

# HB3237



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB3237

by Rep. Linda Chapa LaVia

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Financial Transaction Tax Act. Beginning January 1, 2014, imposes a tax on the privilege of engaging in a financial transaction on any of the following exchanges or boards of trade: the Chicago Stock Exchange, the Chicago Mercantile Exchange, the Chicago Board of Trade, and the Chicago Board Options Exchange. Provides that the tax is imposed at a rate of \$1 per transaction. Provides that the term "financial transaction" means a transaction involving the purchase or sale of a stock contract, futures contract, swap contract, credit default swap contract, or options contract, but does not include a transaction involving securities held in a retirement account or a transaction involving a mutual fund. Effective immediately.

LRB098 08423 HLH 38529 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 1. Short title. This Act may be cited as the  
5 Financial Transaction Tax Act.

6 Section 5. Tax imposed; definitions.

7 (a) Beginning January 1, 2014, a tax is imposed on the  
8 privilege of engaging in a financial transaction on any of the  
9 following exchanges or boards of trade: the Chicago Stock  
10 Exchange, the Chicago Mercantile Exchange, the Chicago Board of  
11 Trade, and the Chicago Board Options Exchange. The tax is  
12 imposed at a rate of \$1 per transaction. The tax shall be paid  
13 by the trading facility or, in any other case, by the purchaser  
14 involved in the transaction.

15 (b) A tax imposed under this Act, and all civil penalties  
16 that may be assessed as an incident thereof, shall be  
17 administered, collected, and enforced by the Illinois  
18 Department of Revenue, and commodity brokers shall register  
19 with the Department, in the same manner as required under the  
20 Retailers' Occupation Tax Act insofar as may be applicable. The  
21 Department of Revenue has full power to administer and enforce  
22 this Act, to collect all taxes and penalties due under this  
23 Act, to dispose of taxes and penalties so collected as provided

1 in this Act, and to determine all rights to credit memoranda  
2 arising on account of the erroneous payment of tax or penalty  
3 under this Act. The Department of Revenue shall pay over to the  
4 State Treasurer all taxes and penalties collected under this  
5 Act for deposit into the General Revenue Fund.

6 For the purpose of this Act, "financial transaction" means  
7 a transaction involving the purchase or sale of a stock  
8 contract, futures contract, swap contract, credit default swap  
9 contract, or options contract, but does not include a  
10 transaction involving securities held in a retirement account  
11 or a transaction involving a mutual fund.

12 Section 10. Rules. The Department shall adopt  
13 administrative rules to implement and administer this Act.  
14 Initial rules may be adopted as emergency rules.

15 Section 15. Interstate commerce exemption. No tax is  
16 imposed under this Act upon the privilege of engaging in a  
17 business in interstate commerce or otherwise when the business  
18 may not, under the Constitution and statutes of the United  
19 States, be made the subject of taxation by this State.

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