



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB2176

Introduced 10/20/2015, by Sen. Michael Noland

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Financial Transaction Tax Act. Beginning January 1, 2016, 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 contract for all transactions for which the underlying asset is an agricultural product and \$2 per contract for all other contracts. 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.

LRB099 14203 HLH 38264 b

1 AN ACT concerning revenue.

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

4 Section 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, 2016, 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 contract for all transactions for  
13 which the underlying asset is an agricultural product and \$2  
14 per contract for all other contracts. The tax shall be paid by  
15 the trading facility or, in any other case, by the purchaser  
16 involved in the transaction.

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

1 this Act, to collect all taxes and penalties due under this  
2 Act, to dispose of taxes and penalties so collected as provided  
3 in this Act, and to determine all rights to credit memoranda  
4 arising on account of the erroneous payment of tax or penalty  
5 under this Act. The Department of Revenue shall pay over to the  
6 State Treasurer all taxes and penalties collected under this  
7 Act for deposit into the Education Assistance Fund.

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

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

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

22 Section 99. Effective date. This Act takes effect upon  
23 becoming law.