

1 AN ACT concerning State government.

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

4 Section 5. The State Comptroller Act is amended by changing  
5 Section 10.05 and by adding Section 10.05d as follows:

6 (15 ILCS 405/10.05) (from Ch. 15, par. 210.05)

7 Sec. 10.05. Deductions from warrants; statement of reason  
8 for deduction. Whenever any person shall be entitled to a  
9 warrant or other payment from the treasury or other funds held  
10 by the State Treasurer, on any account, against whom there  
11 shall be any then due and payable account or claim in favor of  
12 the State, ~~or to~~ the United States upon certification by the  
13 Secretary of the Treasury of the United States, or his or her  
14 delegate, pursuant to a reciprocal offset agreement under  
15 subsection (i-1) of Section 10 of the Illinois State Collection  
16 Act of 1986, or a unit of local government, a school district,  
17 or a public institution of higher education, as defined in  
18 Section 1 of the Board of Higher Education Act, upon  
19 certification by that entity ~~then due and payable~~, the  
20 Comptroller, upon notification thereof, shall ascertain the  
21 amount due and payable to the State, ~~or to~~ the United States,  
22 the unit of local government, the school district, or the  
23 public institution of higher education, as aforesaid, and draw

1 a warrant on the treasury or on other funds held by the State  
2 Treasurer, stating the amount for which the party was entitled  
3 to a warrant or other payment, the amount deducted therefrom,  
4 and on what account, and directing the payment of the balance;  
5 which warrant or payment as so drawn shall be entered on the  
6 books of the Treasurer, and such balance only shall be paid.  
7 The Comptroller may deduct any one or more of the following:  
8 (i) the entire amount due and payable to the State or ~~may~~  
9 ~~deduct~~ a portion of the amount due and payable to the State in  
10 accordance with the request of the notifying agency; ~~(ii) , and~~  
11 ~~may deduct~~ the entire amount due and payable to the United  
12 States, or ~~may deduct~~ a portion of the amount due and payable  
13 to the United States, in accordance with a reciprocal offset  
14 agreement under subsection (i-1) of Section 10 of the Illinois  
15 State Collection Act of 1986; or (iii) the entire amount due  
16 and payable to the unit of local government, school district,  
17 or public institution of higher education or a portion of the  
18 amount due and payable to that entity in accordance with an  
19 intergovernmental agreement authorized under this Section and  
20 Section 10.05d. No request from a notifying agency, ~~or from~~ the  
21 Secretary of the Treasury of the United States, a unit of local  
22 government, a school district, or a public institution of  
23 higher education for an amount to be deducted under this  
24 Section from a wage or salary payment, or from a contractual  
25 payment to an individual for personal services, shall exceed  
26 25% of the net amount of such payment. "Net amount" means that

1 part of the earnings of an individual remaining after deduction  
2 of any amounts required by law to be withheld. For purposes of  
3 this provision, wage, salary or other payments for personal  
4 services shall not include final compensation payments for the  
5 value of accrued vacation, overtime or sick leave. Whenever the  
6 Comptroller draws a warrant or makes a payment involving a  
7 deduction ordered under this Section, the Comptroller shall  
8 notify the payee and the State agency that submitted the  
9 voucher of the reason for the deduction and he or she shall  
10 retain a record of such statement in his or her records. As  
11 used in this Section, an "account or claim in favor of the  
12 State" includes all amounts owing to "State agencies" as  
13 defined in Section 7 of this Act. However, the Comptroller  
14 shall not be required to accept accounts or claims owing to  
15 funds not held by the State Treasurer, where such accounts or  
16 claims do not exceed \$50, nor shall the Comptroller deduct from  
17 funds held by the State Treasurer under the Senior Citizens and  
18 Disabled Persons Property Tax Relief and Pharmaceutical  
19 Assistance Act or for payments to institutions from the  
20 Illinois Prepaid Tuition Trust Fund (unless the Trust Fund  
21 moneys are used for child support). The Comptroller and the  
22 Department of Revenue shall enter into an interagency agreement  
23 to establish responsibilities ~~responsibility~~, duties, and  
24 procedures relating to deductions from lottery prizes awarded  
25 under Section 20.1 of the Illinois Lottery Law. The Comptroller  
26 may enter into an intergovernmental agreement with the

1 Department of Revenue and the Secretary of the Treasury of the  
2 United States, or his or her delegate, to establish  
3 responsibilities, duties, and procedures relating to  
4 reciprocal offset of delinquent State and federal obligations  
5 pursuant to subsection (i-1) of Section 10 of the Illinois  
6 State Collection Act of 1986. The Comptroller may enter into  
7 intergovernmental agreements with any unit of local  
8 government, school district, or public institution of higher  
9 education to establish responsibilities, duties, and  
10 procedures to provide for the offset, by the Comptroller, of  
11 obligations owed to those entities.

12 (Source: P.A. 97-269, eff. 1-1-12.)

13 (15 ILCS 405/10.05d new)

14 Sec. 10.05d. Deductions for delinquent obligations owed to  
15 units of local government, school districts, and public  
16 institutions of higher education. Pursuant to Section 10.05 and  
17 this Section, the Comptroller may enter into intergovernmental  
18 agreements with a unit of local government, a school district,  
19 or a public institution of higher education in order to provide  
20 for (i) the use of the Comptroller's offset system to collect  
21 delinquent obligations owed to that entity and (ii) the payment  
22 to the Comptroller of a processing charge of up to \$15 per  
23 transaction for such offsets. The Comptroller shall deduct,  
24 from a warrant or other payment described in Section 10.05, in  
25 accordance with the procedures provided therein, its

1 processing charge and the amount certified as necessary to  
2 satisfy, in whole or in part, the delinquent obligation owed to  
3 the unit of local government, school district, or public  
4 institution of higher education, as applicable. The  
5 Comptroller shall provide the unit of local government, school  
6 district, or public institution of higher education, as  
7 applicable, with the address to which the warrant or other  
8 payment was to be mailed and any other information pertaining  
9 to each person from whom a deduction is made pursuant to this  
10 Section. All deductions ordered under this Section and  
11 processing charges imposed under this Section shall be  
12 deposited into the Comptroller Debt Recovery Trust Fund, a  
13 special fund that the Comptroller shall use for the collection  
14 of deductions and processing charges, as provided by law, and  
15 the payment of deductions and administrative expenses, as  
16 provided by law.

17 Upon processing a deduction, the Comptroller shall give  
18 written notice to the person subject to the offset. The notice  
19 shall inform the person that he or she may make a written  
20 protest to the Comptroller within 60 days after the Comptroller  
21 has given notice. The protest shall include the reason for  
22 contesting the deduction and any other information that will  
23 enable the Comptroller to determine the amount due and payable.  
24 The intergovernmental agreement entered into under Section  
25 10.05 and this Section shall establish procedures through which  
26 the Comptroller shall determine the validity of the protest and

1 shall make a final disposition concerning the deduction. If the  
2 person subject to the offset has not made a written protest  
3 within 60 days after the Comptroller has given notice or if a  
4 final disposition is made concerning the deduction, the  
5 Comptroller shall pay the deduction to the unit of local  
6 government, school district, or public institution of higher  
7 education, as applicable, from the Comptroller Debt Recovery  
8 Trust Fund.

9 Section 10. The Illinois Income Tax Act is amended by  
10 changing Section 911.3 as follows:

11 (35 ILCS 5/911.3)

12 Sec. 911.3. Refunds withheld; order of honoring requests.  
13 The Department shall honor refund withholding requests in the  
14 following order:

15 (1) a refund withholding request to collect an unpaid  
16 State tax;

17 (2) a refund withholding request to collect certified  
18 past due child support amounts under Section 2505-650 of  
19 the Department of Revenue Law of the Civil Administrative  
20 Code of Illinois;

21 (3) a refund withholding request to collect any debt  
22 owed to the State;

23 (4) a refund withholding request made by the Secretary  
24 of the Treasury of the United States, or his or her

1 delegate, to collect any tax liability arising from Title  
2 26 of the United States Code;

3 (4.5) a refund withholding request made by the  
4 Secretary of the Treasury of the United States, or his or  
5 her delegate, to collect any nontax debt owed to the United  
6 States as authorized under subsection (i-1) of Section 10  
7 of the Illinois State Collection Act of 1986;

8 (4.6) a refund withholding request to collect any debt  
9 owed to a unit of local government, school district, or  
10 public institution of higher education collected under an  
11 intergovernmental agreement entered into under Sections  
12 10.05 and 10.05d of the State Comptroller Act;

13 (5) a refund withholding request pursuant to Section  
14 911.2 of this Act; and

15 (6) a refund withholding request to collect certified  
16 past due fees owed to the Clerk of the Circuit Court as  
17 authorized under Section 2505-655 of the Department of  
18 Revenue Law of the Civil Administrative Code of Illinois.

19 (Source: P.A. 97-269, eff. 1-1-12.)

20 Section 15. "An Act concerning State government", approved  
21 August 8, 2011, Public Act 97-269, is amended by adding Section  
22 99 as follows:

23 (P.A. 97-269, Sec. 99 new)

24 Sec. 99. Effective date. This Act (Public Act 97-269) takes

1 effect on the effective date of this amendatory Act of the 97th  
2 General Assembly or January 1, 2012, whichever is earlier.

3 Section 99. Effective date. This Act takes effect upon  
4 becoming law.