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1 AMENDMENT TO SENATE BILL 2015

2 AMENDMENT NO. _____. Amend Senate Bill 2015, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 1. Short title. This Act may be cited as the New
6 Markets Development Program Act.

7 Section 5. Definitions. As used in this Act:

8 "Applicable percentage" means 0% for each of the first 2
9 credit allowance dates, 7% for the third credit allowance date,
10 and 8% for the next 4 credit allowance dates.

11 "Credit allowance date" means with respect to any qualified
12 equity investment:

13 (1) the date on which the investment is initially made;

14 and

15 (2) each of the 6 anniversary dates of that date
16 thereafter.

1 "Department" means the Department of Commerce and Economic
2 Opportunity.

3 "Long-term debt security" means any debt instrument issued
4 by a qualified community development entity, at par value or a
5 premium, with an original maturity date of at least 7 years
6 from the date of its issuance, with no acceleration of
7 repayment, amortization, or prepayment features prior to its
8 original maturity date. Cumulative cash payments of interest on
9 the qualified debt instrument during the period commencing with
10 the issuance of the qualified debt instrument and ending with
11 the seventh anniversary of its issuance shall not exceed the
12 sum of such cash interest payments and the cumulative net
13 income of the issuing community development entity for the same
14 period. This definition in no way limits the holder's ability
15 to accelerate payments on the debt instrument in situations
16 where the issuer has defaulted on covenants designed to ensure
17 compliance with this Act or Section 45D of the Internal Revenue
18 Code of 1986, as amended.

19 "Purchase price" means the amount paid to the issuer of a
20 qualified equity investment for that qualified equity
21 investment.

22 "Qualified active low-income community business" has the
23 meaning given to that term in Section 45D of the Internal
24 Revenue Code of 1986, as amended; except that any business that
25 derives or projects to derive 15% or more of its annual revenue
26 from the rental or sale of real estate is not considered to be

1 a qualified active low-income community business. This
2 exception does not apply to a business that is controlled by or
3 under common control with another business if the second
4 business (i) does not derive or project to derive 15% or more
5 of its annual revenue from the rental or sale of real estate
6 and (ii) is the primary tenant of the real estate leased from
7 the initial business. A business shall be considered a
8 qualified active low-income community business for the
9 duration of the qualified community development entity's
10 investment in or loan to the business if the entity reasonably
11 expects, at the time it makes the investment or loan, that the
12 business will continue to satisfy the requirements for being a
13 qualified active low-income community business throughout the
14 entire period of the investment or loan.

15 "Qualified community development entity" has the meaning
16 given to that term in Section 45D of the Internal Revenue Code
17 of 1986, as amended; provided that such entity has entered
18 into, or is controlled by an entity that has entered into, an
19 allocation agreement with the Community Development Financial
20 Institutions Fund of the U.S. Treasury Department with respect
21 to credits authorized by Section 45D of the Internal Revenue
22 Code of 1986, as amended, that includes the State of Illinois
23 within the service area set forth in that allocation agreement.

24 "Qualified equity investment" means any equity investment
25 in, or long-term debt security issued by, a qualified community
26 development entity that:

1 (1) is acquired after the effective date of this Act at
2 its original issuance solely in exchange for cash;

3 (2) has at least 85% of its cash purchase price used by
4 the issuer to make qualified low-income community
5 investments in the State of Illinois; and

6 (3) is designated by the issuer as a qualified equity
7 investment under this Act and is certified by the
8 Department as not exceeding the limitation contained in
9 Section 20.

10 This term includes any qualified equity investment that
11 does not meet the provisions of item (1) of this definition if
12 the investment was a qualified equity investment in the hands
13 of a prior holder.

14 "Qualified low-income community investment" means any
15 capital or equity investment in, or loan to, any qualified
16 active low-income community business. With respect to any one
17 qualified active low-income community business, the maximum
18 amount of qualified low-income community investments made in
19 that business, on a collective basis with all of its affiliates
20 that may be counted towards the satisfaction of paragraph (2)
21 of the definition of qualified equity investment, shall be
22 \$10,000,000 whether issued to one or several qualified
23 community development entities.

24 "Tax credit" means a credit against any income, franchise,
25 or insurance premium taxes otherwise due under Illinois law.

26 "Taxpayer" means any individual or entity subject to any

1 income, franchise, or insurance premium tax under Illinois law.

2 Section 10. Credit established. A person or entity that
3 makes a qualified equity investment earns a vested right to tax
4 credits as follows:

5 (1) on each credit allowance date of the qualified
6 equity investment, the purchaser of the qualified equity
7 investment, or subsequent holder of the qualified equity
8 investment, is entitled to a tax credit during the taxable
9 year including that credit allowance date;

10 (2) the tax credit amount shall be equal to the
11 applicable percentage for such credit allowance date
12 multiplied by the purchase price paid to the issuer of the
13 qualified equity investment; and

14 (3) the amount of the tax credit claimed shall not
15 exceed the amount of the State tax liability of the holder,
16 or the person or entity to whom the credit is allocated for
17 use pursuant to Section 15, for the tax year for which the
18 tax credit is claimed.

19 A company doing insurance business in this State claiming a
20 tax credit against insurance premium taxes payable pursuant to
21 Section 409 of the Illinois Insurance Code is not required to
22 pay any additional retaliatory tax imposed pursuant to Section
23 444 or 444.1 of the Illinois Insurance Code related to that
24 claim for a tax credit.

1 Section 15. Transferability. No tax credit claimed under
2 this Act shall be refundable or saleable on the open market.
3 Tax credits earned by a partnership, limited liability company,
4 S corporation, or other "pass-through" entity may be allocated
5 to the partners, members, or shareholders of that entity for
6 their direct use in accordance with the provisions of any
7 agreement among the partners, members, or shareholders. Any
8 amount of tax credit that the taxpayer, or partner, member, or
9 shareholder thereof, is prohibited from claiming in a taxable
10 year may be carried forward to any of the taxpayer's 5
11 subsequent taxable years.

12 Section 20. Annual cap on credits. The Department shall
13 limit the monetary amount of qualified equity investments
14 permitted under this Act to a level necessary to limit tax
15 credit use at no more than \$10,000,000 of tax credits in any
16 fiscal year. This limitation on qualified equity investments
17 shall be based on the anticipated use of credits without regard
18 to the potential for taxpayers to carry forward tax credits to
19 later tax years.

20 Section 25. Certification of qualified equity investments.

21 (a) A qualified community development entity that seeks to
22 have an equity investment or long-term debt security designated
23 as a qualified equity investment and eligible for tax credits
24 under this Section shall apply to the Department. The qualified

1 community development entity must submit an application on a
2 form that the Department provides that includes:

3 (1) The name, address, tax identification number of the
4 entity, and evidence of the entity's certification as a
5 qualified community development entity.

6 (2) A copy of the allocation agreement executed by the
7 entity, or its controlling entity, and the Community
8 Development Financial Institutions Fund.

9 (3) A certificate executed by an executive officer of
10 the entity attesting that the allocation agreement remains
11 in effect and has not been revoked or cancelled by the
12 Community Development Financial Institutions Fund.

13 (4) A description of the proposed amount, structure,
14 and purchaser of the equity investment or long-term debt
15 security.

16 (5) The name and tax identification number of any
17 taxpayer eligible to utilize tax credits earned as a result
18 of the issuance of the qualified equity investment.

19 (6) Information regarding the proposed use of proceeds
20 from the issuance of the qualified equity investment.

21 (7) A nonrefundable application fee of \$5,000. This fee
22 shall be paid to the Department and shall be required of
23 each application submitted.

24 (b) Within 30 days after receipt of a completed application
25 containing the information necessary for the Department to
26 certify a potential qualified equity investment, including the

1 payment of the application fee, the Department shall grant or
2 deny the application in full or in part. If the Department
3 denies any part of the application, it shall inform the
4 qualified community development entity of the grounds for the
5 denial. If the qualified community development entity provides
6 any additional information required by the Department or
7 otherwise completes its application within 15 days of the
8 notice of denial, the application shall be considered completed
9 as of the original date of submission. If the qualified
10 community development entity fails to provide the information
11 or complete its application within the 15-day period, the
12 application remains denied and must be resubmitted in full with
13 a new submission date.

14 (c) If the application is deemed complete, the Department
15 shall certify the proposed equity investment or long-term debt
16 security as a qualified equity investment that is eligible for
17 tax credits under this Section, subject to the limitations
18 contained in Section 20. The Department shall provide written
19 notice of the certification to the qualified community
20 development entity. The notice shall include the names of those
21 taxpayers who are eligible to utilize the credits and their
22 respective credit amounts. If the names of the taxpayers who
23 are eligible to utilize the credits change due to a transfer of
24 a qualified equity investment or a change in an allocation
25 pursuant to Section 15, the qualified community development
26 entity shall notify the Department of such change.

1 (d) The Department shall certify qualified equity
2 investments in the order applications are received by the
3 Department. Applications received on the same day shall be
4 deemed to have been received simultaneously. For applications
5 received on the same day and deemed complete, the Department
6 shall certify, consistent with remaining tax credit capacity,
7 qualified equity investments in proportionate percentages
8 based upon the ratio of the amount of qualified equity
9 investment requested in an application to the total amount of
10 qualified equity investments requested in all applications
11 received on the same day.

12 (e) Once the Department has certified qualified equity
13 investments that, on a cumulative basis, are eligible for
14 \$10,000,000 in tax credits, the Department may not certify any
15 more qualified equity investments. If a pending request cannot
16 be fully certified, the Department shall certify the portion
17 that may be certified unless the qualified community
18 development entity elects to withdraw its request rather than
19 receive partial credit.

20 (f) Within 30 days after receiving notice of certification,
21 the qualified community development entity shall issue the
22 qualified equity investment and receive cash in the amount of
23 the certified amount. The qualified community development
24 entity must provide the Department with evidence of the receipt
25 of the cash investment within 10 business days after receipt.
26 If the qualified community development entity does not receive

1 the cash investment and issue the qualified equity investment
2 within 30 days following receipt of the certification notice,
3 the certification shall lapse and the entity may not issue the
4 qualified equity investment without reapplying to the
5 Department for certification. A certification that lapses
6 reverts back to the Department and may be reissued only in
7 accordance with the application process outline in this Section
8 25.

9 Section 40. Recapture. The Department of Revenue shall
10 recapture, from the taxpayer that claimed the credit on a
11 return, the tax credit allowed under this Act if:

12 (1) any amount of the federal tax credit available with
13 respect to a qualified equity investment that is eligible
14 for a tax credit under this Act is recaptured under Section
15 45D of the Internal Revenue Code of 1986, as amended. In
16 that case, the Department of Revenue's recapture shall be
17 proportionate to the federal recapture with respect to that
18 qualified equity investment;

19 (2) the issuer redeems or makes principal repayment
20 with respect to a qualified equity investment prior to the
21 7th anniversary of the issuance of the qualified equity
22 investment. In that case, the Department of Revenue's
23 recapture shall be proportionate to the amount of the
24 redemption or repayment with respect to the qualified
25 equity investment; or

1 (3) the issuer fails to invest at least 85% of the cash
2 purchase price of the qualified equity investment in
3 qualified low-income community investments in the state of
4 Illinois within 12 months of the issuance of the qualified
5 equity investment and maintain such level of investment in
6 qualified low-income community investments in Illinois
7 until the last credit allowance date for such qualified
8 equity investment.

9 For purposes of this Section, an investment shall be
10 considered held by an issuer even if the investment has been
11 sold or repaid; provided that the issuer reinvests an amount
12 equal to the capital returned to or recovered by the issuer
13 from the original investment, exclusive of any profits
14 realized, in another qualified low-income community investment
15 in this State within 12 months after the receipt of that
16 capital. An issuer is not required to reinvest capital returned
17 from qualified low-income community investments after the 6th
18 anniversary of the issuance of the qualified equity investment,
19 the proceeds of which were used to make the qualified
20 low-income community investment, and the qualified low-income
21 community investment shall be considered held by the issuer
22 through the 7th anniversary of the qualified equity
23 investment's issuance.

24 The Department of Revenue shall provide notice to the
25 qualified community development entity of any proposed
26 recapture of tax credits pursuant to this Section. The entity

1 shall have 90 days to cure any deficiency indicated in the
2 Department of Revenue's original recapture notice and avoid
3 such recapture. If the entity fails or is unable to cure such
4 deficiency with the 90-day period, the Department of Revenue
5 shall provide the entity and the taxpayer from whom the credit
6 is to be recaptured with a final order of recapture. Any tax
7 credit for which a final recapture order has been issued shall
8 be recaptured by the Department of Revenue from the taxpayer
9 who claimed the tax credit on a tax return.

10 Section 45. Examination and Rulemaking.

11 (a) The Department may conduct examinations to verify that
12 the tax credits under this Act have been received and applied
13 according to the requirements of this Act and to verify that no
14 event has occurred that would result in a recapture of tax
15 credits under Section 40.

16 (b) Neither the Department nor the Department of Revenue
17 shall have the authority to promulgate rules under the Act, but
18 the Department and the Department of Revenue shall have the
19 authority to issue advisory letters to individual qualified
20 community development entities and their investors that are
21 limited to the specific facts outlined in an advisory letter
22 request from a qualified community development entity. Such
23 rulings cannot be relied upon by any person or entity other
24 than the qualified community development entity that requested
25 the letter and the taxpayers that are entitled to any tax

1 credits generated from investments in such entity. For purposes
2 of this subsection, "rules" is given the meaning contained in
3 Section 1-70 of the Illinois Administrative Procedure Act.

4 (c) In rendering advisory letters and making other
5 determinations under this Act, to the extent applicable, the
6 Department and the Department of Revenue shall look for
7 guidance to Section 45D of the Internal Revenue Code of 1986,
8 as amended, and the rules and regulations issued thereunder.

9
10 Section 50. Sunset. For fiscal years following fiscal year
11 2012, qualified equity investments shall not be made under this
12 Act unless reauthorization is made pursuant to this Section.
13 For all fiscal years following fiscal year 2012, unless the
14 General Assembly adopts a joint resolution granting authority
15 to the Department to approve qualified equity investments for
16 the Illinois new markets development program and clearly
17 describing the amount of tax credits available for the next
18 fiscal year, or otherwise complies with the provisions of this
19 Section, no qualified equity investments may be permitted to be
20 made under this Act. The amount of available tax credits
21 contained in such a resolution shall not exceed the limitation
22 provided under Section 20. Nothing in this Section precludes a
23 taxpayer who makes a qualified equity investment prior to the
24 expiration of authority to make qualified equity investments
25 from claiming tax credits relating to that qualified equity

1 investment for each applicable credit allowance date.

2 Section 75. The Illinois Insurance Code is amended by
3 changing Sections 409, 444, and 444.1 as follows:

4 (215 ILCS 5/409) (from Ch. 73, par. 1021)

5 Sec. 409. Annual privilege tax payable by companies.

6 (1) As of January 1, 1999 for all health maintenance
7 organization premiums written; as of July 1, 1998 for all
8 premiums written as accident and health business, voluntary
9 health service plan business, dental service plan business, or
10 limited health service organization business; and as of January
11 1, 1998 for all other types of insurance premiums written,
12 every company doing any form of insurance business in this
13 State, including, but not limited to, every risk retention
14 group, and excluding all fraternal benefit societies, all farm
15 mutual companies, all religious charitable risk pooling
16 trusts, and excluding all statutory residual market and special
17 purpose entities in which companies are statutorily required to
18 participate, whether incorporated or otherwise, shall pay, for
19 the privilege of doing business in this State, to the Director
20 for the State treasury a State tax equal to 0.5% of the net
21 taxable premium written, together with any amounts due under
22 Section 444 of this Code, except that the tax to be paid on any
23 premium derived from any accident and health insurance or on
24 any insurance business written by any company operating as a

1 health maintenance organization, voluntary health service
2 plan, dental service plan, or limited health service
3 organization shall be equal to 0.4% of such net taxable premium
4 written, together with any amounts due under Section 444. Upon
5 the failure of any company to pay any such tax due, the
6 Director may, by order, revoke or suspend the company's
7 certificate of authority after giving 20 days written notice to
8 the company, or commence proceedings for the suspension of
9 business in this State under the procedures set forth by
10 Section 401.1 of this Code. The gross taxable premium written
11 shall be the gross amount of premiums received on direct
12 business during the calendar year on contracts covering risks
13 in this State, except premiums on annuities, premiums on which
14 State premium taxes are prohibited by federal law, premiums
15 paid by the State for health care coverage for Medicaid
16 eligible insureds as described in Section 5-2 of the Illinois
17 Public Aid Code, premiums paid for health care services
18 included as an element of tuition charges at any university or
19 college owned and operated by the State of Illinois, premiums
20 on group insurance contracts under the State Employees Group
21 Insurance Act of 1971, and except premiums for deferred
22 compensation plans for employees of the State, units of local
23 government, or school districts. The net taxable premium shall
24 be the gross taxable premium written reduced only by the
25 following:

26 (a) the amount of premiums returned thereon which shall

1 be limited to premiums returned during the same preceding
2 calendar year and shall not include the return of cash
3 surrender values or death benefits on life policies
4 including annuities;

5 (b) dividends on such direct business that have been
6 paid in cash, applied in reduction of premiums or left to
7 accumulate to the credit of policyholders or annuitants. In
8 the case of life insurance, no deduction shall be made for
9 the payment of deferred dividends paid in cash to
10 policyholders on maturing policies; dividends left to
11 accumulate to the credit of policyholders or annuitants
12 shall be included as gross taxable premium written when
13 such dividend accumulations are applied to purchase
14 paid-up insurance or to shorten the endowment or premium
15 paying period.

16 (2) The annual privilege tax payment due from a company
17 under subsection (4) of this Section may be reduced by: (a) the
18 excess amount, if any, by which the aggregate income taxes paid
19 by the company, on a cash basis, for the preceding calendar
20 year under subsections (a) through (d) of Section 201 of the
21 Illinois Income Tax Act exceed 1.5% of the company's net
22 taxable premium written for that prior calendar year, as
23 determined under subsection (1) of this Section; and (b) the
24 amount of any fire department taxes paid by the company during
25 the preceding calendar year under Section 11-10-1 of the
26 Illinois Municipal Code. Any deductible amount or offset

1 allowed under items (a) and (b) of this subsection for any
2 calendar year will not be allowed as a deduction or offset
3 against the company's privilege tax liability for any other
4 taxing period or calendar year.

5 (3) If a company survives or was formed by a merger,
6 consolidation, reorganization, or reincorporation, the
7 premiums received and amounts returned or paid by all companies
8 party to the merger, consolidation, reorganization, or
9 reincorporation shall, for purposes of determining the amount
10 of the tax imposed by this Section, be regarded as received,
11 returned, or paid by the surviving or new company.

12 (4)(a) All companies subject to the provisions of this
13 Section shall make an annual return for the preceding calendar
14 year on or before March 15 setting forth such information on
15 such forms as the Director may reasonably require. Payments of
16 quarterly installments of the taxpayer's total estimated tax
17 for the current calendar year shall be due on or before April
18 15, June 15, September 15, and December 15 of such year, except
19 that all companies transacting insurance in this State whose
20 annual tax for the immediately preceding calendar year was less
21 than \$5,000 shall make only an annual return. Failure of a
22 company to make the annual payment, or to make the quarterly
23 payments, if required, of at least 25% of either (i) the total
24 tax paid during the previous calendar year or (ii) 80% of the
25 actual tax for the current calendar year shall subject it to
26 the penalty provisions set forth in Section 412 of this Code.

1 (b) Notwithstanding the foregoing provisions, no annual
2 return shall be required or made on March 15, 1998, under this
3 subsection. For the calendar year 1998:

4 (i) each health maintenance organization shall have no
5 estimated tax installments;

6 (ii) all companies subject to the tax as of July 1,
7 1998 as set forth in subsection (1) shall have estimated
8 tax installments due on September 15 and December 15 of
9 1998 which installments shall each amount to no less than
10 one-half of 80% of the actual tax on its net taxable
11 premium written during the period July 1, 1998, through
12 December 31, 1998; and

13 (iii) all other companies shall have estimated tax
14 installments due on June 15, September 15, and December 15
15 of 1998 which installments shall each amount to no less
16 than one-third of 80% of the actual tax on its net taxable
17 premium written during the calendar year 1998.

18 In the year 1999 and thereafter all companies shall make
19 annual and quarterly installments of their estimated tax as
20 provided by paragraph (a) of this subsection.

21 (5) In addition to the authority specifically granted under
22 Article XXV of this Code, the Director shall have such
23 authority to adopt rules and establish forms as may be
24 reasonably necessary for purposes of determining the
25 allocation of Illinois corporate income taxes paid under
26 subsections (a) through (d) of Section 201 of the Illinois

1 Income Tax Act amongst members of a business group that files
2 an Illinois corporate income tax return on a unitary basis, for
3 purposes of regulating the amendment of tax returns, for
4 purposes of defining terms, and for purposes of enforcing the
5 provisions of Article XXV of this Code. The Director shall also
6 have authority to defer, waive, or abate the tax imposed by
7 this Section if in his opinion the company's solvency and
8 ability to meet its insured obligations would be immediately
9 threatened by payment of the tax due.

10 (c) This Section is subject to the provisions of Section 10
11 of the New Markets Development Program Act.

12 (Source: P.A. 90-583, eff. 5-29-98.)

13 (215 ILCS 5/444) (from Ch. 73, par. 1056)

14 Sec. 444. Retaliation.

15 (1) Whenever the existing or future laws of any other state
16 or country shall require of companies incorporated or organized
17 under the laws of this State as a condition precedent to their
18 doing business in such other state or country, compliance with
19 laws, rules, regulations, and prohibitions more onerous or
20 burdensome than the rules and regulations imposed by this State
21 on foreign or alien companies, or shall require any deposit of
22 securities or other obligations in such state or country, for
23 the protection of policyholders or otherwise or require of such
24 companies or agents thereof or brokers the payment of
25 penalties, fees, charges, or taxes greater than the penalties,

1 fees, charges, or taxes required in the aggregate for like
2 purposes by this Code or any other law of this State, of
3 foreign or alien companies, agents thereof or brokers, then
4 such laws, rules, regulations, and prohibitions of said other
5 state or country shall apply to companies incorporated or
6 organized under the laws of such state or country doing
7 business in this State, and all such companies, agents thereof,
8 or brokers doing business in this State, shall be required to
9 make deposits, pay penalties, fees, charges, and taxes, in
10 amounts equal to those required in the aggregate for like
11 purposes of Illinois companies doing business in such state or
12 country, agents thereof or brokers. Whenever any other state or
13 country shall refuse to permit any insurance company
14 incorporated or organized under the laws of this State to
15 transact business according to its usual plan in such other
16 state or country, the director may, if satisfied that such
17 company of this State is solvent, properly managed, and can
18 operate legally under the laws of such other state or country,
19 forthwith suspend or cancel the license of every insurance
20 company doing business in this State which is incorporated or
21 organized under the laws of such other state or country to the
22 extent that it insures in this State against any of the risks
23 or hazards which are sought to be insured against by the
24 company of this State in such other state or country.

25 (2) The provisions of this Section shall not apply to
26 residual market or special purpose assessments or guaranty fund

1 or guaranty association assessments, both under the laws of
2 this State and under the laws of any other state or country,
3 and any tax offset or credit for any such assessment shall, for
4 purposes of this Section, be treated as a tax paid both under
5 the laws of this State and under the laws of any other state or
6 country.

7 (3) The terms "penalties", "fees", "charges", and "taxes"
8 in subsection (1) of this Section shall include: the penalties,
9 fees, charges, and taxes collected under State law and
10 referenced within Article XXV exclusive of any items referenced
11 by subsection (2) of this Section, but including any tax offset
12 allowed under Section 531.13 of this Code; the Illinois
13 corporate income taxes imposed under subsections (a) through
14 (d) of Section 201 of the Illinois Income Tax Act after any tax
15 offset allowed under Section 531.13 of this Code; income or
16 personal property taxes imposed by other states or countries;
17 penalties, fees, charges, and taxes of other states or
18 countries imposed for purposes like those of the penalties,
19 fees, charges, and taxes specified in Article XXV of this Code
20 exclusive of any item referenced in subsection (2) of this
21 Section; and any penalties, fees, charges, and taxes required
22 as a franchise, privilege, or licensing tax for conducting the
23 business of insurance whether calculated as a percentage of
24 income, gross receipts, premium, or otherwise.

25 (4) Nothing contained in this Section or Section 409 or
26 Section 444.1 is intended to authorize or expand any power of

1 local governmental units or municipalities to impose taxes,
2 fees, or charges.

3 (5) This Section is subject to the provisions of Section 10
4 of the New Markets Development Program Act.

5 (Source: P.A. 90-583, eff. 5-29-98.)

6 (215 ILCS 5/444.1) (from Ch. 73, par. 1056.1)

7 Sec. 444.1. Payment of retaliatory taxes.

8 (1) Every foreign or alien company doing insurance business
9 in this State shall pay the Director the retaliatory tax
10 determined in accordance with Section 444.

11 (2) (a) All companies subject to the provisions of this
12 Section shall make an annual return for the preceding calendar
13 year on or before March 15 setting forth such information on
14 such forms as the Director may reasonably require. Payments of
15 quarterly installments of the taxpayer's total estimated
16 retaliatory tax for the current calendar year shall be due on
17 or before April 15, June 15, September 15, and December 15 of
18 such year, except that all companies transacting insurance
19 business in this State whose annual tax for the immediately
20 preceding calendar year was less than \$5,000 shall make only an
21 annual return. Failure of a company to make the annual payment,
22 or to make the quarterly payments, if required, of at least
23 one-fourth of either (i) the total tax paid during the previous
24 calendar year or (ii) 80% of the actual tax for the current
25 calendar year shall subject it to the penalty provisions set

1 forth in Section 412 of this Code.

2 (b) Notwithstanding the foregoing provisions of paragraph
3 (a) of this subsection, the retaliatory tax liability of
4 companies under Section 444 of this Code for the calendar year
5 ended December 31, 1997 shall be determined in accordance with
6 this amendatory Act of 1998 and shall include in the aggregate
7 comparative tax burden for the State of Illinois, any tax
8 offset allowed under Section 531.13 of this Code and any income
9 taxes paid for the year 1997 under subsections (a) through (d)
10 of Section 201 of the Illinois Income Tax Act after any tax
11 offset allowed under Section 531.13 of this Code.

12 (i) Any annual retaliatory tax returns and payments
13 made for the year ended December 31, 1997 and any quarterly
14 installments of the taxpayer's total estimated 1998
15 retaliatory tax liability paid prior to the effective date
16 of this Amendatory Act of 1998 that do not include the
17 items specified by subsection (1) of this Section shall be
18 amended and restated, at the taxpayer's election, on forms
19 prepared by the Director so as to provide for the inclusion
20 of such items. An amended and restated return for the year
21 ended December 31, 1997 filed under this subparagraph shall
22 treat any payment of estimated privilege taxes under
23 Section 409 as in effect prior to October 23, 1997 as a
24 payment of estimated retaliatory taxes for the year ended
25 December 31, 1997.

26 (ii) Any overpayment resulting from such amended

1 return and restated tax liability shall be allowed as a
2 credit against any subsequent privilege or retaliatory tax
3 obligations of the taxpayer.

4 (iii) In the year 1999 and thereafter all companies
5 shall make annual and quarterly installments of their
6 estimated tax as provided by paragraph (a) of this
7 subsection.

8 (3) Any tax payment made under this Section and any tax
9 returns prepared in compliance with Section 410 shall give full
10 consideration to the impact of any future reduction in or
11 elimination of a taxpayer's liability under Section 409,
12 whether such reduction or elimination is due to an operation of
13 law or an Act of the General Assembly.

14 (4) Any foreign or alien taxpayer who makes, under protest,
15 a tax payment required by Section 409 shall, at the time of
16 payment, file a retaliatory tax return sufficient to disclose
17 the full amount of retaliatory taxes which would be due and
18 owing for the tax period in question if the protest were
19 upheld. Notwithstanding the provisions of the State Officers
20 and Employees Money Disposition Act or any other laws of this
21 State, the protested payment, to the extent of the retaliatory
22 tax so disclosed, shall be deposited directly in the General
23 Revenue Fund; and the balance of the payment, if any, shall be
24 deposited in a protest account pursuant to the provisions of
25 the aforesaid Act, as now or hereafter amended.

26 (5) The failure of a company to make the annual payment or

1 to make the quarterly payments, if required, of at least
2 one-fourth of either (i) the total tax paid during the
3 preceding calendar year or (ii) 80% of the actual tax for the
4 current calendar year shall subject it to the penalty
5 provisions set forth in Section 412 of this Code.

6 (6) This Section is subject to the provisions of Section 10
7 of the New Markets Development Program Act.

8 (Source: P.A. 90-583, eff. 5-29-98.)

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.".