

1 AMENDMENT TO HOUSE BILL 170

2 AMENDMENT NO. _____. Amend House Bill 170 by replacing
3 the title with the following:

4 "AN ACT in relation to business corporations."; and

5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The Business Corporation Act of 1983 is
8 amended by changing Sections 1.15, 1.17, 1.70, 1.80, 2.10,
9 6.25, 9.05, 9.20, 10.30, 10.35, 12.20, 13.45, 14.01, 14.10,
10 14.15, 14.30, 15.35, 15.40, 15.45, 15.65, 15.70, and 15.75
11 and adding Article 15A as follows:

12 (805 ILCS 5/1.15) (from Ch. 32, par. 1.15)

13 Sec. 1.15. Statement of correction.

14 (a) Except as otherwise provided in this Section,
15 whenever any instrument authorized to be filed with the
16 Secretary of State under any provision of this Act has been
17 so filed and, as of the date of the action therein referred
18 to, contains any misstatement of fact, typographical error,
19 error of transcription or any other error or defect or was
20 defectively or erroneously executed, such instrument may be
21 corrected by filing, in accordance with Section 1.10 of this

1 Act, a statement of correction.

2 (b) A statement of correction shall set forth:

3 (1) The name or names of the corporation or
4 corporations and the State or country under the laws of
5 which each is organized.

6 (2) The title of the instrument being corrected and
7 the date it was filed by the Secretary of State.

8 (3) The inaccuracy, error or defect to be corrected
9 and the portion of the instrument in corrected form.

10 (c) A statement of correction shall be executed in the
11 same manner in which the instrument being corrected was
12 required to be executed.

13 (d) The corrected instrument shall be effective as of
14 the date the original instrument was filed.

15 (e) A statement of correction shall not:

16 (1) Effect any change or amendment of articles
17 which would not in all respects have complied with the
18 requirements of this Act at the time of filing the
19 instrument being corrected.

20 (2) Take the place of any document, statement or
21 report otherwise required to be filed by this Act.

22 (3) Affect any right or liability accrued or
23 incurred before such filing, except that any right or
24 liability accrued or incurred by reason of the error or
25 defect being corrected shall be extinguished by such
26 filing if the person having such right has not
27 detrimentally relied on the original instrument.

28 (4) Alter the provisions of the articles of
29 incorporation with respect to the corporation name or
30 purpose, the class or classes and number of shares to be
31 authorized, and the names and addresses of the
32 incorporators or initial directors.

33 (5) Alter the provisions of the application for
34 certificate of authority of a foreign corporation with

1 respect to the corporation name.

2 (6) Alter the provisions of the application to
3 adopt or change an assumed corporate name with respect to
4 the assumed corporate name.

5 (7) Alter the wording of any resolution as filed in
6 any document with the Secretary of State and which was in
7 fact adopted by the board of directors or by the
8 shareholders.

9 (8) Alter the provisions of the statement of
10 election of an extended filing month with respect to the
11 extended filing month.

12 (f) A statement of correction may correct the basis, as
13 established by any document required to be filed by this Act,
14 of license fees, taxes, penalty, interest, or other charge
15 paid or payable under this Act. A statement of correction may
16 not be filed, however, with respect to a franchise tax return
17 for any taxable period ending on or after December 31, 2001,
18 to which Article 15A applies.

19 (g) A statement of correction may provide the grounds
20 for a petition for a refund or an adjustment of an assessment
21 filed under Section 1.17 of this Act.

22 (Source: P.A. 91-464, eff. 1-1-00.)

23 (805 ILCS 5/1.17) (from Ch. 32, par. 1.17)

24 Sec. 1.17. Petition for refund or adjustment of license
25 fee, franchise tax, penalty, or interest.

26 (a) Except as otherwise provided in this Section, any
27 domestic corporation or foreign corporation having authority
28 to transact business in this State may petition the Secretary
29 of State for a refund or adjustment of license fee, franchise
30 tax, penalty, or interest claimed to have been erroneously
31 paid or claimed to be payable, subject however to the
32 following limitations:

33 (1) No refund shall be made unless a petition for

1 such shall have been filed in accordance with Section
2 1.10 of this Act within three years after the amount to
3 be refunded was paid;

4 (2) No adjustment of any license fee, franchise
5 tax, penalty, or interest shall be made unless a petition
6 for such shall have been made within three years after
7 the amount to be adjusted should have been paid;

8 (3) If the refund or adjustment claimed is based
9 upon an instrument filed with the Secretary of State
10 which contained a misstatement of fact, typographical
11 error, error of transcription or other error or defect,
12 no refund or adjustment of any license fee, franchise
13 tax, penalty, or interest shall be made unless a
14 statement of correction has been filed in accordance with
15 Section 1.15 of this Act.

16 (b) The petition for refund or adjustment shall be
17 executed in accordance with Section 1.10 of this Act and
18 shall set forth:

19 (1) The name of the corporation and the state or
20 country under the laws of which it is organized.

21 (2) The amount and nature of the claim.

22 (3) The details of each transaction and all facts
23 upon which the petitioner relies.

24 (4) Any other information required by rule.

25 (c) If the Secretary of State determines that any
26 license fee, franchise tax, penalty, or interest is
27 incorrect, in whole or in part, he or she shall adjust the
28 amount to be paid or shall refund to the corporation any
29 amount paid in excess of the proper amount; provided,
30 however, that no refund shall be made for an amount less than
31 \$200 and any refund in excess of that amount shall be reduced
32 by \$200, and provided further, that such refund shall be made
33 without payment of interest.

34 (d) A petition under this Section may not be filed with

1 respect to a franchise tax return for any taxable period
2 ending on or after December 31, 2001, to which Article 15A
3 applies.

4 (Source: P.A. 91-464, eff. 1-1-00.)

5 (805 ILCS 5/1.70) (from Ch. 32, par. 1.70)

6 Sec. 1.70. Miscellaneous applications.

7 (a) Application to existing corporations organized under
8 general laws. The provisions of this Act shall apply to all
9 existing corporations, including public utility corporations,
10 organized under any general law of this State providing for
11 the organization of corporations for a purpose or purposes
12 for which a corporation might be organized under this Act.

13 (b) Application to existing corporations organized under
14 special Acts. All corporations, including public utility
15 corporations, heretofore organized for profit under any
16 special law of this State, for a purpose or purposes for
17 which a corporation might be organized under this Act, shall
18 be entitled to the rights, privileges, immunities, and
19 franchises provided by this Act.

20 (c) Application of Act to domestic railroad
21 corporations. Corporations organized under the laws of this
22 State for the purpose of operating any railroad in this State
23 shall be subject to the following provisions of this Act
24 regardless of whether or not such corporations have been
25 reincorporated under provisions of this Act:

26 (1) Section 3.10(m), relating to the donations for
27 the public welfare or for charitable, scientific,
28 religious or educational purposes.

29 (2) Sections 12.05, 12.10, 12.15, 12.20, 12.25 and
30 12.30, relating to voluntary dissolution.

31 (3) Sections 12.35, 12.40, 12.45 and 12.50(a),
32 relating to administrative or judicial dissolution.

33 (4) Section 12.80 relating to survival of remedy

1 after dissolution.

2 (5) Sections 14.05 and 14.10 relating to annual
3 report of domestic corporations.

4 (6) Section 14.20 relating to reports of domestic
5 corporations with respect to issuance of shares.

6 (7) Sections 16.50 and 16.10 relating to penalties
7 for failure to file reports.

8 (8) Sections 1.05, 1.10, 1.20, 1.25, 1.35, 1.40,
9 1.45, 7.10, 7.20, 8.45, 15.05, 15.10, 15.15, 15.20,
10 15.25, 15.30, 15.35, 15.40, 15.45, 15.50, 15.80 and
11 15.85, and Article 15A, relating to fees for filing
12 documents and issuing certificates, license fees,
13 franchise taxes, and miscellaneous charges payable by
14 domestic corporations, recording documents, waiver of
15 notice, action by shareholders, and or informal action by
16 directors, appeal from Secretary of State, receipt in
17 evidence of certificates and certified copies of certain
18 document forms, and powers of Secretary of State.

19 Corporations organized under the provisions of this Act,
20 or which were organized under the provisions of any other
21 general or special laws of this State and later
22 reincorporated under the provisions of this Act, for the
23 purpose of operating any railroad in this State, shall be
24 entitled to the rights, privileges, immunities, and
25 franchises provided by this Act and shall be in all respects
26 governed by this Act unless otherwise specified herein.

27 (d) Application to co-operative associations. Any
28 corporation organized under any general or special law of
29 this State as a co-operative association shall be entitled to
30 the benefits of this Act and shall be subject to all the
31 provisions hereof, in so far as they are not in conflict with
32 the general law or special Act under which it was organized,
33 upon the holders of two-thirds of its outstanding shares
34 having voted to accept the benefits of this Act and to be

1 subject to all the provisions hereof, except in so far as
2 they may be in conflict with the general or special law under
3 which it was organized, and the filing in the office of the
4 Secretary of State of a certificate setting forth such fact.
5 Such certificate shall be executed by such co-operative
6 association by its president or vice-president, and verified
7 by him or her, attested by its secretary or an assistant
8 secretary. The notice of the meeting at which such vote is
9 taken, which may be either an annual or a special meeting of
10 shareholders, shall set forth that a vote will be taken at
11 such meeting on the acceptance by such co-operative
12 association of the provisions of this Act.

13 (e) Application of Act in certain cases. Nothing
14 contained in this Act shall be held or construed to:

15 (1) Authorize or permit the Illinois Central
16 Railroad Company to sell the railway constructed under
17 its charter approved February 10, 1851, or to mortgage
18 the same except subject to the rights of the State under
19 its contract with said company, contained in its said
20 charter, or to dissolve its corporate existence, or to
21 relieve itself or its corporate property from its
22 obligations to the State, under the provisions of said
23 charter; nor shall anything herein contained be so
24 construed as to in any manner relieve or discharge any
25 railroad company, organized under the laws of this State,
26 from the duties or obligations imposed by virtue of any
27 statute now in force or hereafter enacted.

28 (2) Alter, modify, release, or impair the rights of
29 this State as now reserved to it in any railroad charter
30 heretofore granted, or to affect in any way the rights or
31 obligations of any railroad company derived from or
32 imposed by such charter.

33 (3) Alter, modify, or repeal any of the provisions
34 of the Public Utilities Act. The term "public utility"

1 or "public utilities" as used in this Act shall be the
2 same as defined in the Public Utilities Act.

3 (f) Application of Act to foreign and interstate
4 commerce. The provisions of this Act shall apply to commerce
5 with foreign nations and among the several states only in so
6 far as the same may be permitted under the provisions of the
7 Constitution of the United States.

8 (g) Requirement before incorporation of trust company.
9 Articles of incorporation for the organization of a
10 corporation for the purpose of accepting and executing trusts
11 shall not be filed by the Secretary of State until there is
12 delivered to him or her a statement executed by the
13 Commissioner of Banks and Real Estate that the incorporators
14 of the corporation have made arrangements with the
15 Commissioner of Banks and Real Estate to comply with the
16 Corporate Fiduciary Act.

17 (h) Application of certain existing acts. Corporations
18 organized under the laws of this State for the purpose of
19 accepting and executing trusts shall be subject to the
20 provisions of the Corporate Fiduciary Act.

21 Corporations organized for the purpose of building,
22 operating, and maintaining within this State any levee,
23 canal, or tunnel for agricultural, mining, or sanitary
24 purposes, shall be subject to the provisions of the
25 Corporation Canal Construction Act.

26 In any profession or occupation licensed by the Illinois
27 Department of Agriculture, the Department may, in determining
28 financial ratios and allowable assets, disregard notes and
29 accounts receivable to the corporate licensee from its
30 officers or directors or a parent or subsidiary corporation
31 of such licensee or any receivable owing to a licensee
32 corporation from an unincorporated division of the licensee
33 or any share subscription right owing to a corporation from
34 its shareholders.

1 (Source: P.A. 88-151; 89-508, eff. 7-3-96.)

2 (805 ILCS 5/1.80) (from Ch. 32, par. 1.80)

3 Sec. 1.80. Definitions. As used in this Act, unless the
4 context otherwise requires and unless inconsistent with the
5 definitions in Section 15A.20, the words and phrases defined
6 in this Section shall have the meanings set forth herein.

7 (a) "Corporation" or "domestic corporation" means a
8 corporation subject to the provisions of this Act, except a
9 foreign corporation.

10 (b) "Foreign corporation" means a corporation for profit
11 organized under laws other than the laws of this State, but
12 shall not include a banking corporation organized under the
13 laws of another state or of the United States, a foreign
14 banking corporation organized under the laws of a country
15 other than the United States and holding a certificate of
16 authority from the Commissioner of Banks and Real Estate
17 issued pursuant to the Foreign Banking Office Act, or a
18 banking corporation holding a license from the Commissioner
19 of Banks and Real Estate issued pursuant to the Foreign Bank
20 Representative Office Act.

21 (c) "Articles of incorporation" means the original
22 articles of incorporation, including the articles of
23 incorporation of a new corporation set forth in the articles
24 of consolidation, and all amendments thereto, whether
25 evidenced by articles of amendment, articles of merger,
26 articles of exchange, statement of correction affecting
27 articles, resolution establishing series of shares or a
28 statement of cancellation under Section 9.05. Restated
29 articles of incorporation shall supersede the original
30 articles of incorporation and all amendments thereto prior to
31 the effective date of filing the articles of amendment
32 incorporating the restated articles of incorporation.

33 (d) "Subscriber" means one who subscribes for shares in

1 a corporation, whether before or after incorporation.

2 (e) "Incorporator" means one of the signers of the
3 original articles of incorporation.

4 (f) "Shares" means the units into which the proprietary
5 interests in a corporation are divided.

6 (g) "Shareholder" means one who is a holder of record of
7 shares in a corporation.

8 (h) "Certificate" representing shares means a written
9 instrument executed by the proper corporate officers, as
10 required by Section 6.35 of this Act, evidencing the fact
11 that the person therein named is the holder of record of the
12 share or shares therein described. If the corporation is
13 authorized to issue uncertificated shares in accordance with
14 Section 6.35 of this Act, any reference in this Act to shares
15 represented by a certificate shall also refer to
16 uncertificated shares and any reference to a certificate
17 representing shares shall also refer to the written notice in
18 lieu of a certificate provided for in Section 6.35.

19 (i) "Authorized shares" means the aggregate number of
20 shares of all classes which the corporation is authorized to
21 issue.

22 (j) "Paid-in capital" means the sum of the cash and
23 other consideration received, less expenses, including
24 commissions, paid or incurred by the corporation, in
25 connection with the issuance of shares, plus any cash and
26 other consideration contributed to the corporation by or on
27 behalf of its shareholders, plus amounts added or transferred
28 to paid-in capital by action of the board of directors or
29 shareholders pursuant to a share dividend, share split, or
30 otherwise, minus reductions as provided elsewhere in this
31 Act. Irrespective of the manner of designation thereof by
32 the laws under which a foreign corporation is or may be
33 organized, paid-in capital of a foreign corporation shall be
34 determined on the same basis and in the same manner as

1 paid-in capital of a domestic corporation, for the purpose of
2 computing license fees, franchise taxes and other charges
3 imposed by this Act.

4 (k) "Net assets", for the purpose of determining the
5 right of a corporation to purchase its own shares and of
6 determining the right of a corporation to declare and pay
7 dividends and make other distributions to shareholders is
8 equal to the difference between the assets of the corporation
9 and the liabilities of the corporation.

10 (l) "Registered office" means that office maintained by
11 the corporation in this State, the address of which is on
12 file in the office of the Secretary of State, at which any
13 process, notice or demand required or permitted by law may be
14 served upon the registered agent of the corporation.

15 (m) "Insolvent" means that a corporation is unable to
16 pay its debts as they become due in the usual course of its
17 business.

18 (n) "Anniversary" means that day each year exactly one
19 or more years after:

20 (1) the date on the certificate of incorporation
21 issued under Section 2.10 of this Act, in the case of a
22 domestic corporation;

23 (2) the date on the certificate of authority issued
24 under Section 13.15 of this Act, in the case of a foreign
25 corporation; or

26 (3) the date on the certificate of consolidation
27 issued under Section 11.25 of this Act in the case of a
28 consolidation, unless the plan of consolidation provides
29 for a delayed effective date, pursuant to Section 11.40.

30 (o) "Anniversary month" means the month in which the
31 anniversary of the corporation occurs.

32 (p) "Extended filing month" means the month (if any)
33 which shall have been established in lieu of the
34 corporation's anniversary month in accordance with Section

1 14.01.

2 (q) "Taxable year" means that 12 month period commencing
3 with the first day of the anniversary month of a corporation
4 through the last day of the month immediately preceding the
5 next occurrence of the anniversary month of the corporation,
6 except that in the case of a corporation that has established
7 an extended filing month "taxable year" means that 12 month
8 period commencing with the first day of the extended filing
9 month through the last day of the month immediately preceding
10 the next occurrence of the extended filing month.

11 (r) "Fiscal year" means the 12 month period with respect
12 to which a corporation ordinarily files its federal income
13 tax return.

14 (s) "Close corporation" means a corporation organized
15 under or electing to be subject to Article 2A of this Act,
16 the articles of incorporation of which contain the provisions
17 required by Section 2.10, and either the corporation's
18 articles of incorporation or an agreement entered into by all
19 of its shareholders provide that all of the issued shares of
20 each class shall be subject to one or more of the
21 restrictions on transfer set forth in Section 6.55 of this
22 Act.

23 (t) "Common shares" means shares which have no
24 preference over any other shares with respect to distribution
25 of assets on liquidation or with respect to payment of
26 dividends.

27 (u) "Delivered", for the purpose of determining if any
28 notice required by this Act is effective, means:

29 (1) transferred or presented to someone in person;
30 or

31 (2) deposited in the United States Mail addressed
32 to the person at his, her or its address as it appears on
33 the records of the corporation, with sufficient
34 first-class postage prepaid thereon.

1 (v) "Property" means gross assets including, without
2 limitation, all real, personal, tangible, and intangible
3 property.

4 (w) "Taxable period" means that 12-month period
5 commencing with the first day of the second month preceding
6 the corporation's anniversary month in the preceding year and
7 prior to the first day of the second month immediately
8 preceding its anniversary month in the current year, except
9 that, in the case of a corporation that has established an
10 extended filing month, "taxable period" means that 12-month
11 period ending with the last day of its fiscal year
12 immediately preceding the extended filing month. In the case
13 of a newly formed domestic corporation or a newly registered
14 foreign corporation that had not commenced transacting
15 business in this State prior to obtaining a certificate of
16 authority, "taxable period" means that period commencing with
17 the issuance of a certificate of incorporation or, in the
18 case of a foreign corporation, of a certificate of authority,
19 and prior to the first day of the second month immediately
20 preceding its anniversary month in the next succeeding year.

21 (x) "Treasury shares" mean (1) shares of a corporation
22 that have been issued, have been subsequently acquired by and
23 belong to the corporation, and have not been cancelled or
24 restored to the status of authorized but unissued shares and
25 (2) shares (i) declared and paid as a share dividend on the
26 shares referred to in clause (1) or this clause (2), or (ii)
27 issued in a share split of the shares referred to in clause
28 (1) or this clause (2). Treasury shares shall be deemed to
29 be "issued" shares but not "outstanding" shares. Treasury
30 shares may not be voted, directly or indirectly, at any
31 meeting or otherwise. Shares converted into or exchanged for
32 other shares of the corporation shall not be deemed to be
33 treasury shares.

34 (Source: P.A. 89-508, eff. 7-3-96; 90-301, eff. 8-1-97;

1 90-421, eff. 1-1-98; 90-655, eff. 7-30-98.)

2 (805 ILCS 5/2.10) (from Ch. 32, par. 2.10)

3 Sec. 2.10. Articles of Incorporation. The articles of
4 incorporation shall be executed and filed in duplicate in
5 accordance with Section 1.10 of this Act.

6 (a) The articles of incorporation must set forth:

7 (1) a corporate name for the corporation that
8 satisfies the requirements of this Act;

9 (2) the purpose or purposes for which the
10 corporation is organized, which may be stated to be, or
11 to include, the transaction of any or all lawful
12 businesses for which corporations may be incorporated
13 under this Act;

14 (3) the address of the corporation's initial
15 registered office and the name of its initial registered
16 agent at that office;

17 (4) the name and address of each incorporator;

18 (5) the number of shares of each class the
19 corporation is authorized to issue;

20 (6) the number and class of shares which the
21 corporation proposes to issue without further report to
22 the Secretary of State, and the consideration to be
23 received, less expenses, including commissions, paid or
24 incurred in connection with the issuance of shares, by
25 the corporation therefor. If shares of more than one
26 class are to be issued, the consideration for shares of
27 each class shall be separately stated;

28 (7) if the shares are divided into classes, the
29 designation of each class and a statement of the
30 designations, preferences, qualifications, limitations,
31 restrictions, and special or relative rights with respect
32 to the shares of each class; and

33 (8) if the corporation may issue the shares of any

1 preferred or special class in series, then the
2 designation of each series and a statement of the
3 variations in the relative rights and preferences of the
4 different series, if the same are fixed in the articles
5 of incorporation, or a statement of the authority vested
6 in the board of directors to establish series and
7 determine the variations in the relative rights and
8 preferences of the different series.

9 (b) The articles of incorporation may set forth:

10 (1) the names and residential addresses of the
11 individuals who are to serve as the initial directors;

12 (2) provisions not inconsistent with law with
13 respect to:

14 (i) managing the business and regulating the
15 affairs of the corporation;

16 (ii) defining, limiting, and regulating the
17 rights, powers and duties of the corporation, its
18 officers, directors and shareholders;

19 (iii) authorizing and limiting the preemptive
20 right of a shareholder to acquire shares, whether
21 then or thereafter authorized;

22 (iv) an estimate, expressed in dollars, of the
23 value of all the property to be owned by the
24 corporation for the following year, wherever
25 located, and an estimate of the value of the
26 property to be located within this State during such
27 year, and an estimate, expressed in dollars, of the
28 gross amount of business which will be transacted by
29 it during such year and an estimate of the gross
30 amount thereof which will be transacted by it at or
31 from places of business in this State during such
32 year; or

33 (v) superseding any provision of this Act that
34 requires for approval of corporate action a

1 two-thirds vote of the shareholders by specifying
2 any smaller or larger vote requirement not less than
3 a majority of the outstanding shares entitled to
4 vote on the matter and not less than a majority of
5 the outstanding shares of each class of shares
6 entitled to vote as a class on the matter.

7 (3) a provision eliminating or limiting the
8 personal liability of a director to the corporation or
9 its shareholders for monetary damages for breach of
10 fiduciary duty as a director, provided that the provision
11 does not eliminate or limit the liability of a director
12 (i) for any breach of the director's duty of loyalty to
13 the corporation or its shareholders, (ii) for acts or
14 omissions not in good faith or that involve intentional
15 misconduct or a knowing violation of law, (iii) under
16 Section 8.65 of this Act, or (iv) for any transaction
17 from which the director derived an improper personal
18 benefit. No such provision shall eliminate or limit the
19 liability of a director for any act or omission occurring
20 before the date when the provision becomes effective.

21 (4) any provision that under this Act is required
22 or permitted to be set forth in the articles of
23 incorporation or by-laws.

24 (c) The articles of incorporation need not set forth any
25 of the corporate powers enumerated in this Act.

26 (d) The duration of a corporation is perpetual unless
27 otherwise specified in the articles of incorporation.

28 (e) If the data to which reference is made in
29 subparagraph (iv) of paragraph (2) of subsection (b) of this
30 Section is not included in the articles of incorporation, the
31 franchise tax provided for in this Act shall be computed on
32 the basis of the entire paid-in capital as set forth pursuant
33 to paragraph (6) of subsection (a) of this Section, until
34 such time as the data to which reference is made in

1 subparagraph (iv) of paragraph (2) of subsection (b) is
2 provided in accordance with either Section 14.05 or Section
3 14.25 of this Act. This subsection (e) does not apply to any
4 franchise tax due for any taxable period ending on or after
5 December 31, 2001, to which Article 15A applies.

6 When the provisions of this Section have been complied
7 with, the Secretary of State shall issue a certificate of
8 incorporation.

9 (Source: P.A. 88-43; 88-151; 88-670, eff. 12-2-94.)

10 (805 ILCS 5/6.25) (from Ch. 32, par. 6.25)

11 Sec. 6.25. Consideration for shares.

12 (a) Shares may be issued for such consideration as shall
13 be authorized from time to time by the board of directors
14 through action which establishes a price in cash or other
15 consideration, or both, or a minimum price or a general
16 formula or method by which the price can be determined.

17 (b) Upon authorization by the board of directors, the
18 corporation may issue its own shares in exchange for or in
19 conversion of its outstanding shares, or may distribute its
20 own shares pro rata to its shareholders or the shareholders
21 of one or more classes or series to effectuate dividends or
22 splits provided, that the value fixed by the board of
23 directors in connection with such dividend or split shall be
24 transferred to paid-in capital of the corporation and;
25 provided, that no such issuance of shares of any class or
26 series shall be made to the holders of shares of any other
27 class or series unless it is either expressly provided for in
28 the articles of incorporation or authorized by an affirmative
29 vote of the holders of at least a majority of the outstanding
30 shares of the class or series in which the distribution is to
31 be made.

32 (c) Nothing in this Section shall be construed to affect
33 the calculation of any franchise tax due under Article 15A.

1 (Source: P.A. 84-1412.)

2 (805 ILCS 5/9.05) (from Ch. 32, par. 9.05)

3 Sec. 9.05. Power of corporation to acquire its own
4 shares.

5 (a) A corporation may acquire its own shares, subject to
6 limitations set forth in Section 9.10 of this Act.

7 (b) If a corporation acquires its own shares after the
8 effective date of this amendatory Act of 1993, the shares
9 constitute treasury shares until cancelled as provided by
10 subsection (d) of this Section.

11 (c) A corporation shall file a report under Section
12 14.25 of this Act in the case of its acquisition of its own
13 shares that occurs either prior to January 1, 1991 or on or
14 prior to the last day of the third month immediately
15 preceding the corporation's anniversary month in 1991. A
16 corporation shall file a report under Section 14.30 of this
17 Act in the case of its acquisition and cancellation of its
18 own shares that occurs after both December 31, 1990 and the
19 last day of such third month. However, if the number of
20 authorized shares is reduced by an acquisition and
21 cancellation of shares, then the corporation shall, within 60
22 days after the date of acquisition, execute and file in
23 duplicate in accordance with Section 1.10 of this Act, a
24 statement of cancellation which sets forth:

25 (1) The name of the corporation.

26 (2) The aggregate number of shares which the
27 corporation has authority to issue, itemized by classes
28 and series, if any, within a class before giving effect
29 to the cancellation.

30 (3) The aggregate number of issued shares, itemized
31 by classes and series, if any, within a class before
32 giving effect to the cancellation.

33 (4) The number of shares cancelled, itemized by

1 classes and series, if any, within a class.

2 (5) The aggregate number of shares which the
3 corporation has the authority to issue, itemized by
4 classes and series, if any, within a class after giving
5 effect to the cancellation.

6 (6) The aggregate number of issued shares, itemized
7 by classes and series, if any, within a class, after
8 giving effect to the cancellation.

9 (7) A statement, expressed in dollars, of the
10 amount of the paid-in capital of the corporation before
11 giving effect to the cancellation.

12 (8) A statement, expressed in dollars, of the
13 amount of the paid-in capital of the corporation after
14 giving effect to the cancellation.

15 Upon the filing of the statement of cancellation by the
16 Secretary of State, the paid-in capital of the corporation
17 shall be deemed to be reduced by that part of the paid-in
18 capital which was, at the time of the cancellation,
19 represented by the shares so cancelled and the statement of
20 cancellation shall operate as an amendment to the articles of
21 incorporation so as to reduce the number of authorized shares
22 by the number of shares so cancelled.

23 (d) A corporation, by resolution of the board of
24 directors, may cancel any of its treasury shares. When
25 cancelled, the shares shall constitute authorized but
26 unissued shares unless the articles of incorporation provide
27 that the shares shall not be reissued, in which case the
28 number of authorized shares shall be reduced by the number of
29 shares cancelled.

30 (e) Until the report required by subsection (c) of this
31 Section, or the report required by Section 14.25 or Section
32 14.30 of this Act reporting a reduction in paid-in capital,
33 shall have been filed in the office of the Secretary of
34 State, the basis of the annual franchise tax payable by the

1 corporation shall not be reduced, provided, however, in no
2 event shall the annual franchise tax for any taxable year be
3 reduced if such report is not filed prior to the first day of
4 the anniversary month or, in the case of a corporation which
5 has established an extended filing month, the extended filing
6 month of that taxable year and before payment of its annual
7 franchise tax.

8 (f) Nothing in this Section shall be construed to affect
9 the calculation of any franchise tax due under Article 15A.

10 (Source: P.A. 88-151.)

11 (805 ILCS 5/9.20)

12 Sec. 9.20. Reduction of paid-in capital.

13 (a) A corporation may reduce its paid-in capital:

14 (1) by resolution of its board of directors by
15 charging against its paid-in capital (i) the paid-in
16 capital represented by shares acquired and cancelled by
17 the corporation as permitted by law, to the extent of the
18 cost from the paid-in capital of the reacquired and
19 cancelled shares or a lesser amount as may be elected by
20 the corporation, (ii) dividends paid on preferred shares,
21 or (iii) distributions as liquidating dividends; or

22 (2) pursuant to an approved reorganization in
23 bankruptcy that specifically directs the reduction to be
24 effected.

25 (b) Notwithstanding anything to the contrary contained
26 in this Act, at no time shall the paid-in capital be reduced
27 to an amount less than the aggregate par value of all issued
28 shares having a par value.

29 (c) Until the report under Section 14.30 has been filed
30 in the Office of the Secretary of State showing a reduction
31 in paid-in capital, the basis of the annual franchise tax
32 payable by the corporation shall not be reduced; provided,
33 however, that in no event shall the annual franchise tax for

1 any taxable year be reduced if the report is not filed prior
2 to the first day of the anniversary month or, in the case of
3 a corporation that has established an extended filing month,
4 the extended filing month of the corporation of that taxable
5 year and before payment of its annual franchise tax.

6 (d) A corporation that reduced its paid-in capital after
7 December 31, 1986 by one or more of the methods described in
8 subsection (a) may report the reduction pursuant to Section
9 14.30, subject to the restrictions of subsections (b) and
10 (c) of this Section. A reduction in paid-in capital reported
11 pursuant to this subsection shall have no effect for any
12 purpose under this Act with respect to a taxable year ending
13 before the report is filed.

14 (e) Nothing in this Section shall be construed to forbid
15 any reduction in paid-in capital to be effected under Section
16 9.05 of this Act.

17 (f) Nothing in this Section shall be construed to affect
18 the calculation of any franchise tax due under Article 15A.

19 (Source: P.A. 90-421, eff. 1-1-98.)

20 (805 ILCS 5/10.30) (from Ch. 32, par. 10.30)
21 Sec. 10.30. Articles of amendment.

22 (a) Except as provided in Section 10.40, the articles of
23 amendment shall be executed and filed in duplicate in
24 accordance with Section 1.10 of this Act and shall set forth:

25 (1) The name of the corporation.

26 (2) The text of each amendment adopted.

27 (3) If the amendment was adopted by the incorporators, a
28 statement that the amendment was adopted by a majority of the
29 incorporators, that no shares have been issued and that the
30 directors were neither named in the articles of incorporation
31 nor elected at the time the amendment was adopted.

32 (4) If the amendment was adopted by the directors
33 without shareholder action, a statement that the amendment

1 was adopted by a majority of the directors and that
2 shareholder action was not required.

3 (5) Where the amendment was approved by the
4 shareholders:

5 (i) a statement that the amendment was adopted at a
6 meeting of shareholders by the affirmative vote of the
7 holders of outstanding shares having not less than the
8 minimum number of votes necessary to adopt such amendment, as
9 provided by the articles of incorporation; or

10 (ii) a statement that the amendment was adopted by
11 written consent signed by the holders of outstanding shares
12 having not less than the minimum number of votes necessary to
13 adopt such amendment, as provided by the articles of
14 incorporation, and in accordance with Section 7.10 of this
15 Act.

16 (6) If the amendment provides for an exchange,
17 reclassification, or cancellation of issued shares, or a
18 reduction of the number of authorized shares of any class
19 below the number of issued shares of that class, then a
20 statement of the manner in which such amendment shall be
21 effected.

22 (7) If the amendment effects a change in the amount of
23 paid-in capital, then a statement of the manner in which the
24 same is effected and a statement, expressed in dollars, of
25 the amount of paid-in capital as changed by such amendment.

26 (8) If the amendment restates the articles of
27 incorporation, the amendment shall so state and shall set
28 forth:

29 (i) the text of the articles as restated;

30 (ii) the date of incorporation, the name under which the
31 corporation was incorporated, subsequent names, if any, that
32 the corporation adopted pursuant to amendment of its articles
33 of incorporation, and the effective date of any such
34 amendments;

1 (iii) the address of the registered office and the name
2 of the registered agent on the date of filing the restated
3 articles; and

4 (iv) the number of shares of each class issued on the
5 date of filing the restated articles and the amount of
6 paid-in capital as of such date.

7 The articles as restated must include all the information
8 required by subsection (a) of Section 2.10, except that the
9 articles need not set forth the information required by
10 paragraphs 3, 4 or 6 thereof. If any provision of the
11 articles of incorporation is amended in connection with the
12 restatement, the articles of amendment shall clearly identify
13 such amendment.

14 (9) If, pursuant to Section 10.35, the amendment is to
15 become effective subsequent to the date on which the
16 certificate of amendment is issued, the date on which the
17 amendment is to become effective.

18 (10) If the amendment revives the articles of
19 incorporation and extends the period of corporate duration,
20 the amendment shall so state and shall set forth:

21 (i) the date the period of duration expired under the
22 articles of incorporation;

23 (ii) a statement that the period of duration will be
24 perpetual, or, if a limited duration is to be provided, the
25 date to which the period of duration is to be extended; and

26 (iii) a statement that the corporation has been in
27 continuous operation since before the date of expiration of
28 its original period of duration.

29 (b) When the provisions of this Section have been
30 complied with, the Secretary of State shall issue a
31 certificate of amendment.

32 (c) Nothing in this Section shall be construed to affect
33 the calculation of any franchise tax due under Article 15A.

34 (Source: P.A. 84-924.)

1 (805 ILCS 5/10.35) (from Ch. 32, par. 10.35)

2 Sec. 10.35. Effect of certificate of amendment.

3 (a) The amendment shall become effective and the
4 articles of incorporation shall be deemed to be amended
5 accordingly, as of the later of:

6 (1) the issuance of the certificate of amendment by
7 the Secretary of State; or

8 (2) the time established under the articles of
9 amendment, not to exceed 30 days after the issuance of
10 the certificate of amendment by the Secretary of State.

11 (b) If the amendment is made in accordance with the
12 provisions of Section 10.40, upon the issuance of the
13 certificate of amendment by the Secretary of State, the
14 amendment shall become effective and the articles of
15 incorporation shall be deemed to be amended accordingly,
16 without any action thereon by the directors or shareholders
17 of the corporation and with the same effect as if the
18 amendments had been adopted by unanimous action of the
19 directors and shareholders of the corporation.

20 (c) If the amendment restates the articles of
21 incorporation, such restated articles of incorporation shall,
22 upon such amendment becoming effective, supersede and stand
23 in lieu of the corporation's preexisting articles of
24 incorporation.

25 (d) If the amendment revives the articles of
26 incorporation and extends the period of corporate duration,
27 upon the issuance of the certificate of amendment by the
28 Secretary of State, the amendment shall become effective and
29 the corporate existence shall be deemed to have continued
30 without interruption from the date of expiration of the
31 original period of duration, and the corporation shall stand
32 revived with such powers, duties and obligations as if its
33 period of duration had not expired; and all acts and
34 proceedings of its officers, directors and shareholders,

1 acting or purporting to act as such, which would have been
2 legal and valid but for such expiration, shall stand ratified
3 and confirmed.

4 (e) Each amendment which affects the number of issued
5 shares or the amount of paid-in capital shall be deemed to be
6 a report under the provisions of this Act.

7 (f) No amendment of the articles of incorporation of a
8 corporation shall affect any existing cause of action in
9 favor of or against such corporation, or any pending suit in
10 which such corporation shall be a party, or the existing
11 rights of persons other than shareholders; and, in the event
12 the corporate name shall be changed by amendment, no suit
13 brought by or against such corporation under its former name
14 shall be abated for that reason.

15 (g) Nothing in this Section shall be construed to affect
16 the calculation of any franchise tax due under Article 15A.

17 (Source: P.A. 91-464, eff. 1-1-00.)

18 (805 ILCS 5/12.20) (from Ch. 32, par. 12.20)

19 Sec. 12.20. Articles of dissolution. (a) When a
20 voluntary dissolution has been authorized as provided by this
21 Act, articles of dissolution shall be executed and filed in
22 duplicate in accordance with Section 1.10 of this Act and
23 shall set forth:

24 (1) The name of the corporation.

25 (2) The date dissolution was authorized.

26 (3) A post-office address to which may be mailed a
27 copy of any process against the corporation that may be
28 served on the Secretary of State.

29 (4) A statement of the aggregate number of issued
30 shares of the corporation itemized by classes and series,
31 if any, within a class, as of the date of execution.

32 (5) A statement of the amount of paid-in capital of
33 the corporation as of the date of execution.

1 (6) Such additional information as may be necessary
2 or appropriate in order to determine any unpaid fees or
3 franchise taxes payable by such corporation as in this
4 Act prescribed.

5 (7) Where dissolution is authorized pursuant to
6 Section 12.05, a statement that a majority of
7 incorporators or majority of directors, as the case may
8 be, have consented to the dissolution and that all
9 provisions of Section 12.05 have been complied with.

10 (8) Where dissolution is authorized pursuant to
11 Section 12.10, a statement that the holders of all the
12 outstanding shares entitled to vote on dissolution have
13 consented thereto.

14 (9) Where dissolution is authorized pursuant to
15 Section 12.15, a statement that a resolution proposing
16 dissolution has been adopted at a meeting of shareholders
17 by the affirmative vote of the holders of outstanding
18 shares having not less than the minimum number of votes
19 necessary to adopt such resolution as provided by the
20 articles of incorporation.

21 (b) When the provisions of this Section have been
22 complied with, the Secretary of State shall issue a
23 certificate of dissolution.

24 (c) The dissolution is effective on the date of the
25 issuance of the certificate thereof by the Secretary of
26 State.

27 (d) Nothing in this Section shall be construed to affect
28 a corporation's obligation to file a franchise tax return for
29 a taxable period preceding the taxable period in which the
30 dissolution occurs, as provided in Article 15A.

31 (Source: P.A. 86-985.)

32 (805 ILCS 5/13.45) (from Ch. 32, par. 13.45)

33 Sec. 13.45. Withdrawal of foreign corporation. A foreign

1 corporation authorized to transact business in this State may
2 withdraw from this State upon procuring from the Secretary of
3 State a certificate of withdrawal. In order to procure a
4 such certificate of withdrawal, the such foreign corporation
5 shall either:

6 (a) execute and file in duplicate, in accordance
7 with Section 1.10 of this Act, an application for
8 withdrawal and a final report, which shall set forth:

9 (1) that no proportion of its issued shares
10 is, on the date of such application, represented by
11 business transacted or property located in this
12 State;

13 (2) that it surrenders its authority to
14 transact business in this State;

15 (3) that it revokes the authority of its
16 registered agent in this State to accept service of
17 process and consents that service of process in any
18 suit, action, or proceeding based upon any cause of
19 action arising in this State during the time the
20 corporation was licensed to transact business in
21 this State may thereafter be made on the such
22 corporation by service thereof on the Secretary of
23 State;

24 (4) a post-office address to which may be
25 mailed a copy of any process against the corporation
26 that may be served on the Secretary of State;

27 (5) the name of the corporation and the state
28 or country under the laws of which it is organized;

29 (6) a statement of the aggregate number of
30 issued shares of the corporation itemized by
31 classes, and series, if any, within a class, as of
32 the date of the such final report;

33 (7) a statement of the amount of paid-in
34 capital of the corporation as of the date of the

1 such final report; and-

2 (8) such additional information as may be
3 necessary or appropriate in order to enable the
4 Secretary of State to determine and assess any
5 unpaid fees or franchise taxes payable by the such
6 foreign corporation as prescribed in this Act
7 prescribed; or

8 (b) if it has been dissolved, file a copy of the
9 articles of dissolution duly authenticated by the proper
10 officer of the state or country under the laws of which
11 the such corporation was organized.

12 (c) The application for withdrawal and the final report
13 shall be made on forms prescribed and furnished by the
14 Secretary of State.

15 (d) When the corporation has complied with the provisions
16 of subdivision subsection (a) or (b) of this Section, the
17 Secretary of State shall issue a certificate of withdrawal.
18 If the provisions of subdivision subsection (b) of this
19 Section have been followed, the Secretary of State shall file
20 the copy of the articles of dissolution in his or her office
21 with one copy of the certificate of withdrawal affixed
22 thereto and shall, mail the original certificate to the
23 corporation or its representative.

24 Upon the issuance of a such certificate of withdrawal,
25 the authority of the corporation to transact business in this
26 State shall cease.

27 Nothing in this Section shall be construed to affect a
28 corporation's obligation to file a franchise tax return for a
29 taxable period preceding the taxable period in which the
30 withdrawal occurs, as provided in Article 15A.

31 (Source: P.A. 91-464, eff. 1-1-00; revised 3-21-00.)

32 (805 ILCS 5/14.01) (from Ch. 32, par. 14.01)

33 Sec. 14.01. Statement of election to establish an

1 extended filing month.

2 (a) Each domestic corporation and each foreign
3 corporation authorized to transact business in this State,
4 having reported on its last annual report, or articles of
5 incorporation in the case of a domestic corporation, or
6 application for certificate of authority in the case of a
7 foreign corporation, an amount less than 100% of its paid-in
8 capital represented in Illinois, may make an irrevocable, one
9 time election to establish an extended filing month for the
10 purpose of filing annual reports for all subsequent taxable
11 years by filing pursuant to Section 1.10 within the time
12 prescribed by subsection (c) of this Section, a statement
13 setting forth:

14 (1) The name of the corporation.

15 (2) The file number of the corporation as assigned
16 by the Secretary of State.

17 (3) The state or country under whose laws it was
18 organized, the date of incorporation or the date of the
19 issuance of its certificate of authority, if a foreign
20 corporation.

21 (4) The date of the fiscal year end immediately
22 preceding this election.

23 (5) The extended filing month, which month may be
24 any month in 1991 or a subsequent year which is one of
25 the 9 months consecutively following the end of the
26 corporation's fiscal year, except that such month may not
27 be one of the 2 months immediately preceding the
28 corporation's anniversary month.

29 Notwithstanding the foregoing, a corporation whose
30 fiscal year ends within the 2 months immediately
31 preceding its anniversary month may not elect an extended
32 filing month.

33 (b) The statement of election shall be accompanied by an
34 interim annual report which shall set forth, as of the date

1 of filing of the statement, all of the information required
2 pursuant to Section 14.05 of this Act to be included in the
3 annual report except that the information required by
4 subparagraph (h) of Section 14.05 shall be the amounts
5 represented in this State as disclosed by the preceding
6 annual report or if no annual report is on file, from
7 information contained in the articles of incorporation of a
8 domestic corporation or the application for certificate of
9 authority in the case of a foreign corporation.

10 (c) The statement of election and interim annual report
11 referred to in this Section, together with all fees, taxes
12 and charges as prescribed by this Act and prorated in
13 accordance with Section 15.45 or 15.75, shall be delivered to
14 the Secretary of State within 60 days immediately preceding
15 the first day of the anniversary month of the corporation in
16 1991 or any subsequent year. Proof to the satisfaction of the
17 Secretary of State that prior to the first day of the
18 anniversary month of the corporation such statement of
19 election and interim annual report together with all fees,
20 taxes and charges as prescribed by this Act, were deposited
21 in the United States mail in a sealed envelope, properly
22 addressed, with postage prepaid, shall be deemed a compliance
23 with this requirement. If the Secretary of State finds that
24 such statement and reports conform to the requirements of
25 this Act, he or she shall file the same. If he or she finds
26 that they do not so conform, he or she shall promptly return
27 the same to the corporation for any necessary corrections, in
28 which event the penalties hereinafter prescribed for failure
29 to file such report within the time hereinabove provided
30 shall not apply if such statement, if applicable, and report
31 are corrected to conform to the requirements of this Act and
32 returned to the Secretary of State within 30 days of the date
33 the report was returned for corrections.

34 (d) Subsequent to the filing of the statement of

1 election and the interim annual report, the corporation shall
2 file within 60 days prior to the extended filing month a
3 final transition annual report reflecting the factual
4 information required by Section 14.05, and must pay the
5 appropriate fees and franchise taxes due, if any, or set
6 forth the amount of any overpayment to be credited against
7 any other taxes applicable under this Act which may
8 thereafter be payable, in each case based on any difference
9 which may exist between its interim annual report and its
10 final transition annual report. Compliance with this Section
11 establishes a new reporting period for documents required
12 under Article 14 of this Act.

13 (e) This Section does not apply to a franchise tax
14 return for any taxable period ending on or after December 31,
15 2001, to which Article 15A applies.

16 (Source: P.A. 86-985.)

17 (805 ILCS 5/14.10) (from Ch. 32, par. 14.10)

18 Sec. 14.10. Filing of annual report of domestic or
19 foreign corporation. Such annual report together with all
20 fees, taxes and charges as prescribed by this Act, shall be
21 delivered to the Secretary of State within 60 days
22 immediately preceding the first day of the anniversary month
23 or, in the case of a corporation which has established an
24 extended filing month, the extended filing month of the
25 corporation each year. Proof to the satisfaction of the
26 Secretary of State that prior to the first day of the
27 anniversary month or the extended filing month of the
28 corporation such report together with all fees, taxes and
29 charges as prescribed by this Act, was deposited in the
30 United States mail in a sealed envelope, properly addressed,
31 with postage prepaid, shall be deemed a compliance with this
32 requirement. If the Secretary of State finds that such report
33 conforms to the requirements of this Act, he or she shall

1 file the same. If he or she finds that it does not so
 2 conform, he or she shall promptly return the same to the
 3 corporation for any necessary corrections, in which event the
 4 penalties hereinafter prescribed for failure to file such
 5 report within the time hereinabove provided shall not apply,
 6 if such report is corrected to conform to the requirements of
 7 this Act and returned to the Secretary of State within 30
 8 days of the date the report was returned for corrections.

9 No franchise tax is due at the time of filing an annual
 10 report under this Section with respect to any taxable period
 11 ending on or after December 31, 2001, to which Article 15A
 12 applies. Instead, the due date of the tax shall be
 13 determined according to the provisions of Article 15A.

14 (Source: P.A. 86-985.)

15 (805 ILCS 5/14.15) (from Ch. 32, par. 14.15)

16 Sec. 14.15. First report of issuance of shares. The
 17 articles of incorporation of each domestic corporation shall
 18 be deemed to be the first report of the issuance of shares of
 19 such corporation. For the purpose of determining the initial
 20 franchise tax of such corporation, and for the purpose of
 21 determining the annual franchise tax thereafter until the
 22 basis therefor is changed in a manner provided in this Act,
 23 but for no other purpose, the shares which the articles of
 24 incorporation state the corporation proposes to issue without
 25 further report to the Secretary of State shall be deemed to
 26 be issued at the date of the filing of such articles of
 27 incorporation. For such purposes, but for no other purpose,
 28 the consideration which the articles of incorporation state
 29 is to be received by the corporation therefor shall be deemed
 30 to have been received by the corporation for such shares.

31 Notwithstanding any other provision of this Act, no
 32 initial franchise tax is due with respect to any taxable
 33 period ending on or after December 31, 2001, to which Article

1 15A applies.

2 (Source: P.A. 86-985.)

3 (805 ILCS 5/14.30) (from Ch. 32, par. 14.30)

4 Sec. 14.30. Cumulative report of changes in issued
5 shares or paid-in capital.

6 (a) Each domestic corporation and each foreign
7 corporation authorized to transact business in this State
8 that effects any change in the number of issued shares or the
9 amount of paid-in capital that has not theretofore been
10 reported in any report other than an annual report, interim
11 annual report, or final transition annual report, shall
12 execute and file, in accordance with Section 1.10 of this
13 Act, a report with respect to the changes in its issued
14 shares or paid-in capital:

15 (1) that have occurred subsequent to the last day
16 of the third month preceding its anniversary month in the
17 preceding year and prior to the first day of the second
18 month immediately preceding its anniversary month in the
19 current year; or

20 (2) in the case of a corporation that has
21 established an extended filing month, that have occurred
22 during its fiscal year; or

23 (3) in the case of a statutory merger or
24 consolidation or an amendment to the corporation's
25 articles of incorporation that affects the number of
26 issued shares or the amount of paid-in capital, that have
27 occurred between the last day of the third month
28 immediately preceding its anniversary month and the date
29 of the merger, consolidation, or amendment or, in the
30 case of a corporation that has established an extended
31 filing month, that have occurred between the first day of
32 its fiscal year and the date of the merger,
33 consolidation, or amendment; or

1 (4) in the case of a statutory merger or
2 consolidation or an amendment to the corporation's
3 articles of incorporation that affects the number of
4 issued shares or the amount of paid-in capital, that have
5 occurred between the date of the merger, consolidation,
6 or amendment (but not including the merger,
7 consolidation, or amendment) and the first day of the
8 second month immediately preceding its anniversary month
9 in the current year, or in the case of a corporation that
10 has established an extended filing month, that have
11 occurred between the date of the merger, consolidation or
12 amendment (but not including the merger, consolidation or
13 amendment) and the last day of its fiscal year.

14 (b) The corporation shall file the report required under
15 subsection (a) not later than (i) the time its annual report
16 is required to be filed in 1992 and in each subsequent year
17 and (ii) not later than the time of filing the articles of
18 merger, consolidation, or amendment to the articles of
19 incorporation that affects the number of issued shares or the
20 amount of paid-in capital of a domestic corporation or the
21 certified copy of merger of a foreign corporation.

22 (c) The report shall net decreases against increases
23 that occur during the same taxable period. The report shall
24 set forth:

25 (1) The name of the corporation and the state or
26 country under the laws of which it is organized.

27 (2) A statement of the aggregate number of shares
28 which the corporation has authority to issue, itemized by
29 classes and series, if any, within a class.

30 (3) A statement of the aggregate number of issued
31 shares as last reported to the Secretary of State in any
32 document required or permitted by this Act to be filed,
33 other than an annual report, interim annual report or
34 final transition annual report, itemized by classes and

1 series, if any, within a class.

2 (4) A statement, expressed in dollars, of the
3 amount of paid-in capital of the corporation as last
4 reported to the Secretary of State in any document
5 required or permitted by this Act to be filed, other than
6 an annual report, interim annual report or final
7 transition annual report.

8 (5) A statement, if applicable, of the aggregate
9 number of shares issued by the corporation not
10 theretofore reported to the Secretary of State as having
11 been issued, and a statement, expressed in dollars, of
12 the value of the entire consideration received, less
13 expenses, including commissions, paid or incurred in
14 connection with the issuance, for, or on account of, the
15 issuance of the shares, itemized by classes, and series,
16 if any, within a class; and in the case of shares issued
17 as a share dividend, the amount added or transferred to
18 the paid-in capital of the corporation for, or on account
19 of, the issuance of the shares; provided, however, that
20 the report shall also include the date of each issuance
21 made prior to the current reporting period, and the
22 number of issued shares and consideration received in
23 each case.

24 (6) A statement, if applicable, expressed in
25 dollars, of the amount added or transferred to paid-in
26 capital of the corporation without the issuance of
27 shares; provided, however, that the report shall also
28 include the date of each increase made prior to the
29 current reporting period, and the consideration received
30 in each case.

31 (7) In case of an exchange or reclassification of
32 issued shares resulting in an increase in the amount of
33 paid-in capital, a statement of the manner in which it
34 was effected, and a statement, expressed in dollars, of

1 the amount added or transferred to the paid-in capital of
2 the corporation as a result thereof, except any portion
3 thereof reported under any other subsection of this
4 Section as a part of the consideration received by the
5 corporation for, or on account of, its issued shares;
6 provided, however, that the report shall also include the
7 date of each exchange or reclassification made prior to
8 the current reporting period and the consideration
9 received in each case.

10 (8) If the consideration received for the issuance
11 of any shares not theretofore reported as having been
12 issued consists of labor or services performed or of
13 property, other than cash, then a statement, expressed in
14 dollars, of the value of that consideration as fixed by
15 the board of directors.

16 (9) In the case of a cancellation of shares or a
17 reduction in paid-in capital made pursuant to Section
18 9.20, the aggregate reduction in paid-in capital;
19 provided, however, that the report shall also include the
20 date of each reduction made prior to the current
21 reporting period.

22 (10) A statement of the aggregate number of issued
23 shares itemized by classes and series, if any, within a
24 class, after giving effect to the changes reported.

25 (11) A statement, expressed in dollars, of the
26 amount of paid-in capital of the corporation after giving
27 effect to the changes reported.

28 (d) No additional license fees or franchise taxes shall
29 be payable upon the filing of the report to the extent that
30 license fees or franchise taxes shall have been previously
31 paid by the corporation in respect of shares previously
32 issued which are being exchanged for the shares the issuance
33 of which is being reported, provided those facts are shown in
34 the report. This subsection (d) does not apply to any

1 franchise tax due for any taxable period ending on or after
2 December 31, 2001, to which Article 15A applies.

3 (e) The report shall be made on forms prescribed and
4 furnished by the Secretary of State.

5 (f) Until the report under this Section or a report
6 under Section 14.25 shall have been filed in the Office of
7 the Secretary of State showing a reduction in paid-in
8 capital, the basis of the annual franchise tax payable by the
9 corporation shall not be reduced, provided, however, in no
10 event shall the annual franchise tax for any taxable year be
11 reduced if the report is not filed prior to the first day of
12 the anniversary month or, in the case of a corporation which
13 has established an extended filing month, the extended filing
14 month of the corporation of that taxable year and before
15 payment of its annual franchise tax. This subsection (f) does
16 not apply to any franchise tax due for any taxable period
17 ending on or after December 31, 2001, to which Article 15A
18 applies.

19 (Source: P.A. 90-421, eff. 1-1-98.)

20 (805 ILCS 5/15.35) (from Ch. 32, par. 15.35)

21 Sec. 15.35. Franchise taxes payable by domestic
22 corporations. For the privilege of exercising its franchises
23 in this State, each domestic corporation shall pay to the
24 Secretary of State the following franchise taxes, computed on
25 the basis, at the rates and for the periods prescribed in
26 this Act:

27 (a) An initial franchise tax at the time of filing its
28 first report of issuance of shares.

29 (b) An additional franchise tax at the time of filing
30 (1) a report of the issuance of additional shares, or (2) a
31 report of an increase in paid-in capital without the issuance
32 of shares, or (3) an amendment to the articles of
33 incorporation or a report of cumulative changes in paid-in

1 capital, whenever any amendment or such report discloses an
2 increase in its paid-in capital over the amount thereof last
3 reported in any document, other than an annual report,
4 interim annual report or final transition annual report
5 required by this Act to be filed in the office of the
6 Secretary of State.

7 (c) An additional franchise tax at the time of filing a
8 report of paid-in capital following a statutory merger or
9 consolidation, which discloses that the paid-in capital of
10 the surviving or new corporation immediately after the merger
11 or consolidation is greater than the sum of the paid-in
12 capital of all of the merged or consolidated corporations as
13 last reported by them in any documents, other than annual
14 reports, required by this Act to be filed in the office of
15 the Secretary of State; and in addition, the surviving or new
16 corporation shall be liable for a further additional
17 franchise tax on the paid-in capital of each of the merged or
18 consolidated corporations as last reported by them in any
19 document, other than an annual report, required by this Act
20 to be filed with the Secretary of State from their taxable
21 year end to the next succeeding anniversary month or, in the
22 case of a corporation which has established an extended
23 filing month, the extended filing month of the surviving or
24 new corporation; however if the taxable year ends within the
25 2 month period immediately preceding the anniversary month
26 or, in the case of a corporation which has established an
27 extended filing month, the extended filing month of the
28 surviving or new corporation the tax will be computed to the
29 anniversary month or, in the case of a corporation which has
30 established an extended filing month, the extended filing
31 month of the surviving or new corporation in the next
32 succeeding calendar year.

33 (d) An annual franchise tax payable each year with the
34 annual report which the corporation is required by this Act

1 to file.

2 (e) This Section does not apply to any franchise tax due
3 for any taxable period ending on or after December 31, 2001,
4 to which Article 15A applies.

5 (Source: P.A. 86-985.)

6 (805 ILCS 5/15.40) (from Ch. 32, par. 15.40)

7 Sec. 15.40. Basis for computation of franchise taxes
8 payable by domestic corporations.

9 (a) The basis for the initial franchise tax payable by a
10 domestic corporation shall be the amount represented in this
11 State, determined in accordance with the provisions of this
12 Section, of its paid-in capital as disclosed by its first
13 report of the issuance of shares.

14 (b) The basis for an additional franchise tax payable by
15 a domestic corporation, except in the case of a statutory
16 merger or consolidation, shall be the increased amount
17 represented in this State, determined in accordance with the
18 provisions of this Section, of its paid-in capital as
19 disclosed by any report of issuance of additional shares, or
20 of an increase in paid-in capital without the issuance of
21 shares, or of an exchange or reclassification of shares, or
22 of cumulative changes in paid-in capital.

23 (c) In the case of a statutory merger or consolidation
24 of domestic corporations, the basis for an additional
25 franchise tax payable by the surviving or new corporation
26 shall be the increased amount represented in this State,
27 determined in accordance with the provisions of this Section
28 of the paid-in capital of the surviving or new corporation
29 immediately after the merger or consolidation over the
30 aggregate of the amounts represented in this State of the
31 paid-in capital of the merged or consolidated corporations
32 disclosed by the latest reports filed by those corporations,
33 respectively, with the Secretary of State as required by this

1 Act; provided, however, the basis for a further additional
2 franchise tax payable by the surviving or new corporation
3 shall be determined in accordance with the provisions of this
4 Section, on the paid-in capital of each of the merged or
5 consolidated corporations as last reported by it in any
6 document, other than an annual report, required by this Act
7 to be filed with the Secretary of State, from its taxable
8 year end to the next succeeding anniversary month or, in the
9 case of a corporation that has established an extended filing
10 month, the next succeeding extended filing month of the
11 surviving or new corporation; however if the taxable year
12 ends within the 2 month period immediately preceding the
13 anniversary month or, in the case of a corporation that has
14 established an extended filing month, the next succeeding
15 extended filing month of the surviving or new corporation the
16 tax shall be computed to the anniversary month or, in the
17 case of a corporation that has established an extended filing
18 month, the next succeeding extended filing month of the
19 surviving or new corporation in the next succeeding calendar
20 year.

21 (d) The basis for the annual franchise tax payable by a
22 domestic corporation shall be the amount represented in this
23 State, determined in accordance with the provisions of this
24 Section, of its paid-in capital on the last day of the third
25 month preceding the anniversary month or, in the case of a
26 corporation that has established an extended filing month, on
27 the last day of the corporation's fiscal year preceding the
28 extended filing month.

29 (e) For the purpose of determining the amount
30 represented in this State of the paid-in capital of a
31 domestic corporation, the amount represented in this State
32 shall be that proportion of its paid-in capital that the sum
33 of (1) the value of its property located in this State and
34 (2) the gross amount of business transacted by it at or from

1 places of business in this State bears to the sum of (1) the
2 value of all of its property, wherever located, and (2) the
3 gross amount of its business, wherever transacted, except as
4 follows:

5 (1) If the corporation elects in its annual report
6 in any year to pay its franchise tax upon its entire
7 paid-in capital, all franchise taxes accruing against the
8 corporation for that taxable year shall be computed
9 accordingly until the corporation elects otherwise in an
10 annual report for a subsequent year.

11 (2) If the corporation fails to file its annual
12 report or final transition annual report in any year
13 within the time prescribed by this Act, the proportion of
14 its paid-in capital represented in this State shall be
15 deemed to be its entire paid-in capital unless its annual
16 report is thereafter filed and its franchise taxes are
17 thereafter adjusted by the Secretary of State in
18 accordance with the provisions of this Act, in which case
19 the proportion shall likewise be adjusted to the same
20 proportion that would have prevailed if the corporation
21 had filed its annual report within the time prescribed by
22 this Act.

23 (3) In the case of a statutory merger or
24 consolidation that becomes effective either prior to
25 January 1, 1991 or on or prior to the last day of the
26 third month preceding the corporation's anniversary month
27 in 1991, the amount of the paid-in capital represented in
28 this State of the surviving or new corporation
29 immediately after the merger or consolidation, until the
30 filing of the next annual report of such corporation,
31 shall be deemed to be that proportion of the paid-in
32 capital of the surviving or new corporation that the
33 aggregate amounts represented in this State of the sum of
34 the paid-in capital of the merged or consolidated

1 corporations, separately determined, bore to the total of
2 the sum of the paid-in capital of all of the merged or
3 consolidated corporations immediately prior to the merger
4 or consolidation.

5 (f) For increases in paid-in capital that occur either
6 prior to January 1, 1991 or on or prior to the last day of
7 the third month preceding the corporation's anniversary month
8 in 1991, the proportion corporation on file on the date
9 represented in this State of the paid-in capital of a
10 domestic corporation shall be determined from information
11 contained in the latest annual report of the corporation on
12 file on the date the particular increase in paid-in capital
13 is shown to have been made, or, if no annual report was on
14 file on the date of the increase, from information contained
15 in its articles of incorporation, or, in case of a merger or
16 consolidation that becomes effective either prior to January
17 1, 1991 or on or prior to the last day of the third month
18 preceding the corporation's anniversary month in 1991, from
19 information contained in the report of the surviving or new
20 corporation of the amount of its paid-in capital following
21 the merger or consolidation. For increases in paid-in
22 capital that occur after both December 31, 1990 and the last
23 day of such third month, the proportion represented in this
24 State of the paid-in capital of a domestic corporation shall
25 be determined from information contained in the latest annual
26 report of the corporation for the taxable period in which the
27 particular increase in paid-in capital is shown to have been
28 made or, if no annual report was on file on the date of the
29 increase, from information contained in its articles of
30 incorporation.

31 (g) No basis under this Section may consist of any
32 redeemable preference shares sold to the United States
33 Secretary of Transportation under Sections 505 and 506 of
34 Public Law 94-210.

1 (h) This Section does not apply to any franchise tax due
2 for any taxable period ending on or after December 31, 2001,
3 to which Article 15A applies.

4 (Source: P.A. 91-464, eff. 1-1-00.)

5 (805 ILCS 5/15.45) (from Ch. 32, par. 15.45)

6 Sec. 15.45. Rate of franchise taxes payable by domestic
7 corporations.

8 (a) The annual franchise tax payable by each domestic
9 corporation shall be computed at the rate of 1/12 of 1/10 of
10 1% for each calendar month or fraction thereof for the period
11 commencing on the first day of July 1983 to the first day of
12 the anniversary month in 1984, but in no event shall the
13 amount of the annual franchise tax be less than \$2.08333 per
14 month assessed on a minimum of \$25 per annum or more than
15 \$83,333.333333 per month; thereafter, the annual franchise
16 tax payable by each domestic corporation shall be computed at
17 the rate of 1/10 of 1% for the 12-months' period commencing
18 on the first day of the anniversary month or, in cases where
19 a corporation has established an extended filing month, the
20 extended filing month of the corporation, but in no event
21 shall the amount of the annual franchise tax be less than \$25
22 nor more than \$1,000,000 per annum.

23 (b) The annual franchise tax payable by each domestic
24 corporation at the time of filing a statement of election and
25 interim annual report shall be computed at the rate of 1/10
26 of 1% for the 12 month period commencing on the first day of
27 the anniversary month of the corporation next following such
28 filing, but in no event shall the amount of the annual
29 franchise tax be less than \$25 nor more than \$1,000,000 per
30 annum.

31 (c) The annual franchise tax payable at the time of
32 filing the final transition annual report shall be an amount
33 equal to (i) 1/12 of 1/10 of 1% per month of the proportion

1 of paid-in capital represented in this State as shown in the
2 final transition annual report multiplied by (ii) the number
3 of months commencing with the anniversary month next
4 following the filing of the statement of election until, but
5 excluding, the second extended filing month, less the annual
6 franchise tax theretofore paid at the time of filing the
7 statement of election, but in no event shall the amount of
8 the annual franchise tax be less than \$2.08333 per month
9 assessed on a minimum of \$25 per annum or more than
10 \$83,333.333333 per month.

11 (d) The initial franchise tax payable after January 1,
12 1983, but prior to January 1, 1991, by each domestic
13 corporation shall be computed at the rate of 1/10 of 1% for
14 the 12 months' period commencing on the first day of the
15 anniversary month in which the certificate of incorporation
16 is issued to the corporation under Section 2.10 of this Act,
17 but in no event shall the franchise tax be less than \$25 nor
18 more than \$1,000,000 per annum. The initial franchise tax
19 payable on or after January 1, 1991, by each domestic
20 corporation shall be computed at the rate of 15/100 of 1% for
21 the 12 month period commencing on the first day of the
22 anniversary month in which the certificate of incorporation
23 is issued to the corporation under Section 2.10 of this Act,
24 but in no event shall the initial franchise tax be less than
25 \$25 nor more than \$1,000,000 per annum plus 1/20th of 1% of
26 the basis therefor.

27 (e) Each additional franchise tax payable by each
28 domestic corporation for the period beginning January 1, 1983
29 through December 31, 1983 shall be computed at the rate of
30 1/12 of 1/10 of 1% for each calendar month or fraction
31 thereof, between the date of each respective increase in its
32 paid-in capital and its anniversary month in 1984; thereafter
33 until the last day of the month that is both after December
34 31, 1990 and the third month immediately preceding the

1 anniversary month in 1991, each additional franchise tax
2 payable by each domestic corporation shall be computed at the
3 rate of 1/12 of 1/10 of 1% for each calendar month, or
4 fraction thereof, between the date of each respective
5 increase in its paid-in capital and its next anniversary
6 month; however, if the increase occurs within the 2 month
7 period immediately preceding the anniversary month, the tax
8 shall be computed to the anniversary month of the next
9 succeeding calendar year. Commencing with increases in
10 paid-in capital that occur subsequent to both December 31,
11 1990 and the last day of the third month immediately
12 preceding the anniversary month in 1991, the additional
13 franchise tax payable by a domestic corporation shall be
14 computed at the rate of 15/100 of 1%.

15 (f) This Section does not apply to any franchise tax due
16 for any taxable period ending on or after December 31, 2001,
17 to which Article 15A applies.

18 (Source: P.A. 91-464, eff. 1-1-00.)

19 (805 ILCS 5/15.65) (from Ch. 32, par. 15.65)

20 Sec. 15.65. Franchise taxes payable by foreign
21 corporations. For the privilege of exercising its authority
22 to transact such business in this State as set out in its
23 application therefor or any amendment thereto, each foreign
24 corporation shall pay to the Secretary of State the following
25 franchise taxes, computed on the basis, at the rates and for
26 the periods prescribed in this Act:

27 (a) An initial franchise tax at the time of filing its
28 application for a certificate of authority to transact
29 business in this State.

30 (b) An additional franchise tax at the time of filing
31 (1) a report of the issuance of additional shares, or (2) a
32 report of an increase in paid-in capital without the issuance
33 of shares, or (3) a report of cumulative changes in paid-in

1 capital or a report of an exchange or reclassification of
2 shares, whenever any such report discloses an increase in its
3 paid-in capital over the amount thereof last reported in any
4 document, other than an annual report, interim annual report
5 or final transition annual report, required by this Act to be
6 filed in the office of the Secretary of State.

7 (c) Whenever the corporation shall be a party to a
8 statutory merger and shall be the surviving corporation, an
9 additional franchise tax at the time of filing its report of
10 paid-in capital or of cumulative changes in paid-in capital
11 following the merger, if such report discloses that the
12 amount represented in this State of its paid-in capital
13 immediately after the merger is greater than the aggregate of
14 the amounts represented in this State of the paid-in capital
15 of such of the merged corporations as were authorized to
16 transact business in this State at the time of the merger, as
17 last reported by them in any documents, other than annual
18 reports, required by this Act to be filed in the office of
19 the Secretary of State; and in addition, the surviving
20 corporation shall be liable for a further additional
21 franchise tax on the paid-in capital of each of the merged
22 corporations as last reported by them in any document, other
23 than an annual report, required by this Act to be filed with
24 the Secretary of State, from their taxable year end to the
25 next succeeding anniversary month or, in the case of a
26 corporation which has established an extended filing month,
27 the extended filing month of the surviving corporation;
28 however if the taxable year ends within the 2 month period
29 immediately preceding the anniversary month or the extended
30 filing month of the surviving corporation, the tax will be
31 computed to the anniversary or, extended filing month of the
32 surviving corporation in the next succeeding calendar year.

33 (d) An annual franchise tax payable each year with any
34 annual report which the corporation is required by this Act

1 to file.

2 (e) This Section does not apply to any franchise tax due
3 for any taxable period ending on or after December 31, 2001,
4 to which Article 15A applies.

5 (Source: P.A. 86-985.)

6 (805 ILCS 5/15.70) (from Ch. 32, par. 15.70)

7 Sec. 15.70. Basis for computation of franchise taxes
8 payable by foreign corporations.

9 (a) The basis for the initial franchise tax payable by a
10 foreign corporation shall be the amount represented in this
11 State, determined in accordance with the provisions of this
12 Section, of its paid-in capital as disclosed by its
13 application for a certificate of authority to transact
14 business in this State.

15 (b) The basis for an additional franchise tax payable by
16 a corporation, except in the case of a statutory merger,
17 shall be the increased amount represented in this State,
18 determined in accordance with the provisions of this Section,
19 of its paid-in capital as disclosed by any report of issuance
20 of additional shares, or of an increase in paid-in capital
21 without the issuance of shares, or of an exchange or
22 reclassification of shares, or of cumulative changes in
23 paid-in capital.

24 (c) Whenever a foreign corporation shall be a party to a
25 statutory merger and shall be the surviving corporation, the
26 basis for an additional franchise tax shall be the increased
27 amount represented in this State, determined in accordance
28 with the provisions of this Section, of the paid-in capital
29 of the surviving corporation immediately after the merger
30 over the aggregate of the amounts represented in this State
31 of the paid-in capital of the merged corporations; provided,
32 however, the basis for a further additional franchise tax
33 payable by the surviving corporation shall be determined in

1 accordance with the provisions of this Section, on the
2 paid-in capital of each of the merged corporations from its
3 taxable year end to the next succeeding anniversary month or,
4 in the case of a corporation that has established an extended
5 filing month, the extended filing month of the surviving
6 corporation; however if the taxable year ends within the 2
7 month period immediately preceding the anniversary month or,
8 in the case of a corporation that has established an extended
9 filing month, the extended filing month of the surviving
10 corporation, the tax shall be computed to the anniversary
11 month or, in the case of a corporation that has established
12 an extended filing month, the extended filing month of the
13 surviving corporation in the next succeeding calendar year.

14 (d) The basis for the annual franchise tax payable by a
15 foreign corporation shall be the amount represented in this
16 State, determined in accordance with the provisions of this
17 Section, of its paid-in capital on the last day of the third
18 month preceding the anniversary month or, in the case of a
19 corporation that has established an extended filing month, on
20 the last day of the corporation's fiscal year preceding the
21 extended filing month.

22 (e) The amount represented in this State of the paid-in
23 capital of a foreign corporation shall be that proportion of
24 its paid-in capital that the sum of (1) the value of its
25 property located in this State and (2) the gross amount of
26 business transacted by it at or from places of business in
27 this State bears to the sum of (1) the value of all of its
28 property, wherever located, and (2) the gross amount of its
29 business, wherever transacted, except as follows:

30 (1) If the corporation elects in its annual report
31 in any year to pay its franchise tax upon its entire
32 paid-in capital, all franchise taxes accruing against the
33 corporation for that taxable year shall be computed
34 accordingly until the corporation elects otherwise in an

1 annual report for a subsequent year.

2 (2) If the corporation fails to file its annual
3 report in any year within the time prescribed by this
4 Act, the proportion of its paid-in capital represented in
5 this State shall be deemed to be its entire paid-in
6 capital, unless its annual report is thereafter filed and
7 its franchise taxes are thereafter adjusted by the
8 Secretary of State in accordance with the provisions of
9 this Act, in which case the proportion shall likewise be
10 adjusted to the same proportion that would have prevailed
11 if the corporation had filed its annual report within the
12 time prescribed by this Act.

13 (3) In the case of a statutory merger that becomes
14 effective either prior to January 1, 1991 or on or prior
15 to the last day of the third month preceding the
16 corporation's anniversary month in 1991, the amount of
17 the paid-in capital represented in this State of the
18 surviving corporation immediately after the merger, until
19 the filing of the next annual report of such corporation,
20 shall be deemed to be that proportion of the paid-in
21 capital of the surviving corporation that the aggregate
22 amounts represented in this State of the sum of the
23 paid-in capital of the merged corporations, separately
24 determined, bore to the total of the sum of the paid-in
25 capital of all of the merged corporations immediately
26 prior to the merger.

27 (f) For increases in paid-in capital that occur either
28 prior to January 1, 1991 or on or prior to the last day of
29 the third month preceding the corporation's anniversary month
30 in 1991, the proportion represented in this State of the
31 paid-in capital of a foreign corporation shall be determined
32 from information contained in the latest annual report of the
33 corporation on file on the date the particular increase in
34 paid-in capital is shown to have been made, or, if no annual

1 report was on file on the date of the increase, from
2 information contained in its application for a certificate of
3 authority to transact business in this State, or, in case of
4 a merger that becomes effective either prior to January 1,
5 1991 or on or prior to the last day of the third month
6 preceding the surviving corporation's anniversary month in
7 1991, from information contained in the report of the
8 surviving corporation of the amount of its paid-in capital
9 following the merger. For changes in paid-in capital that
10 occur after both December 31, 1990 and the last day of such
11 third month, the proportion represented in this State of the
12 paid-in capital of a corporation shall be determined from
13 information contained in the latest annual report of the
14 corporation for the taxable period in which the particular
15 increase in paid-in capital is shown to have been made or, if
16 no annual report was on file on the date of the increase,
17 from information contained in its application for certificate
18 of authority to transact business in Illinois.

19 (g) No basis under this Section may consist of any
20 redeemable preference shares sold to the United States
21 Secretary of Transportation under Sections 505 and 506 of
22 Public Law 94-210.

23 (h) This Section does not apply to any franchise tax due
24 for any taxable period ending on or after December 31, 2001,
25 to which Article 15A applies.

26 (Source: P.A. 91-464, eff. 1-1-00.)

27 (805 ILCS 5/15.75) (from Ch. 32, par. 15.75)

28 Sec. 15.75. Rate of franchise taxes payable by foreign
29 corporations.

30 (a) The annual franchise tax payable by each foreign
31 corporation shall be computed at the rate of 1/12 of 1/10 of
32 1% for each calendar month or fraction thereof for the period
33 commencing on the first day of July 1983 to the first day of

1 the anniversary month in 1984, but in no event shall the
2 amount of the annual franchise tax be less than \$2.083333 per
3 month based on a minimum of \$25 per annum or more than
4 \$83,333.333333 per month, thereafter, the annual franchise
5 tax payable by each foreign corporation shall be computed at
6 the rate of 1/10 of 1% for the 12-months' period commencing
7 on the first day of the anniversary month or, in the case of
8 a corporation that has established an extended filing month,
9 the extended filing month of the corporation, but in no event
10 shall the amount of the annual franchise tax be less than \$25
11 nor more than \$1,000,000 per annum.

12 (b) The annual franchise tax payable by each foreign
13 corporation at the time of filing a statement of election and
14 interim annual report shall be computed at the rate of 1/10
15 of 1% for the 12 month period commencing on the first day of
16 the anniversary month of the corporation next following the
17 filing, but in no event shall the amount of the annual
18 franchise tax be less than \$25 nor more than \$1,000,000 per
19 annum.

20 (c) The annual franchise tax payable at the time of
21 filing the final transition annual report shall be an amount
22 equal to (i) 1/12 of 1/10 of 1% per month of the proportion
23 of paid-in capital represented in this State as shown in the
24 final transition annual report multiplied by (ii) the number
25 of months commencing with the anniversary month next
26 following the filing of the statement of election until, but
27 excluding, the second extended filing month, less the annual
28 franchise tax theretofore paid at the time of filing the
29 statement of election, but in no event shall the amount of
30 the annual franchise tax be less than \$2.083333 per month
31 based on a minimum of \$25 per annum or more than
32 \$83,333.333333 per month.

33 (d) The initial franchise tax payable after January 1,
34 1983, but prior to January 1, 1991, by each foreign

1 corporation shall be computed at the rate of 1/10 of 1% for
2 the 12 months' period commencing on the first day of the
3 anniversary month in which the certificate of authority is
4 issued to the corporation under Section 13.15 of this Act,
5 but in no event shall the franchise tax be less than \$25 nor
6 more than \$1,000,000 per annum. Except in the case of a
7 foreign corporation that has begun transacting business in
8 Illinois prior to January 1, 1991, the initial franchise tax
9 payable on or after January 1, 1991, by each foreign
10 corporation, shall be computed at the rate of 15/100 of 1%
11 for the 12 month period commencing on the first day of the
12 anniversary month in which the certificate of authority is
13 issued to the corporation under Section 13.15 of this Act,
14 but in no event shall the franchise tax be less than \$25 nor
15 more than \$1,000,000 per annum plus 1/20 of 1% of the basis
16 therefor.

17 (e) Whenever the application for the certificate of
18 authority indicates that the corporation commenced
19 transacting business:

20 (1) prior to January 1, 1991, the initial franchise
21 tax shall be computed at the rate of 1/12 of 1/10 of 1%
22 for each calendar month; or

23 (2) after December 31, 1990, the initial franchise
24 tax shall be computed at the rate of 1/12 of 15/100 of 1%
25 for each calendar month.

26 (f) Each additional franchise tax payable by each
27 foreign corporation for the period beginning January 1, 1983
28 through December 31, 1983 shall be computed at the rate of
29 1/12 of 1/10 of 1% for each calendar month or fraction
30 thereof between the date of each respective increase in its
31 paid-in capital and its anniversary month in 1984; thereafter
32 until the last day of the month that is both after December
33 31, 1990 and the third month immediately preceding the
34 anniversary month in 1991, each additional franchise tax

1 payable by each foreign corporation shall be computed at the
 2 rate of 1/12 of 1/10 of 1% for each calendar month, or
 3 fraction thereof, between the date of each respective
 4 increase in its paid-in capital and its next anniversary
 5 month; however, if the increase occurs within the 2 month
 6 period immediately preceding the anniversary month, the tax
 7 shall be computed to the anniversary month of the next
 8 succeeding calendar year. Commencing with increases in
 9 paid-in capital that occur subsequent to both December 31,
 10 1990 and the last day of the third month immediately
 11 preceding the anniversary month in 1991, the additional
 12 franchise tax payable by a foreign corporation shall be
 13 computed at the rate of 15/100 of 1%.

14 (g) This Section does not apply to any franchise tax due
 15 for any taxable period ending on or after December 31, 2001,
 16 to which Article 15A applies.

17 (Source: P.A. 91-464, eff. 1-1-00.)

18 (805 ILCS 5/Art. 15A heading new)

19 Article 15A. Franchise Tax

20 (805 ILCS 5/15A.5 new)

21 Sec. 15A.5. Imposition of tax. Except as provided in
 22 Section 15A.10, a franchise tax is hereby imposed upon
 23 domestic corporations, and upon foreign corporations
 24 transacting business in this State. Unincorporated
 25 associations or companies, including limited liability
 26 companies, are not subject to the franchise tax.

27 (805 ILCS 5/15A.10 new)

28 Sec. 15A.10. Exempt corporations. No tax shall be
 29 imposed upon exempt corporations.

(805 ILCS 5/15A.15 new)

Sec. 15A.15 Statutory construction. Except as otherwise expressly defined in Section 15A.20, any term used in this Article 15A shall have the same meaning as when used in a comparable context in the Internal Revenue Code or any successor law or laws relating to federal income taxes. If a provision of the Internal Revenue Code is specifically mentioned by number in a provision of this Act and if after the effective date of the legislation that established that reference the Internal Revenue Code provision referred to is, by amendment, renumbered without any other change whatever being made to it, the provision of this Article containing the reference shall be construed as though the renumbering of the provision of the Internal Revenue Code had not occurred.

(805 ILCS 5/15A.20 new)

Sec. 15A.20. Definitions.

As used in this Article 15A, unless the context otherwise requires, the following words and phrases have the following meanings:

"Additional taxable capital" means the difference, if a positive number, between the taxable capital on the last day of the corporation's taxable period, minus the taxable capital on the first day of the corporation's taxable period. In the case of a domestic or foreign corporation that has not previously filed a franchise tax return, the taxable capital on the first day of the first taxable period for which a franchise tax return is filed shall be deemed to be zero. In the case of a merger or consolidation, the additional taxable capital of the surviving corporation in a merger or of the new corporation in a consolidation shall be the taxable capital of the corporation on the last day of the taxable period, minus the sum of the taxable capital of all the corporations that are parties to the merger or consolidation

1 as of the first day of the corporations' taxable periods that
2 include or end on the date of the merger or consolidation.
3 Solely for purposes of the preceding sentence, a
4 corporation's taxable capital as of the first day of its
5 taxable period shall be deemed to be zero if that corporation
6 has not previously filed a franchise tax return.

7 "Domestic corporation" means a corporation subject to the
8 provisions of this Act, except a foreign corporation.

9 "Due date" means the date that is 45 days after the date,
10 without regard to extensions, upon which a domestic or
11 foreign corporation is obligated to file its federal income
12 tax return for the taxable period.

13 "Exempt corporation" means a domestic corporation, or a
14 foreign corporation that is transacting business in this
15 State, that is a homestead association, building and loan
16 association, thrift, savings and loan association, bank
17 (including a banking corporation organized under the laws of
18 another state or of the United States, a foreign banking
19 corporation organized under the laws of a country other than
20 the United States and holding a certificate of authority from
21 the Commissioner of Banks and Real Estate issued pursuant to
22 the Foreign Banking Office Act, or a banking corporation
23 holding a license from the Commissioner of Banks and Real
24 Estate issued pursuant to the Foreign Bank Representative
25 office Act), or an insurance company (including a syndicate
26 or limited syndicate regulated under Article V 1/2 of the
27 Illinois Insurance Code or a member of a group of
28 underwriters regulated under Article V of the Illinois
29 Insurance Code).

30 "Foreign corporation" means a corporation for profit
31 organized under laws other than the laws of this State.

32 "Properly reported or reportable" means that, except for
33 those corporations electing to file a consolidated franchise
34 tax return pursuant to Section 15A.55, in the case of a

1 domestic or foreign corporation that is a member of an
2 affiliated group of corporations filing a consolidated
3 federal income tax return for the taxable period, the
4 corporation's properly reported or reportable capital stock
5 and additional paid-in capital shall be determined as if the
6 corporation had filed a separate return for federal income
7 tax purposes for the taxable period, and each preceding
8 taxable period for which it was a member of an affiliated
9 group.

10 "Subsidiary corporation" means a corporation more than
11 80% of whose stock is owned directly or indirectly by its
12 parent corporation.

13 "Taxable capital" means: (i) the sum of the capital stock
14 and additional paid-in capital properly reported or
15 reportable on the balance sheet included as part of the
16 domestic or foreign corporation's federal income tax return
17 for the taxable period in issue, minus (ii) the amount, if
18 any, that has been invested in and become part of the taxable
19 capital of any subsidiary corporation.

20 "Taxable period" means the period with respect to which a
21 domestic or foreign corporation files its federal income tax
22 return; provided, however, that in the case of an existing
23 foreign corporation that has not previously filed a franchise
24 tax return, the first taxable period shall commence on the
25 day the corporation receives a certificate of authority to
26 transact business in this State, and shall end on the last
27 day of the corporation's taxable period within which the
28 certificate of authority was received.

29 (805 ILCS 5/15A.25 new)

30 Sec. 15A.25. Basis of tax. The franchise tax shall be
31 imposed upon that percentage of the taxable capital and the
32 additional taxable capital apportioned to this State for the
33 taxable period pursuant to Section 15A.30.

1 (805 ILCS 5/15A.30 new)

2 Sec. 15A.30. Apportionment formula. The percentage of
3 the taxable capital and additional taxable capital of a
4 domestic or foreign corporation apportioned to this State for
5 the taxable period shall be equal to the sum of (i) the value
6 of the corporation's property located in this State and (ii)
7 the gross amount of business transacted by the corporation at
8 or from places of business in this State, divided by the sum
9 of (iii) the value of all of the corporation's property,
10 wherever located, and (iv) the gross amount of the
11 corporation's business, wherever transacted, all as
12 determined for the taxable period in issue.

13 (805 ILCS 5/15A.35 new)

14 Sec. 15A.35. Rate of tax. The franchise tax imposed by
15 this Article 15A shall be imposed at the rate of 0.001% of a
16 corporation's taxable capital apportioned to this State for
17 the taxable period, and 0.0015% of a corporation's additional
18 taxable capital apportioned to this State for the taxable
19 period.

20 (805 ILCS 5/15A.40 new)

21 Sec. 15A.40. Minimum and maximum tax liability. The
22 minimum franchise tax imposed upon a corporation's taxable
23 capital and additional taxable capital for any taxable period
24 shall be \$25, and except as provided in Section 15A.45, the
25 maximum franchise tax imposed pursuant to this Article 15A on
26 a corporation for any taxable period shall be \$1,000,000.

27 (805 ILCS 5/15A.45 new)

28 Sec. 15A.45. Taxable periods of less than 12 months. If
29 the taxable period of a domestic or foreign corporation is
30 less than 12 months, the applicable rate of tax on additional
31 taxable capital shall be one-twelfth of the rate provided in

1 Section 15A.35, times the number of months, or parts of
2 months, in the taxable period. The maximum tax imposed shall
3 be \$83,333.33 times the number of months, or parts of months,
4 in the taxable period.

5 (805 ILCS 5/15A.50 new)

6 Sec. 15A.50. Returns. Except in the case of corporations
7 making an election pursuant to Section 15A.55, a separate
8 franchise tax return shall be made by each domestic or
9 foreign corporation for any taxable period for which the
10 corporation is liable for the tax imposed by this Article
11 15A.

12 (805 ILCS 5/15A.55 new)

13 Sec. 15A.55. Election to file a consolidated return.

14 (a) Notwithstanding any other provision of this Article
15 15A, a domestic or foreign corporation that is a member of a
16 federal consolidated group may elect to file a consolidated
17 franchise tax return. The consolidated return shall be filed
18 by the parent corporation, and each member of the federal
19 consolidated group must join in the election. The election
20 shall be made by filing a return pursuant to this Section and
21 shall be binding for all subsequent taxable periods until
22 revoked with the permission of the Secretary of State.

23 (b) The taxable capital and the additional taxable
24 capital of the group shall be determined in accordance with
25 generally accepted accounting principles (GAAP), including
26 the elimination of investment in subsidiaries and subsidiary
27 capital. The taxable capital of the group as reported on an
28 audited financial statement for the taxable period shall be
29 presumed to have been determined in accordance with GAAP.

30 (c) The consolidated group shall apportion its taxable
31 capital and additional taxable capital in accordance with the
32 apportionment formula set forth in Section 15A.30.

1 (d) For purposes of this Article 15A, including
 2 specifically Section 15A.40, a federal consolidated group
 3 that makes an election to file a consolidated return shall be
 4 treated as if it were a single corporation.

5 (805 ILCS 5/15A.60 new)

6 Sec. 15A.60. Due date and payment.

7 (a) Except as provided in Section 15A.65, the return for
 8 a taxable period shall be filed on or before the due date as
 9 defined in Section 15A.20.

10 (b) All franchise tax for a taxable period shall be paid
 11 on or before the due date.

12 (c) For purposes of this Article 15A, a return shall be
 13 considered timely filed if it is physically received by the
 14 Secretary of State on or before the due date or, if received
 15 by mail, it is postmarked on or before the due date.

16 (805 ILCS 5/15A.65 new)

17 Sec. 15A.65. Extensions of time to file return.

18 (a) When a corporation has been granted an extension or
 19 extensions of time within which to file its federal income
 20 tax return for the taxable period, the due date for filing
 21 its franchise tax return shall be automatically extended for
 22 an equivalent period if the requirements of subsection (b)
 23 are met.

24 (b) The corporation shall file a tentative franchise tax
 25 return on or before the due date, and pay the tax properly
 26 estimated as due for the taxable period. If it is
 27 subsequently determined that the franchise tax estimated is
 28 less than the franchise tax actually due for the taxable
 29 period, the corporation shall be subject to interest on the
 30 underpayment as provided in Section 15A.80.

31 (805 ILCS 5/15A.70 new)

1 Sec. 15A.70. Amended return.

2 (a) If, after a corporation files its franchise tax
3 return for a taxable period, the taxable capital, additional
4 taxable capital, or apportionment factor reported on the
5 original franchise tax return is altered by the corporation,
6 or by the Internal Revenue Service, the corporation shall
7 file an amended franchise tax return for the taxable period
8 reflecting the alteration or alterations. The amended return
9 shall be filed not later than 120 days after the alteration
10 or alterations have been agreed to or finally determined for
11 federal income tax purposes.

12 (b) If the amended return referred to in subsection (a)
13 shows additional franchise tax due, the additional tax shall
14 be paid with the amended return, plus interest at the rate of
15 1% per month, or part of a month, for the period commencing
16 with the due date of the original return, and ending with the
17 date of payment.

18 (c) If the amended return referred to in subsection (a)
19 shows an overpayment of tax, the amended return shall
20 constitute a valid claim for refund pursuant to Section
21 15A.85.

22 (805 ILCS 5/15A.75 new)

23 Sec. 15A.75. Final taxable period. A corporation that
24 dissolves, liquidates, or withdraws from this State, or that
25 has its corporate existence terminated in a merger or
26 consolidation, is not obligated to pay any franchise tax for
27 the period from the end of its immediately preceding taxable
28 period to the date of the liquidation, dissolution,
29 withdrawal, or termination.

30 (805 ILCS 5/15A.80 new)

31 Sec. 15A.80. Penalties and interest. Any corporation
32 that fails or refuses to file a franchise tax return and pay

1 any tax due on or before the due date shall pay a penalty of
 2 10% of the amount of delinquent franchise tax due, and shall
 3 pay interest at the rate of 1% per month, or part of a month,
 4 until the delinquent amount is paid.

5 (805 ILCS 5/15A.85 new)

6 Sec. 15A.85. Applicability. This Article 15A applies to
 7 all taxable periods ending on or after December 31, 2001.

8 (805 ILCS 5/15A.90 new)

9 Sec. 15A.90. Transition rules. In order to avoid
 10 duplication or overlap in the payment of franchise tax by
 11 domestic and foreign corporations that are currently filing
 12 annual reports and paying franchise tax pursuant to Section
 13 14.05 of this Act, any amounts paid by a domestic or foreign
 14 corporation pursuant to Sections 14.30 or 14.35 of this Act
 15 that reflect transactions occurring after the date used to
 16 calculate paid-in capital on the annual report filed pursuant
 17 to Section 14.05 of this Act for any period ending after
 18 December 31, 2000 and before December 31, 2001, shall be
 19 credited against tax due on the first franchise tax return
 20 filed pursuant to this Article 15A.

21 (805 ILCS 5/15.20 rep.)

22 (805 ILCS 5/15.25 rep.)

23 (805 ILCS 5/15.30 rep.)

24 (805 ILCS 5/15.50 rep.)

25 (805 ILCS 5/15.55 rep.)

26 (805 ILCS 5/15.60 rep.)

27 Section 6. The Business Corporation Act of 1983 is
 28 amended by repealing Sections 15.20, 15.25, 15.30, 15.50,
 29 15.55, and 15.60."