agency to the taxpayer.

6 Section 15. The Illinois Income Tax Act is amended by  
7 changing Sections 303, 304, 605, 701, and 710 as follows:

8 (35 ILCS 5/303) (from Ch. 120, par. 3-303)

9 Sec. 303. (a) In general. Any item of capital gain or loss,  
10 ~~and~~ any item of income from rents or royalties from real or  
11 tangible personal property, interest, dividends, ~~and~~ patent or  
12 copyright royalties, and prizes awarded under the Illinois  
13 Lottery Law, and, for taxable years ending on or after December  
14 31, 2009, wagering and gambling winnings from Illinois sources  
15 as set forth in subsection (e), to the extent such item  
16 constitutes nonbusiness income, together with any item of  
17 deduction directly allocable thereto, shall be allocated by any  
18 person other than a resident as provided in this Section.

19 (b) Capital gains and losses. (1) Real property. Capital  
20 gains and losses from sales or exchanges of real property are  
21 allocable to this State if the property is located in this  
22 State.

23 (2) Tangible personal property. Capital gains and losses  
24 from sales or exchanges of tangible personal property are

1 allocable to this State if, at the time of such sale or  
2 exchange:

3 (A) The property had its situs in this State; or

4 (B) The taxpayer had its commercial domicile in this State  
5 and was not taxable in the state in which the property had its  
6 situs.

7 (3) Intangibles. Capital gains and losses from sales or  
8 exchanges of intangible personal property are allocable to this  
9 State if the taxpayer had its commercial domicile in this State  
10 at the time of such sale or exchange.

11 (c) Rents and royalties. (1) Real property. Rents and  
12 royalties from real property are allocable to this State if the  
13 property is located in this State.

14 (2) Tangible personal property. Rents and royalties from  
15 tangible personal property are allocable to this State:

16 (A) If and to the extent that the property is utilized in  
17 this State; or

18 (B) In their entirety if, at the time such rents or  
19 royalties were paid or accrued, the taxpayer had its commercial  
20 domicile in this State and was not organized under the laws of  
21 or taxable with respect to such rents or royalties in the state  
22 in which the property was utilized. The extent of utilization  
23 of tangible personal property in a state is determined by  
24 multiplying the rents or royalties derived from such property  
25 by a fraction, the numerator of which is the number of days of  
26 physical location of the property in the state during the

1 rental or royalty period in the taxable year and the  
2 denominator of which is the number of days of physical location  
3 of the property everywhere during all rental or royalty periods  
4 in the taxable year. If the physical location of the property  
5 during the rental or royalty period is unknown or  
6 unascertainable by the taxpayer, tangible personal property is  
7 utilized in the state in which the property was located at the  
8 time the rental or royalty payer obtained possession.

9 (d) Patent and copyright royalties.

10 (1) Allocation. Patent and copyright royalties are  
11 allocable to this State:

12 (A) If and to the extent that the patent or copyright is  
13 utilized by the payer in this State; or

14 (B) If and to the extent that the patent or copyright is  
15 utilized by the payer in a state in which the taxpayer is not  
16 taxable with respect to such royalties and, at the time such  
17 royalties were paid or accrued, the taxpayer had its commercial  
18 domicile in this State.

19 (2) Utilization.

20 (A) A patent is utilized in a state to the extent that it  
21 is employed in production, fabrication, manufacturing or other  
22 processing in the state or to the extent that a patented  
23 product is produced in the state. If the basis of receipts from  
24 patent royalties does not permit allocation to states or if the  
25 accounting procedures do not reflect states of utilization, the  
26 patent is utilized in this State if the taxpayer has its

1 commercial domicile in this State.

2 (B) A copyright is utilized in a state to the extent that  
3 printing or other publication originates in the state. If the  
4 basis of receipts from copyright royalties does not permit  
5 allocation to states or if the accounting procedures do not  
6 reflect states of utilization, the copyright is utilized in  
7 this State if the taxpayer has its commercial domicile in this  
8 State.

9 (e) Illinois lottery; wagering and gambling winnings  
10 prizes. Prizes awarded under the Illinois Lottery Law "~~Illinois~~  
11 ~~Lottery Law~~", ~~approved December 14, 1973,~~ are allocable to this  
12 State. Payments received in taxable years ending on or after  
13 December 31, 2009 from (i) the assignment of a prize under  
14 Section 13.1 of the Illinois Lottery Law, (ii) payments of  
15 winnings from pari-mutuel wagering conducted at a wagering  
16 facility licensed under the Illinois Horse Racing Act of 1975,  
17 and (iii) gambling games conducted on a riverboat licensed  
18 under the Riverboat Gambling Act are allocable to this State.

19 (f) Taxability in other state. For purposes of allocation  
20 of income pursuant to this Section, a taxpayer is taxable in  
21 another state if:

22 (1) In that state he is subject to a net income tax, a  
23 franchise tax measured by net income, a franchise tax for the  
24 privilege of doing business, or a corporate stock tax; or

25 (2) That state has jurisdiction to subject the taxpayer to  
26 a net income tax regardless of whether, in fact, the state does

1 or does not.

2 (g) Cross references. (1) For allocation of interest and  
3 dividends by persons other than residents, see Section  
4 301(c)(2).

5 (2) For allocation of nonbusiness income by residents, see  
6 Section 301(a).

7 (Source: P.A. 79-743.)

8 (35 ILCS 5/304) (from Ch. 120, par. 3-304)

9 Sec. 304. Business income of persons other than residents.

10 (a) In general. The business income of a person other than  
11 a resident shall be allocated to this State if such person's  
12 business income is derived solely from this State. If a person  
13 other than a resident derives business income from this State  
14 and one or more other states, then, for tax years ending on or  
15 before December 30, 1998, and except as otherwise provided by  
16 this Section, such person's business income shall be  
17 apportioned to this State by multiplying the income by a  
18 fraction, the numerator of which is the sum of the property  
19 factor (if any), the payroll factor (if any) and 200% of the  
20 sales factor (if any), and the denominator of which is 4  
21 reduced by the number of factors other than the sales factor  
22 which have a denominator of zero and by an additional 2 if the  
23 sales factor has a denominator of zero. For tax years ending on  
24 or after December 31, 1998, and except as otherwise provided by  
25 this Section, persons other than residents who derive business

1 income from this State and one or more other states shall  
2 compute their apportionment factor by weighting their  
3 property, payroll, and sales factors as provided in subsection  
4 (h) of this Section.

5 (1) Property factor.

6 (A) The property factor is a fraction, the numerator of  
7 which is the average value of the person's real and  
8 tangible personal property owned or rented and used in the  
9 trade or business in this State during the taxable year and  
10 the denominator of which is the average value of all the  
11 person's real and tangible personal property owned or  
12 rented and used in the trade or business during the taxable  
13 year.

14 (B) Property owned by the person is valued at its  
15 original cost. Property rented by the person is valued at 8  
16 times the net annual rental rate. Net annual rental rate is  
17 the annual rental rate paid by the person less any annual  
18 rental rate received by the person from sub-rentals.

19 (C) The average value of property shall be determined  
20 by averaging the values at the beginning and ending of the  
21 taxable year but the Director may require the averaging of  
22 monthly values during the taxable year if reasonably  
23 required to reflect properly the average value of the  
24 person's property.

25 (2) Payroll factor.

26 (A) The payroll factor is a fraction, the numerator of



1           which is the total amount paid in this State during the  
2           taxable year by the person for compensation, and the  
3           denominator of which is the total compensation paid  
4           everywhere during the taxable year.

5           (B) Compensation is paid in this State if:

6                 (i) The individual's service is performed entirely  
7                 within this State;

8                 (ii) The individual's service is performed both  
9                 within and without this State, but the service  
10                performed without this State is incidental to the  
11                individual's service performed within this State; or

12                (iii) Some of the service is performed within this  
13                State and either the base of operations, or if there is  
14                no base of operations, the place from which the service  
15                is directed or controlled is within this State, or the  
16                base of operations or the place from which the service  
17                is directed or controlled is not in any state in which  
18                some part of the service is performed, but the  
19                individual's residence is in this State.

20                (iv) Compensation paid to nonresident professional  
21                athletes.

22                (a) General. The Illinois source income of a  
23                nonresident individual who is a member of a  
24                professional athletic team includes the portion of the  
25                individual's total compensation for services performed  
26                as a member of a professional athletic team during the

1 taxable year which the number of duty days spent within  
2 this State performing services for the team in any  
3 manner during the taxable year bears to the total  
4 number of duty days spent both within and without this  
5 State during the taxable year.

6 (b) Travel days. Travel days that do not involve  
7 either a game, practice, team meeting, or other similar  
8 team event are not considered duty days spent in this  
9 State. However, such travel days are considered in the  
10 total duty days spent both within and without this  
11 State.

12 (c) Definitions. For purposes of this subpart  
13 (iv):

14 (1) The term "professional athletic team"  
15 includes, but is not limited to, any professional  
16 baseball, basketball, football, soccer, or hockey  
17 team.

18 (2) The term "member of a professional  
19 athletic team" includes those employees who are  
20 active players, players on the disabled list, and  
21 any other persons required to travel and who travel  
22 with and perform services on behalf of a  
23 professional athletic team on a regular basis.  
24 This includes, but is not limited to, coaches,  
25 managers, and trainers.

26 (3) Except as provided in items (C) and (D) of

1 this subpart (3), the term "duty days" means all  
2 days during the taxable year from the beginning of  
3 the professional athletic team's official  
4 pre-season training period through the last game  
5 in which the team competes or is scheduled to  
6 compete. Duty days shall be counted for the year in  
7 which they occur, including where a team's  
8 official pre-season training period through the  
9 last game in which the team competes or is  
10 scheduled to compete, occurs during more than one  
11 tax year.

12 (A) Duty days shall also include days on  
13 which a member of a professional athletic team  
14 performs service for a team on a date that does  
15 not fall within the foregoing period (e.g.,  
16 participation in instructional leagues, the  
17 "All Star Game", or promotional "caravans").  
18 Performing a service for a professional  
19 athletic team includes conducting training and  
20 rehabilitation activities, when such  
21 activities are conducted at team facilities.

22 (B) Also included in duty days are game  
23 days, practice days, days spent at team  
24 meetings, promotional caravans, preseason  
25 training camps, and days served with the team  
26 through all post-season games in which the team

1 competes or is scheduled to compete.

2 (C) Duty days for any person who joins a  
3 team during the period from the beginning of  
4 the professional athletic team's official  
5 pre-season training period through the last  
6 game in which the team competes, or is  
7 scheduled to compete, shall begin on the day  
8 that person joins the team. Conversely, duty  
9 days for any person who leaves a team during  
10 this period shall end on the day that person  
11 leaves the team. Where a person switches teams  
12 during a taxable year, a separate duty-day  
13 calculation shall be made for the period the  
14 person was with each team.

15 (D) Days for which a member of a  
16 professional athletic team is not compensated  
17 and is not performing services for the team in  
18 any manner, including days when such member of  
19 a professional athletic team has been  
20 suspended without pay and prohibited from  
21 performing any services for the team, shall not  
22 be treated as duty days.

23 (E) Days for which a member of a  
24 professional athletic team is on the disabled  
25 list and does not conduct rehabilitation  
26 activities at facilities of the team, and is

1 not otherwise performing services for the team  
2 in Illinois, shall not be considered duty days  
3 spent in this State. All days on the disabled  
4 list, however, are considered to be included in  
5 total duty days spent both within and without  
6 this State.

7 (4) The term "total compensation for services  
8 performed as a member of a professional athletic  
9 team" means the total compensation received during  
10 the taxable year for services performed:

11 (A) from the beginning of the official  
12 pre-season training period through the last  
13 game in which the team competes or is scheduled  
14 to compete during that taxable year; and

15 (B) during the taxable year on a date which  
16 does not fall within the foregoing period  
17 (e.g., participation in instructional leagues,  
18 the "All Star Game", or promotional caravans).

19 This compensation shall include, but is not  
20 limited to, salaries, wages, bonuses as described  
21 in this subpart, and any other type of compensation  
22 paid during the taxable year to a member of a  
23 professional athletic team for services performed  
24 in that year. This compensation does not include  
25 strike benefits, severance pay, termination pay,  
26 contract or option year buy-out payments,

1 expansion or relocation payments, or any other  
2 payments not related to services performed for the  
3 team.

4 For purposes of this subparagraph, "bonuses"  
5 included in "total compensation for services  
6 performed as a member of a professional athletic  
7 team" subject to the allocation described in  
8 Section 302(c)(1) are: bonuses earned as a result  
9 of play (i.e., performance bonuses) during the  
10 season, including bonuses paid for championship,  
11 playoff or "bowl" games played by a team, or for  
12 selection to all-star league or other honorary  
13 positions; and bonuses paid for signing a  
14 contract, unless the payment of the signing bonus  
15 is not conditional upon the signee playing any  
16 games for the team or performing any subsequent  
17 services for the team or even making the team, the  
18 signing bonus is payable separately from the  
19 salary and any other compensation, and the signing  
20 bonus is nonrefundable.

21 (3) Sales factor.

22 (A) The sales factor is a fraction, the numerator of  
23 which is the total sales of the person in this State during  
24 the taxable year, and the denominator of which is the total  
25 sales of the person everywhere during the taxable year.

26 (B) Sales of tangible personal property are in this

1 State if:

2 (i) The property is delivered or shipped to a  
3 purchaser, other than the United States government,  
4 within this State regardless of the f. o. b. point or  
5 other conditions of the sale; or

6 (ii) The property is shipped from an office, store,  
7 warehouse, factory or other place of storage in this  
8 State and either the purchaser is the United States  
9 government or the person is not taxable in the state of  
10 the purchaser; provided, however, that premises owned  
11 or leased by a person who has independently contracted  
12 with the seller for the printing of newspapers,  
13 periodicals or books shall not be deemed to be an  
14 office, store, warehouse, factory or other place of  
15 storage for purposes of this Section. Sales of tangible  
16 personal property are not in this State if the seller  
17 and purchaser would be members of the same unitary  
18 business group but for the fact that either the seller  
19 or purchaser is a person with 80% or more of total  
20 business activity outside of the United States and the  
21 property is purchased for resale.

22 (B-1) Patents, copyrights, trademarks, and similar  
23 items of intangible personal property.

24 (i) Gross receipts from the licensing, sale, or  
25 other disposition of a patent, copyright, trademark,  
26 or similar item of intangible personal property are in

1           this State to the extent the item is utilized in this  
2           State during the year the gross receipts are included  
3           in gross income.

4           (ii) Place of utilization.

5           (I) A patent is utilized in a state to the  
6           extent that it is employed in production,  
7           fabrication, manufacturing, or other processing in  
8           the state or to the extent that a patented product  
9           is produced in the state. If a patent is utilized  
10          in more than one state, the extent to which it is  
11          utilized in any one state shall be a fraction equal  
12          to the gross receipts of the licensee or purchaser  
13          from sales or leases of items produced,  
14          fabricated, manufactured, or processed within that  
15          state using the patent and of patented items  
16          produced within that state, divided by the total of  
17          such gross receipts for all states in which the  
18          patent is utilized.

19          (II) A copyright is utilized in a state to the  
20          extent that printing or other publication  
21          originates in the state. If a copyright is utilized  
22          in more than one state, the extent to which it is  
23          utilized in any one state shall be a fraction equal  
24          to the gross receipts from sales or licenses of  
25          materials printed or published in that state  
26          divided by the total of such gross receipts for all



1 states in which the copyright is utilized.

2 (III) Trademarks and other items of intangible  
3 personal property governed by this paragraph (B-1)  
4 are utilized in the state in which the commercial  
5 domicile of the licensee or purchaser is located.

6 (iii) If the state of utilization of an item of  
7 property governed by this paragraph (B-1) cannot be  
8 determined from the taxpayer's books and records or  
9 from the books and records of any person related to the  
10 taxpayer within the meaning of Section 267(b) of the  
11 Internal Revenue Code, 26 U.S.C. 267, the gross  
12 receipts attributable to that item shall be excluded  
13 from both the numerator and the denominator of the  
14 sales factor.

15 (B-2) Gross receipts from the license, sale, or other  
16 disposition of patents, copyrights, trademarks, and  
17 similar items of intangible personal property may be  
18 included in the numerator or denominator of the sales  
19 factor only if gross receipts from licenses, sales, or  
20 other disposition of such items comprise more than 50% of  
21 the taxpayer's total gross receipts included in gross  
22 income during the tax year and during each of the 2  
23 immediately preceding tax years; provided that, when a  
24 taxpayer is a member of a unitary business group, such  
25 determination shall be made on the basis of the gross  
26 receipts of the entire unitary business group.

1 (B-5) For taxable years ending on or after December 31,  
2 2008, except as provided in subsections (ii) through (vii),  
3 receipts from the sale of telecommunications service or  
4 mobile telecommunications service are in this State if the  
5 customer's service address is in this State.

6 (i) For purposes of this subparagraph (B-5), the  
7 follow terms have the following meanings:

8 "Ancillary services" means services that are  
9 associated with or incidental to the provision of  
10 "telecommunications services", including but not  
11 limited to "detailed telecommunications billing",  
12 "directory assistance", "vertical service", and "voice  
13 mail services".

14 "Air-to-Ground Radiotelephone service" means a  
15 radio service, as that term is defined in 47 CFR 22.99,  
16 in which common carriers are authorized to offer and  
17 provide radio telecommunications service for hire to  
18 subscribers in aircraft.

19 "Call-by-call Basis" means any method of charging  
20 for telecommunications services where the price is  
21 measured by individual calls.

22 "Communications Channel" means a physical or  
23 virtual path of communications over which signals are  
24 transmitted between or among customer channel  
25 termination points.

26 "Conference bridging service" means an "ancillary

1 service" that links two or more participants of an  
2 audio or video conference call and may include the  
3 provision of a telephone number. "Conference bridging  
4 service" does not include the "telecommunications  
5 services" used to reach the conference bridge.

6 "Customer Channel Termination Point" means the  
7 location where the customer either inputs or receives  
8 the communications.

9 "Detailed telecommunications billing service"  
10 means an "ancillary service" of separately stating  
11 information pertaining to individual calls on a  
12 customer's billing statement.

13 "Directory assistance" means an "ancillary  
14 service" of providing telephone number information,  
15 and/or address information.

16 "Home service provider" means the facilities based  
17 carrier or reseller with which the customer contracts  
18 for the provision of mobile telecommunications  
19 services.

20 "Mobile telecommunications service" means  
21 commercial mobile radio service, as defined in Section  
22 20.3 of Title 47 of the Code of Federal Regulations as  
23 in effect on June 1, 1999.

24 "Place of primary use" means the street address  
25 representative of where the customer's use of the  
26 telecommunications service primarily occurs, which

1 must be the residential street address or the primary  
2 business street address of the customer. In the case of  
3 mobile telecommunications services, "place of primary  
4 use" must be within the licensed service area of the  
5 home service provider.

6 "Post-paid telecommunication service" means the  
7 telecommunications service obtained by making a  
8 payment on a call-by-call basis either through the use  
9 of a credit card or payment mechanism such as a bank  
10 card, travel card, credit card, or debit card, or by  
11 charge made to a telephone number which is not  
12 associated with the origination or termination of the  
13 telecommunications service. A post-paid calling  
14 service includes telecommunications service, except a  
15 prepaid wireless calling service, that would be a  
16 prepaid calling service except it is not exclusively a  
17 telecommunication service.

18 "Prepaid telecommunication service" means the  
19 right to access exclusively telecommunications  
20 services, which must be paid for in advance and which  
21 enables the origination of calls using an access number  
22 or authorization code, whether manually or  
23 electronically dialed, and that is sold in  
24 predetermined units or dollars of which the number  
25 declines with use in a known amount.

26 "Prepaid Mobile telecommunication service" means a

1 telecommunications service that provides the right to  
2 utilize mobile wireless service as well as other  
3 non-telecommunication services, including but not  
4 limited to ancillary services, which must be paid for  
5 in advance that is sold in predetermined units or  
6 dollars of which the number declines with use in a  
7 known amount.

8 "Private communication service" means a  
9 telecommunication service that entitles the customer  
10 to exclusive or priority use of a communications  
11 channel or group of channels between or among  
12 termination points, regardless of the manner in which  
13 such channel or channels are connected, and includes  
14 switching capacity, extension lines, stations, and any  
15 other associated services that are provided in  
16 connection with the use of such channel or channels.

17 "Service address" means:

18 (a) The location of the telecommunications  
19 equipment to which a customer's call is charged and  
20 from which the call originates or terminates,  
21 regardless of where the call is billed or paid;

22 (b) If the location in line (a) is not known,  
23 service address means the origination point of the  
24 signal of the telecommunications services first  
25 identified by either the seller's  
26 telecommunications system or in information

1 received by the seller from its service provider  
2 where the system used to transport such signals is  
3 not that of the seller; and

4 (c) If the locations in line (a) and line (b)  
5 are not known, the service address means the  
6 location of the customer's place of primary use.

7 "Telecommunications service" means the electronic  
8 transmission, conveyance, or routing of voice, data,  
9 audio, video, or any other information or signals to a  
10 point, or between or among points. The term  
11 "telecommunications service" includes such  
12 transmission, conveyance, or routing in which computer  
13 processing applications are used to act on the form,  
14 code or protocol of the content for purposes of  
15 transmission, conveyance or routing without regard to  
16 whether such service is referred to as voice over  
17 Internet protocol services or is classified by the  
18 Federal Communications Commission as enhanced or value  
19 added. "Telecommunications service" does not include:

20 (a) Data processing and information services  
21 that allow data to be generated, acquired, stored,  
22 processed, or retrieved and delivered by an  
23 electronic transmission to a purchaser when such  
24 purchaser's primary purpose for the underlying  
25 transaction is the processed data or information;

26 (b) Installation or maintenance of wiring or

1 equipment on a customer's premises;

2 (c) Tangible personal property;

3 (d) Advertising, including but not limited to  
4 directory advertising.

5 (e) Billing and collection services provided  
6 to third parties;

7 (f) Internet access service;

8 (g) Radio and television audio and video  
9 programming services, regardless of the medium,  
10 including the furnishing of transmission,  
11 conveyance and routing of such services by the  
12 programming service provider. Radio and television  
13 audio and video programming services shall include  
14 but not be limited to cable service as defined in  
15 47 USC 522(6) and audio and video programming  
16 services delivered by commercial mobile radio  
17 service providers, as defined in 47 CFR 20.3;

18 (h) "Ancillary services"; or

19 (i) Digital products "delivered  
20 electronically", including but not limited to  
21 software, music, video, reading materials or ring  
22 tones.

23 "Vertical service" means an "ancillary service"  
24 that is offered in connection with one or more  
25 "telecommunications services", which offers advanced  
26 calling features that allow customers to identify

1 callers and to manage multiple calls and call  
2 connections, including "conference bridging services".

3 "Voice mail service" means an "ancillary service"  
4 that enables the customer to store, send or receive  
5 recorded messages. "Voice mail service" does not  
6 include any "vertical services" that the customer may  
7 be required to have in order to utilize the "voice mail  
8 service".

9 (ii) Receipts from the sale of telecommunications  
10 service sold on an individual call-by-call basis are in  
11 this State if either of the following applies:

12 (a) The call both originates and terminates in  
13 this State.

14 (b) The call either originates or terminates  
15 in this State and the service address is located in  
16 this State.

17 (iii) Receipts from the sale of postpaid  
18 telecommunications service at retail are in this State  
19 if the origination point of the telecommunication  
20 signal, as first identified by the service provider's  
21 telecommunication system or as identified by  
22 information received by the seller from its service  
23 provider if the system used to transport  
24 telecommunication signals is not the seller's, is  
25 located in this State.

26 (iv) Receipts from the sale of prepaid



1 telecommunications service or prepaid mobile  
2 telecommunications service at retail are in this State  
3 if the purchaser obtains the prepaid card or similar  
4 means of conveyance at a location in this State.  
5 Receipts from recharging a prepaid telecommunications  
6 service or mobile telecommunications service is in  
7 this State if the purchaser's billing information  
8 indicates a location in this State.

9 (v) Receipts from the sale of private  
10 communication services are in this State as follows:

11 (a) 100% of receipts from charges imposed at  
12 each channel termination point in this State.

13 (b) 100% of receipts from charges for the total  
14 channel mileage between each channel termination  
15 point in this State.

16 (c) 50% of the total receipts from charges for  
17 service segments when those segments are between 2  
18 customer channel termination points, 1 of which is  
19 located in this State and the other is located  
20 outside of this State, which segments are  
21 separately charged.

22 (d) The receipts from charges for service  
23 segments with a channel termination point located  
24 in this State and in two or more other states, and  
25 which segments are not separately billed, are in  
26 this State based on a percentage determined by

1           dividing the number of customer channel  
2           termination points in this State by the total  
3           number of customer channel termination points.

4           (vi) Receipts from charges for ancillary services  
5           for telecommunications service sold to customers at  
6           retail are in this State if the customer's primary  
7           place of use of telecommunications services associated  
8           with those ancillary services is in this State. If the  
9           seller of those ancillary services cannot determine  
10          where the associated telecommunications are located,  
11          then the ancillary services shall be based on the  
12          location of the purchaser.

13          (vii) Receipts to access a carrier's network or  
14          from the sale of telecommunication services or  
15          ancillary services for resale are in this State as  
16          follows:

17               (a) 100% of the receipts from access fees  
18               attributable to intrastate telecommunications  
19               service that both originates and terminates in  
20               this State.

21               (b) 50% of the receipts from access fees  
22               attributable to interstate telecommunications  
23               service if the interstate call either originates  
24               or terminates in this State.

25               (c) 100% of the receipts from interstate end  
26               user access line charges, if the customer's

1 service address is in this State. As used in this  
2 subdivision, "interstate end user access line  
3 charges" includes, but is not limited to, the  
4 surcharge approved by the federal communications  
5 commission and levied pursuant to 47 CFR 69.

6 (d) Gross receipts from sales of  
7 telecommunication services or from ancillary  
8 services for telecommunications services sold to  
9 other telecommunication service providers for  
10 resale shall be sourced to this State using the  
11 apportionment concepts used for non-resale  
12 receipts of telecommunications services if the  
13 information is readily available to make that  
14 determination. If the information is not readily  
15 available, then the taxpayer may use any other  
16 reasonable and consistent method.

17 (B-10) Gross receipts from winnings under the Illinois  
18 Lottery Law, from the assignment of a prize under Section  
19 13.1 of the Illinois Lottery Law, from winnings from  
20 pari-mutuel wagering conducted at a wagering facility  
21 licensed under the Illinois Horse Racing Act of 1975, and  
22 from winnings from gambling games conducted on a riverboat  
23 licensed under the Riverboat Gambling Act are in this  
24 State. This paragraph (B-10) applies only to taxable years  
25 ending on or after December 31, 2009.

26 (C) For taxable years ending before December 31, 2008,

1 sales, other than sales governed by paragraphs (B), (B-1),  
2 and (B-2), are in this State if:

3 (i) The income-producing activity is performed in  
4 this State; or

5 (ii) The income-producing activity is performed  
6 both within and without this State and a greater  
7 proportion of the income-producing activity is  
8 performed within this State than without this State,  
9 based on performance costs.

10 (C-5) For taxable years ending on or after December 31,  
11 2008, sales, other than sales governed by paragraphs (B),  
12 (B-1), (B-2), ~~and~~ (B-5), and (B-10) are in this State if  
13 any of the following criteria are met:

14 (i) Sales from the sale or lease of real property  
15 are in this State if the property is located in this  
16 State.

17 (ii) Sales from the lease or rental of tangible  
18 personal property are in this State if the property is  
19 located in this State during the rental period. Sales  
20 from the lease or rental of tangible personal property  
21 that is characteristically moving property, including,  
22 but not limited to, motor vehicles, rolling stock,  
23 aircraft, vessels, or mobile equipment are in this  
24 State to the extent that the property is used in this  
25 State.

26 (iii) In the case of interest, net gains (but not

1 less than zero) and other items of income from  
2 intangible personal property, the sale is in this State  
3 if:

4 (a) in the case of a taxpayer who is a dealer  
5 in the item of intangible personal property within  
6 the meaning of Section 475 of the Internal Revenue  
7 Code, the income or gain is received from a  
8 customer in this State. For purposes of this  
9 subparagraph, a customer is in this State if the  
10 customer is an individual, trust or estate who is a  
11 resident of this State and, for all other  
12 customers, if the customer's commercial domicile  
13 is in this State. Unless the dealer has actual  
14 knowledge of the residence or commercial domicile  
15 of a customer during a taxable year, the customer  
16 shall be deemed to be a customer in this State if  
17 the billing address of the customer, as shown in  
18 the records of the dealer, is in this State; or

19 (b) in all other cases, if the  
20 income-producing activity of the taxpayer is  
21 performed in this State or, if the  
22 income-producing activity of the taxpayer is  
23 performed both within and without this State, if a  
24 greater proportion of the income-producing  
25 activity of the taxpayer is performed within this  
26 State than in any other state, based on performance

1 costs.

2 (iv) Sales of services are in this State if the  
3 services are received in this State. For the purposes  
4 of this section, gross receipts from the performance of  
5 services provided to a corporation, partnership, or  
6 trust may only be attributed to a state where that  
7 corporation, partnership, or trust has a fixed place of  
8 business. If the state where the services are received  
9 is not readily determinable or is a state where the  
10 corporation, partnership, or trust receiving the  
11 service does not have a fixed place of business, the  
12 services shall be deemed to be received at the location  
13 of the office of the customer from which the services  
14 were ordered in the regular course of the customer's  
15 trade or business. If the ordering office cannot be  
16 determined, the services shall be deemed to be received  
17 at the office of the customer to which the services are  
18 billed. If the taxpayer is not taxable in the state in  
19 which the services are received, the sale must be  
20 excluded from both the numerator and the denominator of  
21 the sales factor. The Department shall adopt rules  
22 prescribing where specific types of service are  
23 received, including, but not limited to, broadcast,  
24 cable, advertising, publishing, and utility service.

25 (D) For taxable years ending on or after December 31,  
26 1995, the following items of income shall not be included

1 in the numerator or denominator of the sales factor:  
2 dividends; amounts included under Section 78 of the  
3 Internal Revenue Code; and Subpart F income as defined in  
4 Section 952 of the Internal Revenue Code. No inference  
5 shall be drawn from the enactment of this paragraph (D) in  
6 construing this Section for taxable years ending before  
7 December 31, 1995.

8 (E) Paragraphs (B-1) and (B-2) shall apply to tax years  
9 ending on or after December 31, 1999, provided that a  
10 taxpayer may elect to apply the provisions of these  
11 paragraphs to prior tax years. Such election shall be made  
12 in the form and manner prescribed by the Department, shall  
13 be irrevocable, and shall apply to all tax years; provided  
14 that, if a taxpayer's Illinois income tax liability for any  
15 tax year, as assessed under Section 903 prior to January 1,  
16 1999, was computed in a manner contrary to the provisions  
17 of paragraphs (B-1) or (B-2), no refund shall be payable to  
18 the taxpayer for that tax year to the extent such refund is  
19 the result of applying the provisions of paragraph (B-1) or  
20 (B-2) retroactively. In the case of a unitary business  
21 group, such election shall apply to all members of such  
22 group for every tax year such group is in existence, but  
23 shall not apply to any taxpayer for any period during which  
24 that taxpayer is not a member of such group.

25 (b) Insurance companies.

26 (1) In general. Except as otherwise provided by

1 paragraph (2), business income of an insurance company for  
2 a taxable year shall be apportioned to this State by  
3 multiplying such income by a fraction, the numerator of  
4 which is the direct premiums written for insurance upon  
5 property or risk in this State, and the denominator of  
6 which is the direct premiums written for insurance upon  
7 property or risk everywhere. For purposes of this  
8 subsection, the term "direct premiums written" means the  
9 total amount of direct premiums written, assessments and  
10 annuity considerations as reported for the taxable year on  
11 the annual statement filed by the company with the Illinois  
12 Director of Insurance in the form approved by the National  
13 Convention of Insurance Commissioners or such other form as  
14 may be prescribed in lieu thereof.

15 (2) Reinsurance. If the principal source of premiums  
16 written by an insurance company consists of premiums for  
17 reinsurance accepted by it, the business income of such  
18 company shall be apportioned to this State by multiplying  
19 such income by a fraction, the numerator of which is the  
20 sum of (i) direct premiums written for insurance upon  
21 property or risk in this State, plus (ii) premiums written  
22 for reinsurance accepted in respect of property or risk in  
23 this State, and the denominator of which is the sum of  
24 (iii) direct premiums written for insurance upon property  
25 or risk everywhere, plus (iv) premiums written for  
26 reinsurance accepted in respect of property or risk



1 everywhere. For taxable years ending before December 31,  
2 2008, for purposes of this paragraph, premiums written for  
3 reinsurance accepted in respect of property or risk in this  
4 State, whether or not otherwise determinable, may, at the  
5 election of the company, be determined on the basis of the  
6 proportion which premiums written for reinsurance accepted  
7 from companies commercially domiciled in Illinois bears to  
8 premiums written for reinsurance accepted from all  
9 sources, or, alternatively, in the proportion which the sum  
10 of the direct premiums written for insurance upon property  
11 or risk in this State by each ceding company from which  
12 reinsurance is accepted bears to the sum of the total  
13 direct premiums written by each such ceding company for the  
14 taxable year.

15 (c) Financial organizations.

16 (1) In general. For taxable years ending before  
17 December 31, 2008, business income of a financial  
18 organization shall be apportioned to this State by  
19 multiplying such income by a fraction, the numerator of  
20 which is its business income from sources within this  
21 State, and the denominator of which is its business income  
22 from all sources. For the purposes of this subsection, the  
23 business income of a financial organization from sources  
24 within this State is the sum of the amounts referred to in  
25 subparagraphs (A) through (E) following, but excluding the  
26 adjusted income of an international banking facility as

1 determined in paragraph (2):

2 (A) Fees, commissions or other compensation for  
3 financial services rendered within this State;

4 (B) Gross profits from trading in stocks, bonds or  
5 other securities managed within this State;

6 (C) Dividends, and interest from Illinois  
7 customers, which are received within this State;

8 (D) Interest charged to customers at places of  
9 business maintained within this State for carrying  
10 debit balances of margin accounts, without deduction  
11 of any costs incurred in carrying such accounts; and

12 (E) Any other gross income resulting from the  
13 operation as a financial organization within this  
14 State. In computing the amounts referred to in  
15 paragraphs (A) through (E) of this subsection, any  
16 amount received by a member of an affiliated group  
17 (determined under Section 1504(a) of the Internal  
18 Revenue Code but without reference to whether any such  
19 corporation is an "includible corporation" under  
20 Section 1504(b) of the Internal Revenue Code) from  
21 another member of such group shall be included only to  
22 the extent such amount exceeds expenses of the  
23 recipient directly related thereto.

24 (2) International Banking Facility. For taxable years  
25 ending before December 31, 2008:

26 (A) Adjusted Income. The adjusted income of an

1 international banking facility is its income reduced  
2 by the amount of the floor amount.

3 (B) Floor Amount. The floor amount shall be the  
4 amount, if any, determined by multiplying the income of  
5 the international banking facility by a fraction, not  
6 greater than one, which is determined as follows:

7 (i) The numerator shall be:

8 The average aggregate, determined on a  
9 quarterly basis, of the financial organization's  
10 loans to banks in foreign countries, to foreign  
11 domiciled borrowers (except where secured  
12 primarily by real estate) and to foreign  
13 governments and other foreign official  
14 institutions, as reported for its branches,  
15 agencies and offices within the state on its  
16 "Consolidated Report of Condition", Schedule A,  
17 Lines 2.c., 5.b., and 7.a., which was filed with  
18 the Federal Deposit Insurance Corporation and  
19 other regulatory authorities, for the year 1980,  
20 minus

21 The average aggregate, determined on a  
22 quarterly basis, of such loans (other than loans of  
23 an international banking facility), as reported by  
24 the financial institution for its branches,  
25 agencies and offices within the state, on the  
26 corresponding Schedule and lines of the

1 Consolidated Report of Condition for the current  
2 taxable year, provided, however, that in no case  
3 shall the amount determined in this clause (the  
4 subtrahend) exceed the amount determined in the  
5 preceding clause (the minuend); and

6 (ii) the denominator shall be the average  
7 aggregate, determined on a quarterly basis, of the  
8 international banking facility's loans to banks in  
9 foreign countries, to foreign domiciled borrowers  
10 (except where secured primarily by real estate)  
11 and to foreign governments and other foreign  
12 official institutions, which were recorded in its  
13 financial accounts for the current taxable year.

14 (C) Change to Consolidated Report of Condition and  
15 in Qualification. In the event the Consolidated Report  
16 of Condition which is filed with the Federal Deposit  
17 Insurance Corporation and other regulatory authorities  
18 is altered so that the information required for  
19 determining the floor amount is not found on Schedule  
20 A, lines 2.c., 5.b. and 7.a., the financial institution  
21 shall notify the Department and the Department may, by  
22 regulations or otherwise, prescribe or authorize the  
23 use of an alternative source for such information. The  
24 financial institution shall also notify the Department  
25 should its international banking facility fail to  
26 qualify as such, in whole or in part, or should there

1           be any amendment or change to the Consolidated Report  
2           of Condition, as originally filed, to the extent such  
3           amendment or change alters the information used in  
4           determining the floor amount.

5           (3) For taxable years ending on or after December 31,  
6           2008, the business income of a financial organization shall  
7           be apportioned to this State by multiplying such income by  
8           a fraction, the numerator of which is its gross receipts  
9           from sources in this State or otherwise attributable to  
10          this State's marketplace and the denominator of which is  
11          its gross receipts everywhere during the taxable year.  
12          "Gross receipts" for purposes of this subparagraph (3)  
13          means gross income, including net taxable gain on  
14          disposition of assets, including securities and money  
15          market instruments, when derived from transactions and  
16          activities in the regular course of the financial  
17          organization's trade or business. The following examples  
18          are illustrative:

19               (i) Receipts from the lease or rental of real or  
20               tangible personal property are in this State if the  
21               property is located in this State during the rental  
22               period. Receipts from the lease or rental of tangible  
23               personal property that is characteristically moving  
24               property, including, but not limited to, motor  
25               vehicles, rolling stock, aircraft, vessels, or mobile  
26               equipment are from sources in this State to the extent

1           that the property is used in this State.

2           (ii) Interest income, commissions, fees, gains on  
3           disposition, and other receipts from assets in the  
4           nature of loans that are secured primarily by real  
5           estate or tangible personal property are from sources  
6           in this State if the security is located in this State.

7           (iii) Interest income, commissions, fees, gains on  
8           disposition, and other receipts from consumer loans  
9           that are not secured by real or tangible personal  
10          property are from sources in this State if the debtor  
11          is a resident of this State.

12          (iv) Interest income, commissions, fees, gains on  
13          disposition, and other receipts from commercial loans  
14          and installment obligations that are not secured by  
15          real or tangible personal property are from sources in  
16          this State if the proceeds of the loan are to be  
17          applied in this State. If it cannot be determined where  
18          the funds are to be applied, the income and receipts  
19          are from sources in this State if the office of the  
20          borrower from which the loan was negotiated in the  
21          regular course of business is located in this State. If  
22          the location of this office cannot be determined, the  
23          income and receipts shall be excluded from the  
24          numerator and denominator of the sales factor.

25          (v) Interest income, fees, gains on disposition,  
26          service charges, merchant discount income, and other

1 receipts from credit card receivables are from sources  
2 in this State if the card charges are regularly billed  
3 to a customer in this State.

4 (vi) Receipts from the performance of services,  
5 including, but not limited to, fiduciary, advisory,  
6 and brokerage services, are in this State if the  
7 services are received in this State within the meaning  
8 of subparagraph (a) (3) (C-5) (iv) of this Section.

9 (vii) Receipts from the issuance of travelers  
10 checks and money orders are from sources in this State  
11 if the checks and money orders are issued from a  
12 location within this State.

13 (viii) Receipts from investment assets and  
14 activities and trading assets and activities are  
15 included in the receipts factor as follows:

16 (1) Interest, dividends, net gains (but not  
17 less than zero) and other income from investment  
18 assets and activities from trading assets and  
19 activities shall be included in the receipts  
20 factor. Investment assets and activities and  
21 trading assets and activities include but are not  
22 limited to: investment securities; trading account  
23 assets; federal funds; securities purchased and  
24 sold under agreements to resell or repurchase;  
25 options; futures contracts; forward contracts;  
26 notional principal contracts such as swaps;

1 equities; and foreign currency transactions. With  
2 respect to the investment and trading assets and  
3 activities described in subparagraphs (A) and (B)  
4 of this paragraph, the receipts factor shall  
5 include the amounts described in such  
6 subparagraphs.

7 (A) The receipts factor shall include the  
8 amount by which interest from federal funds  
9 sold and securities purchased under resale  
10 agreements exceeds interest expense on federal  
11 funds purchased and securities sold under  
12 repurchase agreements.

13 (B) The receipts factor shall include the  
14 amount by which interest, dividends, gains and  
15 other income from trading assets and  
16 activities, including but not limited to  
17 assets and activities in the matched book, in  
18 the arbitrage book, and foreign currency  
19 transactions, exceed amounts paid in lieu of  
20 interest, amounts paid in lieu of dividends,  
21 and losses from such assets and activities.

22 (2) The numerator of the receipts factor  
23 includes interest, dividends, net gains (but not  
24 less than zero), and other income from investment  
25 assets and activities and from trading assets and  
26 activities described in paragraph (1) of this



1 subsection that are attributable to this State.

2 (A) The amount of interest, dividends, net  
3 gains (but not less than zero), and other  
4 income from investment assets and activities  
5 in the investment account to be attributed to  
6 this State and included in the numerator is  
7 determined by multiplying all such income from  
8 such assets and activities by a fraction, the  
9 numerator of which is the gross income from  
10 such assets and activities which are properly  
11 assigned to a fixed place of business of the  
12 taxpayer within this State and the denominator  
13 of which is the gross income from all such  
14 assets and activities.

15 (B) The amount of interest from federal  
16 funds sold and purchased and from securities  
17 purchased under resale agreements and  
18 securities sold under repurchase agreements  
19 attributable to this State and included in the  
20 numerator is determined by multiplying the  
21 amount described in subparagraph (A) of  
22 paragraph (1) of this subsection from such  
23 funds and such securities by a fraction, the  
24 numerator of which is the gross income from  
25 such funds and such securities which are  
26 properly assigned to a fixed place of business

1 of the taxpayer within this State and the  
2 denominator of which is the gross income from  
3 all such funds and such securities.

4 (C) The amount of interest, dividends,  
5 gains, and other income from trading assets and  
6 activities, including but not limited to  
7 assets and activities in the matched book, in  
8 the arbitrage book and foreign currency  
9 transactions (but excluding amounts described  
10 in subparagraphs (A) or (B) of this paragraph),  
11 attributable to this State and included in the  
12 numerator is determined by multiplying the  
13 amount described in subparagraph (B) of  
14 paragraph (1) of this subsection by a fraction,  
15 the numerator of which is the gross income from  
16 such trading assets and activities which are  
17 properly assigned to a fixed place of business  
18 of the taxpayer within this State and the  
19 denominator of which is the gross income from  
20 all such assets and activities.

21 (D) Properly assigned, for purposes of  
22 this paragraph (2) of this subsection, means  
23 the investment or trading asset or activity is  
24 assigned to the fixed place of business with  
25 which it has a preponderance of substantive  
26 contacts. An investment or trading asset or

1 activity assigned by the taxpayer to a fixed  
2 place of business without the State shall be  
3 presumed to have been properly assigned if:

4 (i) the taxpayer has assigned, in the  
5 regular course of its business, such asset  
6 or activity on its records to a fixed place  
7 of business consistent with federal or  
8 state regulatory requirements;

9 (ii) such assignment on its records is  
10 based upon substantive contacts of the  
11 asset or activity to such fixed place of  
12 business; and

13 (iii) the taxpayer uses such records  
14 reflecting assignment of such assets or  
15 activities for the filing of all state and  
16 local tax returns for which an assignment  
17 of such assets or activities to a fixed  
18 place of business is required.

19 (E) The presumption of proper assignment  
20 of an investment or trading asset or activity  
21 provided in subparagraph (D) of paragraph (2)  
22 of this subsection may be rebutted upon a  
23 showing by the Department, supported by a  
24 preponderance of the evidence, that the  
25 preponderance of substantive contacts  
26 regarding such asset or activity did not occur

1 at the fixed place of business to which it was  
2 assigned on the taxpayer's records. If the  
3 fixed place of business that has a  
4 preponderance of substantive contacts cannot  
5 be determined for an investment or trading  
6 asset or activity to which the presumption in  
7 subparagraph (D) of paragraph (2) of this  
8 subsection does not apply or with respect to  
9 which that presumption has been rebutted, that  
10 asset or activity is properly assigned to the  
11 state in which the taxpayer's commercial  
12 domicile is located. For purposes of this  
13 subparagraph (E), it shall be presumed,  
14 subject to rebuttal, that taxpayer's  
15 commercial domicile is in the state of the  
16 United States or the District of Columbia to  
17 which the greatest number of employees are  
18 regularly connected with the management of the  
19 investment or trading income or out of which  
20 they are working, irrespective of where the  
21 services of such employees are performed, as of  
22 the last day of the taxable year.

23 (4) (Blank).

24 (5) (Blank).

25 (d) Transportation services. For taxable years ending  
26 before December 31, 2008, business income derived from

1 furnishing transportation services shall be apportioned to  
2 this State in accordance with paragraphs (1) and (2):

3 (1) Such business income (other than that derived from  
4 transportation by pipeline) shall be apportioned to this  
5 State by multiplying such income by a fraction, the  
6 numerator of which is the revenue miles of the person in  
7 this State, and the denominator of which is the revenue  
8 miles of the person everywhere. For purposes of this  
9 paragraph, a revenue mile is the transportation of 1  
10 passenger or 1 net ton of freight the distance of 1 mile  
11 for a consideration. Where a person is engaged in the  
12 transportation of both passengers and freight, the  
13 fraction above referred to shall be determined by means of  
14 an average of the passenger revenue mile fraction and the  
15 freight revenue mile fraction, weighted to reflect the  
16 person's

17 (A) relative railway operating income from total  
18 passenger and total freight service, as reported to the  
19 Interstate Commerce Commission, in the case of  
20 transportation by railroad, and

21 (B) relative gross receipts from passenger and  
22 freight transportation, in case of transportation  
23 other than by railroad.

24 (2) Such business income derived from transportation  
25 by pipeline shall be apportioned to this State by  
26 multiplying such income by a fraction, the numerator of

1           which is the revenue miles of the person in this State, and  
2           the denominator of which is the revenue miles of the person  
3           everywhere. For the purposes of this paragraph, a revenue  
4           mile is the transportation by pipeline of 1 barrel of oil,  
5           1,000 cubic feet of gas, or of any specified quantity of  
6           any other substance, the distance of 1 mile for a  
7           consideration.

8           (3) For taxable years ending on or after December 31,  
9           2008, business income derived from providing  
10          transportation services other than airline services shall  
11          be apportioned to this State by using a fraction, (a) the  
12          numerator of which shall be (i) all receipts from any  
13          movement or shipment of people, goods, mail, oil, gas, or  
14          any other substance (other than by airline) that both  
15          originates and terminates in this State, plus (ii) that  
16          portion of the person's gross receipts from movements or  
17          shipments of people, goods, mail, oil, gas, or any other  
18          substance (other than by airline) that originates in one  
19          state or jurisdiction and terminates in another state or  
20          jurisdiction, that is determined by the ratio that the  
21          miles traveled in this State bears to total miles  
22          everywhere and (b) the denominator of which shall be all  
23          revenue derived from the movement or shipment of people,  
24          goods, mail, oil, gas, or any other substance (other than  
25          by airline). Where a taxpayer is engaged in the  
26          transportation of both passengers and freight, the

1 fraction above referred to shall first be determined  
2 separately for passenger miles and freight miles. Then an  
3 average of the passenger miles fraction and the freight  
4 miles fraction shall be weighted to reflect the taxpayer's:

5 (A) relative railway operating income from total  
6 passenger and total freight service, as reported to the  
7 Surface Transportation Board, in the case of  
8 transportation by railroad; and

9 (B) relative gross receipts from passenger and  
10 freight transportation, in case of transportation  
11 other than by railroad.

12 (4) For taxable years ending on or after December 31,  
13 2008, business income derived from furnishing airline  
14 transportation services shall be apportioned to this State  
15 by multiplying such income by a fraction, the numerator of  
16 which is the revenue miles of the person in this State, and  
17 the denominator of which is the revenue miles of the person  
18 everywhere. For purposes of this paragraph, a revenue mile  
19 is the transportation of one passenger or one net ton of  
20 freight the distance of one mile for a consideration. If a  
21 person is engaged in the transportation of both passengers  
22 and freight, the fraction above referred to shall be  
23 determined by means of an average of the passenger revenue  
24 mile fraction and the freight revenue mile fraction,  
25 weighted to reflect the person's relative gross receipts  
26 from passenger and freight airline transportation.

1           (e) Combined apportionment. Where 2 or more persons are  
2 engaged in a unitary business as described in subsection  
3 (a)(27) of Section 1501, a part of which is conducted in this  
4 State by one or more members of the group, the business income  
5 attributable to this State by any such member or members shall  
6 be apportioned by means of the combined apportionment method.

7           (f) Alternative allocation. If the allocation and  
8 apportionment provisions of subsections (a) through (e) and of  
9 subsection (h) do not fairly represent the extent of a person's  
10 business activity in this State, the person may petition for,  
11 or the Director may, without a petition, permit or require, in  
12 respect of all or any part of the person's business activity,  
13 if reasonable:

14                 (1) Separate accounting;

15                 (2) The exclusion of any one or more factors;

16                 (3) The inclusion of one or more additional factors  
17 which will fairly represent the person's business  
18 activities in this State; or

19                 (4) The employment of any other method to effectuate an  
20 equitable allocation and apportionment of the person's  
21 business income.

22           (g) Cross reference. For allocation of business income by  
23 residents, see Section 301(a).

24           (h) For tax years ending on or after December 31, 1998, the  
25 apportionment factor of persons who apportion their business  
26 income to this State under subsection (a) shall be equal to:



1 (1) for tax years ending on or after December 31, 1998  
2 and before December 31, 1999, 16 2/3% of the property  
3 factor plus 16 2/3% of the payroll factor plus 66 2/3% of  
4 the sales factor;

5 (2) for tax years ending on or after December 31, 1999  
6 and before December 31, 2000, 8 1/3% of the property factor  
7 plus 8 1/3% of the payroll factor plus 83 1/3% of the sales  
8 factor;

9 (3) for tax years ending on or after December 31, 2000,  
10 the sales factor.

11 If, in any tax year ending on or after December 31, 1998 and  
12 before December 31, 2000, the denominator of the payroll,  
13 property, or sales factor is zero, the apportionment factor  
14 computed in paragraph (1) or (2) of this subsection for that  
15 year shall be divided by an amount equal to 100% minus the  
16 percentage weight given to each factor whose denominator is  
17 equal to zero.

18 (Source: P.A. 94-247, eff. 1-1-06; 95-233, eff. 8-16-07;  
19 95-707, eff. 1-11-08.)

20 (35 ILCS 5/605) (from Ch. 120, par. 6-605)

21 Sec. 605. The Department may adopt rules and regulations  
22 for payment of taxes due under this Act by credit card,  
23 provided that, prior to December 31, 2009, the Department may  
24 accept payment by credit card only when the Department is not  
25 required to pay a discount fee charged by the credit card

1 issuer.

2 (Source: P.A. 87-1175; 87-1189.)

3 (35 ILCS 5/701) (from Ch. 120, par. 7-701)

4 Sec. 701. Requirement and Amount of Withholding.

5 (a) In General. Every employer maintaining an office or  
6 transacting business within this State and required under the  
7 provisions of the Internal Revenue Code to withhold a tax on:

8 (1) compensation paid in this State (as determined  
9 under Section 304(a)(2)(B) to an individual; or

10 (2) payments described in subsection (b) shall deduct  
11 and withhold from such compensation for each payroll period  
12 (as defined in Section 3401 of the Internal Revenue Code)  
13 an amount equal to the amount by which such individual's  
14 compensation exceeds the proportionate part of this  
15 withholding exemption (computed as provided in Section  
16 702) attributable to the payroll period for which such  
17 compensation is payable multiplied by a percentage equal to  
18 the percentage tax rate for individuals provided in  
19 subsection (b) of Section 201.

20 (b) Payment to Residents. Any payment (including  
21 compensation, but not including a payment from which  
22 withholding is required under Section 710 of this Act) to a  
23 resident by a payor maintaining an office or transacting  
24 business within this State (including any agency, officer, or  
25 employee of this State or of any political subdivision of this

1 State) and on which withholding of tax is required under the  
2 provisions of the Internal Revenue Code shall be deemed to be  
3 compensation paid in this State by an employer to an employee  
4 for the purposes of Article 7 and Section 601(b)(1) to the  
5 extent such payment is included in the recipient's base income  
6 and not subjected to withholding by another state.  
7 Notwithstanding any other provision to the contrary, no amount  
8 shall be withheld from unemployment insurance benefit payments  
9 made to an individual pursuant to the Unemployment Insurance  
10 Act unless the individual has voluntarily elected the  
11 withholding pursuant to rules promulgated by the Director of  
12 Employment Security.

13 (c) Special Definitions. Withholding shall be considered  
14 required under the provisions of the Internal Revenue Code to  
15 the extent the Internal Revenue Code either requires  
16 withholding or allows for voluntary withholding the payor and  
17 recipient have entered into such a voluntary withholding  
18 agreement. For the purposes of Article 7 and Section 1002(c)  
19 the term "employer" includes any payor who is required to  
20 withhold tax pursuant to this Section.

21 (d) Reciprocal Exemption. The Director may enter into an  
22 agreement with the taxing authorities of any state which  
23 imposes a tax on or measured by income to provide that  
24 compensation paid in such state to residents of this State  
25 shall be exempt from withholding of such tax; in such case, any  
26 compensation paid in this State to residents of such state

1 shall be exempt from withholding. All reciprocal agreements  
2 shall be subject to the requirements of Section 2505-575 of the  
3 Department of Revenue Law (20 ILCS 2505/2505-575).

4 (e) Notwithstanding subsection (a)(2) of this Section, no  
5 withholding is required on payments for which withholding is  
6 required under Section 3405 or 3406 of the Internal Revenue  
7 Code of 1954.

8 (Source: P.A. 92-846, eff. 8-23-02; 93-634, eff. 1-1-04.)

9 (35 ILCS 5/710) (from Ch. 120, par. 7-710)

10 Sec. 710. Withholding from lottery, wagering, and gambling  
11 winnings. (a) In General.

12 (1) Any person making a payment to a resident or  
13 nonresident of winnings under the Illinois Lottery Law and  
14 not required to withhold Illinois income tax from such  
15 payment under Subsection (b) of Section 701 of this Act  
16 because those winnings are not subject to Federal income  
17 tax withholding, must withhold Illinois income tax from  
18 such payment at a rate equal to the percentage tax rate for  
19 individuals provided in subsection (b) of Section 201,  
20 provided that withholding is not required if such payment  
21 of winnings is less than \$1,000.

22 (2) In the case of an assignment of a lottery prize  
23 under Section 13.1 of the Illinois Lottery Law, any person  
24 making a payment of the purchase price after December 31,  
25 2009, shall withhold from the amount of each payment at a

1 rate equal to the percentage tax rate for individuals  
2 provided in subsection (b) of Section 201.

3 (3) Any person making a payment after December 31,  
4 2009, to a resident or nonresident of winnings from  
5 pari-mutuel wagering conducted at a wagering facility  
6 licensed under the Illinois Horse Racing Act of 1975 or  
7 from gambling games conducted on a riverboat licensed under  
8 the Riverboat Gambling Act must withhold Illinois income  
9 tax from such payment at a rate equal to the percentage tax  
10 rate for individuals provided in subsection (b) of Section  
11 201, provided that withholding is required only if the  
12 payment must be reported to the Internal Revenue Service by  
13 the person making the payment.

14 (b) Credit for taxes withheld. Any amount withheld under  
15 Subsection (a) shall be a credit against the Illinois income  
16 tax liability of the person to whom the payment of winnings was  
17 made for the taxable year in which that person incurred an  
18 Illinois income tax liability with respect to those winnings.

19 (Source: P.A. 85-731.)

20 Section 20. The Retailers' Occupation Tax Act is amended by  
21 changing Sections 5 and 5f as follows:

22 (35 ILCS 120/5) (from Ch. 120, par. 444)

23 Sec. 5. In case any person engaged in the business of  
24 selling tangible personal property at retail fails to file a

1 return when and as herein required, but thereafter, prior to  
2 the Department's issuance of a notice of tax liability under  
3 this Section, files a return and pays the tax, he shall also  
4 pay a penalty in an amount determined in accordance with  
5 Section 3-3 of the Uniform Penalty and Interest Act.

6 In case any person engaged in the business of selling  
7 tangible personal property at retail files the return at the  
8 time required by this Act but fails to pay the tax, or any part  
9 thereof, when due, a penalty in an amount determined in  
10 accordance with Section 3-3 of the Uniform Penalty and Interest  
11 Act shall be added thereto.

12 In case any person engaged in the business of selling  
13 tangible personal property at retail fails to file a return  
14 when and as herein required, but thereafter, prior to the  
15 Department's issuance of a notice of tax liability under this  
16 Section, files a return but fails to pay the entire tax, a  
17 penalty in an amount determined in accordance with Section 3-3  
18 of the Uniform Penalty and Interest Act shall be added thereto.

19 In case any person engaged in the business of selling  
20 tangible personal property at retail fails to file a return,  
21 the Department shall determine the amount of tax due from him  
22 according to its best judgment and information, which amount so  
23 fixed by the Department shall be prima facie correct and shall  
24 be prima facie evidence of the correctness of the amount of tax  
25 due, as shown in such determination. In making any such  
26 determination of tax due, it shall be permissible for the

1 Department to show a figure that represents the tax due for any  
2 given period of 6 months instead of showing the amount of tax  
3 due for each month separately. Proof of such determination by  
4 the Department may be made at any hearing before the Department  
5 or in any legal proceeding by a reproduced copy or computer  
6 print-out of the Department's record relating thereto in the  
7 name of the Department under the certificate of the Director of  
8 Revenue. If reproduced copies of the Department's records are  
9 offered as proof of such determination, the Director must  
10 certify that those copies are true and exact copies of records  
11 on file with the Department. If computer print-outs of the  
12 Department's records are offered as proof of such  
13 determination, the Director must certify that those computer  
14 print-outs are true and exact representations of records  
15 properly entered into standard electronic computing equipment,  
16 in the regular course of the Department's business, at or  
17 reasonably near the time of the occurrence of the facts  
18 recorded, from trustworthy and reliable information. Such  
19 certified reproduced copy or certified computer print-out  
20 shall, without further proof, be admitted into evidence before  
21 the Department or in any legal proceeding and shall be prima  
22 facie proof of the correctness of the amount of tax due, as  
23 shown therein. The Department shall issue the taxpayer a notice  
24 of tax liability for the amount of tax claimed by the  
25 Department to be due, together with a penalty of 30% thereof.

26 However, where the failure to file any tax return required

1 under this Act on the date prescribed therefor (including any  
2 extensions thereof), is shown to be unintentional and  
3 nonfraudulent and has not occurred in the 6 ~~2~~ years immediately  
4 preceding the failure to file on the prescribed date or is due  
5 to other reasonable cause the penalties imposed by this Act  
6 shall not apply.

7 If such person or the legal representative of such person  
8 files, within 60 days after such notice, a protest to such  
9 notice of tax liability and requests a hearing thereon, the  
10 Department shall give notice to such person or the legal  
11 representative of such person of the time and place fixed for  
12 such hearing, and shall hold a hearing in conformity with the  
13 provisions of this Act, and pursuant thereto shall issue a  
14 final assessment to such person or to the legal representative  
15 of such person for the amount found to be due as a result of  
16 such hearing.

17 If a protest to the notice of tax liability and a request  
18 for a hearing thereon is not filed within 60 days after such  
19 notice, such notice of tax liability shall become final without  
20 the necessity of a final assessment being issued and shall be  
21 deemed to be a final assessment.

22 After the issuance of a final assessment, or a notice of  
23 tax liability which becomes final without the necessity of  
24 actually issuing a final assessment as hereinbefore provided,  
25 the Department, at any time before such assessment is reduced  
26 to judgment, may (subject to rules of the Department) grant a



1 rehearing (or grant departmental review and hold an original  
2 hearing if no previous hearing in the matter has been held)  
3 upon the application of the person aggrieved. Pursuant to such  
4 hearing or rehearing, the Department shall issue a revised  
5 final assessment to such person or his legal representative for  
6 the amount found to be due as a result of such hearing or  
7 rehearing.

8 Except in case of failure to file a return, or with the  
9 consent of the person to whom the notice of tax liability is to  
10 be issued, no notice of tax liability shall be issued on and  
11 after each July 1 and January 1 covering gross receipts  
12 received during any month or period of time more than 3 years  
13 prior to such July 1 and January 1, respectively, except that  
14 if a return is not filed at the required time, a notice of tax  
15 liability may be issued not later than 3 years after the time  
16 the return is filed. The foregoing limitations upon the  
17 issuance of a notice of tax liability shall not apply to the  
18 issuance of any such notice with respect to any period of time  
19 prior thereto in cases where the Department has, within the  
20 period of limitation then provided, notified a person of the  
21 amount of tax computed even though the Department had not  
22 determined the amount of tax due from such person in the manner  
23 required herein prior to the issuance of such notice, but in no  
24 case shall the amount of any such notice of tax liability for  
25 any period otherwise barred by this Act exceed for such period  
26 the amount shown in the notice theretofore issued.

1           If, when a tax or penalty under this Act becomes due and  
2 payable, the person alleged to be liable therefor is out of the  
3 State, the notice of tax liability may be issued within the  
4 times herein limited after his or her coming into or return to  
5 the State; and if, after the tax or penalty under this Act  
6 becomes due and payable, the person alleged to be liable  
7 therefor departs from and remains out of the State, the time of  
8 his or her absence is no part of the time limited for the  
9 issuance of the notice of tax liability; but the foregoing  
10 provisions concerning absence from the State shall not apply to  
11 any case in which, at the time when a tax or penalty becomes  
12 due under this Act, the person allegedly liable therefor is not  
13 a resident of this State.

14           The time limitation period on the Department's right to  
15 issue a notice of tax liability shall not run during any period  
16 of time in which the order of any court has the effect of  
17 enjoining or restraining the Department from issuing the notice  
18 of tax liability.

19           In case of failure to pay the tax, or any portion thereof,  
20 or any penalty provided for in this Act, or interest, when due,  
21 the Department may bring suit to recover the amount of such  
22 tax, or portion thereof, or penalty or interest; or, if the  
23 taxpayer has died or become a person under legal disability,  
24 may file a claim therefor against his estate; provided that no  
25 such suit with respect to any tax, or portion thereof, or  
26 penalty, or interest shall be instituted more than 6 ~~2~~ years

1 after the date any proceedings in court for review thereof have  
2 terminated or the time for the taking thereof has expired  
3 without such proceedings being instituted, except with the  
4 consent of the person from whom such tax or penalty or interest  
5 is due; nor, except with such consent, shall such suit be  
6 instituted more than 6 ~~2~~ years after the date any return is  
7 filed with the Department in cases where the return constitutes  
8 the basis for the suit for unpaid tax, or portion thereof, or  
9 penalty provided for in this Act, or interest: Provided that  
10 the time limitation period on the Department's right to bring  
11 any such suit shall not run during any period of time in which  
12 the order of any court has the effect of enjoining or  
13 restraining the Department from bringing such suit.

14 After the expiration of the period within which the person  
15 assessed may file an action for judicial review under the  
16 Administrative Review Law without such an action being filed, a  
17 certified copy of the final assessment or revised final  
18 assessment of the Department may be filed with the Circuit  
19 Court of the county in which the taxpayer has his principal  
20 place of business, or of Sangamon County in those cases in  
21 which the taxpayer does not have his principal place of  
22 business in this State. The certified copy of the final  
23 assessment or revised final assessment shall be accompanied by  
24 a certification which recites facts that are sufficient to show  
25 that the Department complied with the jurisdictional  
26 requirements of the Act in arriving at its final assessment or

1 its revised final assessment and that the taxpayer had his  
2 opportunity for an administrative hearing and for judicial  
3 review, whether he availed himself or herself of either or both  
4 of these opportunities or not. If the court is satisfied that  
5 the Department complied with the jurisdictional requirements  
6 of the Act in arriving at its final assessment or its revised  
7 final assessment and that the taxpayer had his opportunity for  
8 an administrative hearing and for judicial review, whether he  
9 availed himself of either or both of these opportunities or  
10 not, the court shall render judgment in favor of the Department  
11 and against the taxpayer for the amount shown to be due by the  
12 final assessment or the revised final assessment, plus any  
13 interest which may be due, and such judgment shall be entered  
14 in the judgment docket of the court. Such judgment shall bear  
15 the rate of interest as set by the Uniform Penalty and Interest  
16 Act, but otherwise shall have the same effect as other  
17 judgments. The judgment may be enforced, and all laws  
18 applicable to sales for the enforcement of a judgment shall be  
19 applicable to sales made under such judgments. The Department  
20 shall file the certified copy of its assessment, as herein  
21 provided, with the Circuit Court within 6 ~~2~~ years after such  
22 assessment becomes final except when the taxpayer consents in  
23 writing to an extension of such filing period, and except that  
24 the time limitation period on the Department's right to file  
25 the certified copy of its assessment with the Circuit Court  
26 shall not run during any period of time in which the order of

1 any court has the effect of enjoining or restraining the  
2 Department from filing such certified copy of its assessment  
3 with the Circuit Court.

4 If, when the cause of action for a proceeding in court  
5 accrues against a person, he or she is out of the State, the  
6 action may be commenced within the times herein limited, after  
7 his or her coming into or return to the State; and if, after  
8 the cause of action accrues, he or she departs from and remains  
9 out of the State, the time of his or her absence is no part of  
10 the time limited for the commencement of the action; but the  
11 foregoing provisions concerning absence from the State shall  
12 not apply to any case in which, at the time the cause of action  
13 accrues, the party against whom the cause of action accrues is  
14 not a resident of this State. The time within which a court  
15 action is to be commenced by the Department hereunder shall not  
16 run from the date the taxpayer files a petition in bankruptcy  
17 under the Federal Bankruptcy Act until 30 days after notice of  
18 termination or expiration of the automatic stay imposed by the  
19 Federal Bankruptcy Act.

20 No claim shall be filed against the estate of any deceased  
21 person or any person under legal disability for any tax or  
22 penalty or part of either, or interest, except in the manner  
23 prescribed and within the time limited by the Probate Act of  
24 1975, as amended.

25 The collection of tax or penalty or interest by any means  
26 provided for herein shall not be a bar to any prosecution under

1 this Act.

2 In addition to any penalty provided for in this Act, any  
3 amount of tax which is not paid when due shall bear interest at  
4 the rate and in the manner specified in Sections 3-2 and 3-9 of  
5 the Uniform Penalty and Interest Act from the date when such  
6 tax becomes past due until such tax is paid or a judgment  
7 therefor is obtained by the Department. If the time for making  
8 or completing an audit of a taxpayer's books and records is  
9 extended with the taxpayer's consent, at the request of and for  
10 the convenience of the Department, beyond the date on which the  
11 statute of limitations upon the issuance of a notice of tax  
12 liability by the Department otherwise would run, no interest  
13 shall accrue during the period of such extension or until a  
14 Notice of Tax Liability is issued, whichever occurs first.

15 In addition to any other remedy provided by this Act, and  
16 regardless of whether the Department is making or intends to  
17 make use of such other remedy, where a corporation or limited  
18 liability company registered under this Act violates the  
19 provisions of this Act or of any rule or regulation promulgated  
20 thereunder, the Department may give notice to the Attorney  
21 General of the identity of such a corporation or limited  
22 liability company and of the violations committed by such a  
23 corporation or limited liability company, for such action as is  
24 not already provided for by this Act and as the Attorney  
25 General may deem appropriate.

26 If the Department determines that an amount of tax or

1 penalty or interest was incorrectly assessed, whether as the  
2 result of a mistake of fact or an error of law, the Department  
3 shall waive the amount of tax or penalty or interest that  
4 accrued due to the incorrect assessment.

5 (Source: P.A. 87-193; 87-205; 87-895; 88-480.)

6 (35 ILCS 120/5f) (from Ch. 120, par. 444f)

7 Sec. 5f. In addition to any other remedy provided for by  
8 the laws of this State, if the tax imposed by this Act is not  
9 paid within the time required by this Act, the Department, or  
10 some person designated by it, may cause a demand to be made on  
11 the taxpayer for the payment of the tax. If the tax remains  
12 unpaid for 10 days after demand has been made and no  
13 proceedings have been taken for review, the Department may  
14 issue a warrant directed to the sheriff of any county of the  
15 State or to any State officer authorized to serve process,  
16 commanding the sheriff or other officer to levy upon property  
17 and rights to property (whether real or personal, tangible or  
18 intangible) of the taxpayer, without exemption, found within  
19 his or her jurisdiction, for the payment of the amount of  
20 unpaid tax with the added penalties, interest and the cost of  
21 executing the warrant. The term "levy" includes the power of  
22 distraint and seizure by any means. In any case in which the  
23 warrant to levy has been issued, the sheriff or other person to  
24 whom the warrant was directed may seize and sell such property  
25 or rights to property. Such warrant shall be returned to the

1 Department together with the money collected by virtue of the  
2 warrant within the time specified in the warrant, which may not  
3 be less than 20 nor more than 90 days from the date of the  
4 warrant. The sheriff or other officer to whom such warrant is  
5 directed shall proceed in the same manner as is prescribed by  
6 law for proceeding against property to enforce judgments which  
7 are entered by a circuit court of this State, and is entitled  
8 to the same fees for his or her services in executing the  
9 warrant, to be collected in the same manner. The Department, or  
10 some officer, employee or agent designated by it, may bid for  
11 and purchase any such property sold.

12 No proceedings for a levy under this Section may be  
13 commenced more than 20 years after the latest date for filing  
14 of the notice of lien under Section 5b of this Act, without  
15 regard to whether such notice was actually filed.

16 Any officer or employee of the Department designated in  
17 writing by the Director is authorized to serve process under  
18 this Section to levy upon accounts or other intangible assets  
19 of a taxpayer held by a financial organization, as defined by  
20 Section 1501 of the Illinois Income Tax Act. In addition to any  
21 other provisions of this Section, any officer or employee of  
22 the Department designated in writing by the Director may levy  
23 upon the following property and rights to property belonging to  
24 a taxpayer: contractual payments, accounts and notes  
25 receivable and other evidences of debt, and interest on bonds,  
26 by serving a notice of levy on the person making such payment.



1 Levy shall not be made until the Department has caused a demand  
2 to be made on the taxpayer in the manner provided above. In  
3 addition to any other provisions of this Section, any officer  
4 or employee of the Department designated in writing by the  
5 Director, may levy upon the salary, wages, commissions and  
6 bonuses of any employee, including officers, employees, or  
7 elected officials of the United States as authorized by Section  
8 5520a of the Government Organization and Employees Act (5  
9 U.S.C. 5520a), but not upon the salary or wages of officers,  
10 employees, or elected officials of any state other than this  
11 State, by serving a notice of levy on the employer. Levy shall  
12 not be made until the Department has caused a demand to be made  
13 on the employee in the manner provided above. The provisions of  
14 Section 12-803 of the Code of Civil Procedure relating to  
15 maximum compensation subject to collection under wage  
16 deduction orders shall apply to all levies made upon  
17 compensation under this Section. To the extent of the amount  
18 due on the levy, the employer or other person making payments  
19 to the taxpayer shall hold any non-exempt wages or other  
20 payments due or which subsequently come due. The levy or  
21 balance due thereon is a lien on wages or other payments due at  
22 the time of the service of the notice of levy, and such lien  
23 shall continue as to subsequent earnings and other payments  
24 until the total amount due upon the levy is paid, except that  
25 such lien on subsequent earnings or other payments shall  
26 terminate sooner if the employment relationship is terminated

1 or if the notice of levy is rescinded or modified. The employer  
2 or other person making payments to the taxpayer shall file, on  
3 or before the return dates stated in the notice of levy (which  
4 shall not be more often than bimonthly) a written answer under  
5 oath to interrogatories, setting forth the amount due as wages  
6 or other payments to the taxpayer for the payment periods  
7 ending immediately prior to the appropriate return date. An  
8 employer or other person failing to file, before the return  
9 date stated in the notice of levy, a written answer under oath  
10 to interrogatories, setting forth the amount due as wages or  
11 other payments to the taxpayer for the payment periods ending  
12 immediately prior to the appropriate return date is guilty of a  
13 petty offense and shall be fined \$500 for a first offense and  
14 \$1,000 for a second or any subsequent offense. A lien obtained  
15 hereunder shall have priority over any subsequent lien obtained  
16 pursuant to Section 12-808 of the Code of Civil Procedure,  
17 except that liens for the support of a spouse or dependent  
18 children shall have priority over all liens obtained hereunder.

19 In any case where property or rights to property have been  
20 seized by an officer of the Illinois Department of Law  
21 Enforcement, or successor agency thereto, under the authority  
22 of a warrant to levy issued by the Department of Revenue, the  
23 Department of Revenue may take possession of and may sell such  
24 property or rights to property and the Department of Revenue  
25 may contract with third persons to conduct sales of such  
26 property or rights to the property. In the conduct of such

1 sales, the Department of Revenue shall proceed in the same  
2 manner as is prescribed by law for proceeding against property  
3 to enforce judgments which are entered by a circuit court of  
4 this State. If, in the Department's opinion, no offer to  
5 purchase at such sale is acceptable and the State's interest  
6 would be better served by retaining the property for sale at a  
7 later date, then the Department may decline to accept any bid  
8 and may retain the property for sale at a later date.

9 (Source: P.A. 89-399, eff. 8-20-95.)

10 Section 25. The Illinois Vehicle Code is amended by  
11 changing Section 2-123 as follows:

12 (625 ILCS 5/2-123) (from Ch. 95 1/2, par. 2-123)

13 Sec. 2-123. Sale and Distribution of Information.

14 (a) Except as otherwise provided in this Section, the  
15 Secretary may make the driver's license, vehicle and title  
16 registration lists, in part or in whole, and any statistical  
17 information derived from these lists available to local  
18 governments, elected state officials, state educational  
19 institutions, and all other governmental units of the State and  
20 Federal Government requesting them for governmental purposes.  
21 The Secretary shall require any such applicant for services to  
22 pay for the costs of furnishing such services and the use of  
23 the equipment involved, and in addition is empowered to  
24 establish prices and charges for the services so furnished and

1 for the use of the electronic equipment utilized.

2 (b) The Secretary is further empowered to and he may, in  
3 his discretion, furnish to any applicant, other than listed in  
4 subsection (a) of this Section, vehicle or driver data on a  
5 computer tape, disk, other electronic format or computer  
6 processable medium, or printout at a fixed fee of \$250 for  
7 orders received before October 1, 2003 and \$500 for orders  
8 received on or after October 1, 2003, in advance, and require  
9 in addition a further sufficient deposit based upon the  
10 Secretary of State's estimate of the total cost of the  
11 information requested and a charge of \$25 for orders received  
12 before October 1, 2003 and \$50 for orders received on or after  
13 October 1, 2003, per 1,000 units or part thereof identified or  
14 the actual cost, whichever is greater. The Secretary is  
15 authorized to refund any difference between the additional  
16 deposit and the actual cost of the request. This service shall  
17 not be in lieu of an abstract of a driver's record nor of a  
18 title or registration search. This service may be limited to  
19 entities purchasing a minimum number of records as required by  
20 administrative rule. The information sold pursuant to this  
21 subsection shall be the entire vehicle or driver data list, or  
22 part thereof. The information sold pursuant to this subsection  
23 shall not contain personally identifying information unless  
24 the information is to be used for one of the purposes  
25 identified in subsection (f-5) of this Section. Commercial  
26 purchasers of driver and vehicle record databases shall enter

1 into a written agreement with the Secretary of State that  
2 includes disclosure of the commercial use of the information to  
3 be purchased.

4 (b-1) The Secretary is further empowered to and may, in his  
5 or her discretion, furnish vehicle or driver data on a computer  
6 tape, disk, or other electronic format or computer processible  
7 medium, at no fee, to any State or local governmental agency  
8 that uses the information provided by the Secretary to transmit  
9 data back to the Secretary that enables the Secretary to  
10 maintain accurate driving records, including dispositions of  
11 traffic cases. This information may be provided without fee not  
12 more often than once every 6 months.

13 (c) Secretary of State may issue registration lists. The  
14 Secretary of State may compile a list of all registered  
15 vehicles. Each list of registered vehicles shall be arranged  
16 serially according to the registration numbers assigned to  
17 registered vehicles and may contain in addition the names and  
18 addresses of registered owners and a brief description of each  
19 vehicle including the serial or other identifying number  
20 thereof. Such compilation may be in such form as in the  
21 discretion of the Secretary of State may seem best for the  
22 purposes intended.

23 (d) The Secretary of State shall furnish no more than 2  
24 current available lists of such registrations to the sheriffs  
25 of all counties and to the chiefs of police of all cities and  
26 villages and towns of 2,000 population and over in this State

1 at no cost. Additional copies may be purchased by the sheriffs  
2 or chiefs of police at the fee of \$500 each or at the cost of  
3 producing the list as determined by the Secretary of State.  
4 Such lists are to be used for governmental purposes only.

5 (e) (Blank).

6 (e-1) (Blank).

7 (f) The Secretary of State shall make a title or  
8 registration search of the records of his office and a written  
9 report on the same for any person, upon written application of  
10 such person, accompanied by a fee of \$5 for each registration  
11 or title search. The written application shall set forth the  
12 intended use of the requested information. No fee shall be  
13 charged for a title or registration search, or for the  
14 certification thereof requested by a government agency. The  
15 report of the title or registration search shall not contain  
16 personally identifying information unless the request for a  
17 search was made for one of the purposes identified in  
18 subsection (f-5) of this Section. The report of the title or  
19 registration search shall not contain highly restricted  
20 personal information unless specifically authorized by this  
21 Code.

22 The Secretary of State shall certify a title or  
23 registration record upon written request. The fee for  
24 certification shall be \$5 in addition to the fee required for a  
25 title or registration search. Certification shall be made under  
26 the signature of the Secretary of State and shall be

1 authenticated by Seal of the Secretary of State.

2 The Secretary of State may notify the vehicle owner or  
3 registrant of the request for purchase of his title or  
4 registration information as the Secretary deems appropriate.

5 No information shall be released to the requestor until  
6 expiration of a 10 day period. This 10 day period shall not  
7 apply to requests for information made by law enforcement  
8 officials, government agencies, financial institutions,  
9 attorneys, insurers, employers, automobile associated  
10 businesses, persons licensed as a private detective or firms  
11 licensed as a private detective agency under the Private  
12 Detective, Private Alarm, Private Security, Fingerprint  
13 Vendor, and Locksmith Act of 2004, who are employed by or are  
14 acting on behalf of law enforcement officials, government  
15 agencies, financial institutions, attorneys, insurers,  
16 employers, automobile associated businesses, and other  
17 business entities for purposes consistent with the Illinois  
18 Vehicle Code, the vehicle owner or registrant or other entities  
19 as the Secretary may exempt by rule and regulation.

20 Any misrepresentation made by a requestor of title or  
21 vehicle information shall be punishable as a petty offense,  
22 except in the case of persons licensed as a private detective  
23 or firms licensed as a private detective agency which shall be  
24 subject to disciplinary sanctions under Section 40-10 of the  
25 Private Detective, Private Alarm, Private Security,  
26 Fingerprint Vendor, and Locksmith Act of 2004.

1           (f-5) The Secretary of State shall not disclose or  
2 otherwise make available to any person or entity any personally  
3 identifying information obtained by the Secretary of State in  
4 connection with a driver's license, vehicle, or title  
5 registration record unless the information is disclosed for one  
6 of the following purposes:

7           (1) For use by any government agency, including any  
8 court or law enforcement agency, in carrying out its  
9 functions, or any private person or entity acting on behalf  
10 of a federal, State, or local agency in carrying out its  
11 functions.

12           (2) For use in connection with matters of motor vehicle  
13 or driver safety and theft; motor vehicle emissions; motor  
14 vehicle product alterations, recalls, or advisories;  
15 performance monitoring of motor vehicles, motor vehicle  
16 parts, and dealers; and removal of non-owner records from  
17 the original owner records of motor vehicle manufacturers.

18           (3) For use in the normal course of business by a  
19 legitimate business or its agents, employees, or  
20 contractors, but only:

21           (A) to verify the accuracy of personal information  
22 submitted by an individual to the business or its  
23 agents, employees, or contractors; and

24           (B) if such information as so submitted is not  
25 correct or is no longer correct, to obtain the correct  
26 information, but only for the purposes of preventing



1 fraud by, pursuing legal remedies against, or  
2 recovering on a debt or security interest against, the  
3 individual.

4 (4) For use in research activities and for use in  
5 producing statistical reports, if the personally  
6 identifying information is not published, redisclosed, or  
7 used to contact individuals.

8 (5) For use in connection with any civil, criminal,  
9 administrative, or arbitral proceeding in any federal,  
10 State, or local court or agency or before any  
11 self-regulatory body, including the service of process,  
12 investigation in anticipation of litigation, and the  
13 execution or enforcement of judgments and orders, or  
14 pursuant to an order of a federal, State, or local court.

15 (6) For use by any insurer or insurance support  
16 organization or by a self-insured entity or its agents,  
17 employees, or contractors in connection with claims  
18 investigation activities, antifraud activities, rating, or  
19 underwriting.

20 (7) For use in providing notice to the owners of towed  
21 or impounded vehicles.

22 (8) For use by any person licensed as a private  
23 detective or firm licensed as a private detective agency  
24 under the Private Detective, Private Alarm, Private  
25 Security, Fingerprint Vendor, and Locksmith Act of 2004,  
26 private investigative agency or security service licensed

1 in Illinois for any purpose permitted under this  
2 subsection.

3 (9) For use by an employer or its agent or insurer to  
4 obtain or verify information relating to a holder of a  
5 commercial driver's license that is required under chapter  
6 313 of title 49 of the United States Code.

7 (10) For use in connection with the operation of  
8 private toll transportation facilities.

9 (11) For use by any requester, if the requester  
10 demonstrates it has obtained the written consent of the  
11 individual to whom the information pertains.

12 (12) For use by members of the news media, as defined  
13 in Section 1-148.5, for the purpose of newsgathering when  
14 the request relates to the operation of a motor vehicle or  
15 public safety.

16 (13) For any other use specifically authorized by law,  
17 if that use is related to the operation of a motor vehicle  
18 or public safety.

19 (14) For use by the Department of Revenue in the  
20 administration of any tax administered by the Department of  
21 Revenue or in the collection of any tax or debt that the  
22 Department of Revenue is authorized or required by law to  
23 collect. The Secretary of State may disclose or otherwise  
24 make available to the Department social security numbers  
25 for these purposes.

26 (f-6) The Secretary of State shall not disclose or

1 otherwise make available to any person or entity any highly  
2 restricted personal information obtained by the Secretary of  
3 State in connection with a driver's license, vehicle, or title  
4 registration record unless specifically authorized by this  
5 Code.

6 (g) 1. The Secretary of State may, upon receipt of a  
7 written request and a fee of \$6 before October 1, 2003 and  
8 a fee of \$12 on and after October 1, 2003, furnish to the  
9 person or agency so requesting a driver's record. Such  
10 document may include a record of: current driver's license  
11 issuance information, except that the information on  
12 judicial driving permits shall be available only as  
13 otherwise provided by this Code; convictions; orders  
14 entered revoking, suspending or cancelling a driver's  
15 license or privilege; and notations of accident  
16 involvement. All other information, unless otherwise  
17 permitted by this Code, shall remain confidential.  
18 Information released pursuant to a request for a driver's  
19 record shall not contain personally identifying  
20 information, unless the request for the driver's record was  
21 made for one of the purposes set forth in subsection (f-5)  
22 of this Section. The Secretary of State may, without fee,  
23 allow a parent or guardian of a person under the age of 18  
24 years, who holds an instruction permit or graduated  
25 driver's license, to view that person's driving record  
26 online, through a computer connection. The parent or

1 guardian's online access to the driving record will  
2 terminate when the instruction permit or graduated  
3 driver's license holder reaches the age of 18.

4 2. The Secretary of State shall not disclose or  
5 otherwise make available to any person or entity any highly  
6 restricted personal information obtained by the Secretary  
7 of State in connection with a driver's license, vehicle, or  
8 title registration record unless specifically authorized  
9 by this Code. The Secretary of State may certify an  
10 abstract of a driver's record upon written request  
11 therefor. Such certification shall be made under the  
12 signature of the Secretary of State and shall be  
13 authenticated by the Seal of his office.

14 3. All requests for driving record information shall be  
15 made in a manner prescribed by the Secretary and shall set  
16 forth the intended use of the requested information.

17 The Secretary of State may notify the affected driver  
18 of the request for purchase of his driver's record as the  
19 Secretary deems appropriate.

20 No information shall be released to the requester until  
21 expiration of a 10 day period. This 10 day period shall not  
22 apply to requests for information made by law enforcement  
23 officials, government agencies, financial institutions,  
24 attorneys, insurers, employers, automobile associated  
25 businesses, persons licensed as a private detective or  
26 firms licensed as a private detective agency under the

1 Private Detective, Private Alarm, Private Security,  
2 Fingerprint Vendor, and Locksmith Act of 2004, who are  
3 employed by or are acting on behalf of law enforcement  
4 officials, government agencies, financial institutions,  
5 attorneys, insurers, employers, automobile associated  
6 businesses, and other business entities for purposes  
7 consistent with the Illinois Vehicle Code, the affected  
8 driver or other entities as the Secretary may exempt by  
9 rule and regulation.

10 Any misrepresentation made by a requestor of driver  
11 information shall be punishable as a petty offense, except  
12 in the case of persons licensed as a private detective or  
13 firms licensed as a private detective agency which shall be  
14 subject to disciplinary sanctions under Section 40-10 of  
15 the Private Detective, Private Alarm, Private Security,  
16 Fingerprint Vendor, and Locksmith Act of 2004.

17 4. The Secretary of State may furnish without fee, upon  
18 the written request of a law enforcement agency, any  
19 information from a driver's record on file with the  
20 Secretary of State when such information is required in the  
21 enforcement of this Code or any other law relating to the  
22 operation of motor vehicles, including records of  
23 dispositions; documented information involving the use of  
24 a motor vehicle; whether such individual has, or previously  
25 had, a driver's license; and the address and personal  
26 description as reflected on said driver's record.

1           5. Except as otherwise provided in this Section, the  
2 Secretary of State may furnish, without fee, information  
3 from an individual driver's record on file, if a written  
4 request therefor is submitted by any public transit system  
5 or authority, public defender, law enforcement agency, a  
6 state or federal agency, or an Illinois local  
7 intergovernmental association, if the request is for the  
8 purpose of a background check of applicants for employment  
9 with the requesting agency, or for the purpose of an  
10 official investigation conducted by the agency, or to  
11 determine a current address for the driver so public funds  
12 can be recovered or paid to the driver, or for any other  
13 purpose set forth in subsection (f-5) of this Section.

14           The Secretary may also furnish the courts a copy of an  
15 abstract of a driver's record, without fee, subsequent to  
16 an arrest for a violation of Section 11-501 or a similar  
17 provision of a local ordinance. Such abstract may include  
18 records of dispositions; documented information involving  
19 the use of a motor vehicle as contained in the current  
20 file; whether such individual has, or previously had, a  
21 driver's license; and the address and personal description  
22 as reflected on said driver's record.

23           6. Any certified abstract issued by the Secretary of  
24 State or transmitted electronically by the Secretary of  
25 State pursuant to this Section, to a court or on request of  
26 a law enforcement agency, for the record of a named person

1 as to the status of the person's driver's license shall be  
2 prima facie evidence of the facts therein stated and if the  
3 name appearing in such abstract is the same as that of a  
4 person named in an information or warrant, such abstract  
5 shall be prima facie evidence that the person named in such  
6 information or warrant is the same person as the person  
7 named in such abstract and shall be admissible for any  
8 prosecution under this Code and be admitted as proof of any  
9 prior conviction or proof of records, notices, or orders  
10 recorded on individual driving records maintained by the  
11 Secretary of State.

12 7. Subject to any restrictions contained in the  
13 Juvenile Court Act of 1987, and upon receipt of a proper  
14 request and a fee of \$6 before October 1, 2003 and a fee of  
15 \$12 on or after October 1, 2003, the Secretary of State  
16 shall provide a driver's record to the affected driver, or  
17 the affected driver's attorney, upon verification. Such  
18 record shall contain all the information referred to in  
19 paragraph 1 of this subsection (g) plus: any recorded  
20 accident involvement as a driver; information recorded  
21 pursuant to subsection (e) of Section 6-117 and paragraph  
22 (4) of subsection (a) of Section 6-204 of this Code. All  
23 other information, unless otherwise permitted by this  
24 Code, shall remain confidential.

25 (h) The Secretary shall not disclose social security  
26 numbers or any associated information obtained from the Social

1 Security Administration except pursuant to a written request  
2 by, or with the prior written consent of, the individual  
3 except: (1) to officers and employees of the Secretary who have  
4 a need to know the social security numbers in performance of  
5 their official duties, (2) to law enforcement officials for a  
6 lawful, civil or criminal law enforcement investigation, and if  
7 the head of the law enforcement agency has made a written  
8 request to the Secretary specifying the law enforcement  
9 investigation for which the social security numbers are being  
10 sought, (3) to the United States Department of Transportation,  
11 or any other State, pursuant to the administration and  
12 enforcement of the Commercial Motor Vehicle Safety Act of 1986,  
13 (4) pursuant to the order of a court of competent jurisdiction,  
14 or (5) to the Department of Healthcare and Family Services  
15 (formerly Department of Public Aid) for utilization in the  
16 child support enforcement duties assigned to that Department  
17 under provisions of the Illinois Public Aid Code after the  
18 individual has received advanced meaningful notification of  
19 what redisclosure is sought by the Secretary in accordance with  
20 the federal Privacy Act.

21 (i) (Blank).

22 (j) Medical statements or medical reports received in the  
23 Secretary of State's Office shall be confidential. No  
24 confidential information may be open to public inspection or  
25 the contents disclosed to anyone, except officers and employees  
26 of the Secretary who have a need to know the information



1 contained in the medical reports and the Driver License Medical  
2 Advisory Board, unless so directed by an order of a court of  
3 competent jurisdiction.

4 (k) All fees collected under this Section shall be paid  
5 into the Road Fund of the State Treasury, except that (i) for  
6 fees collected before October 1, 2003, \$3 of the \$6 fee for a  
7 driver's record shall be paid into the Secretary of State  
8 Special Services Fund, (ii) for fees collected on and after  
9 October 1, 2003, of the \$12 fee for a driver's record, \$3 shall  
10 be paid into the Secretary of State Special Services Fund and  
11 \$6 shall be paid into the General Revenue Fund, and (iii) for  
12 fees collected on and after October 1, 2003, 50% of the amounts  
13 collected pursuant to subsection (b) shall be paid into the  
14 General Revenue Fund.

15 (l) (Blank).

16 (m) Notations of accident involvement that may be disclosed  
17 under this Section shall not include notations relating to  
18 damage to a vehicle or other property being transported by a  
19 tow truck. This information shall remain confidential,  
20 provided that nothing in this subsection (m) shall limit  
21 disclosure of any notification of accident involvement to any  
22 law enforcement agency or official.

23 (n) Requests made by the news media for driver's license,  
24 vehicle, or title registration information may be furnished  
25 without charge or at a reduced charge, as determined by the  
26 Secretary, when the specific purpose for requesting the

1 documents is deemed to be in the public interest. Waiver or  
2 reduction of the fee is in the public interest if the principal  
3 purpose of the request is to access and disseminate information  
4 regarding the health, safety, and welfare or the legal rights  
5 of the general public and is not for the principal purpose of  
6 gaining a personal or commercial benefit. The information  
7 provided pursuant to this subsection shall not contain  
8 personally identifying information unless the information is  
9 to be used for one of the purposes identified in subsection  
10 (f-5) of this Section.

11 (o) The redisclosure of personally identifying information  
12 obtained pursuant to this Section is prohibited, except to the  
13 extent necessary to effectuate the purpose for which the  
14 original disclosure of the information was permitted.

15 (p) The Secretary of State is empowered to adopt rules to  
16 effectuate this Section.

17 (Source: P.A. 94-56, eff. 6-17-05; 95-201, eff. 1-1-08; 95-287,  
18 eff. 1-1-08; 95-331, eff. 8-21-07; 95-613, eff. 9-11-07;  
19 95-876, eff. 8-21-08.)

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