

HB3627



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3627

by Rep. Barbara Flynn Currie

SYNOPSIS AS INTRODUCED:

New Act

Creates the Illinois Corporate Responsibility and Tax Disclosure Act. Requires certain publicly traded corporations that do business in the State to file with the Secretary of State a statement containing information concerning the corporation's income tax liability. Provides that the Secretary of State shall make all information contained in those statements available to the public on an ongoing basis in the form of a searchable database accessible through the Internet. Provides that nothing in the Act requires reporting or allows disclosure of information that is confidential and may not be disclosed pursuant to the Internal Revenue Code or any other federal statute.

LRB098 11936 HLH 45298 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 1. Short title. This Act may be cited as the
5 Illinois Corporate Responsibility and Tax Disclosure Act.

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

7 "Corporation" means any entity subject to the tax imposed
8 on corporations by Section 201 of the Illinois Income Tax Act
9 or by Section 11 of the Internal Revenue Code of 1986, as
10 amended, except that "qualified personal service
11 corporations", as defined in Section 448 of the Internal
12 Revenue Code of 1986, as amended, are exempt from this Act.

13 "Doing business in this State" means: owning or renting
14 real or tangible personal property physically located in this
15 State; having employees, agents, or representatives acting on
16 the corporation's behalf in this State; making sales of
17 tangible personal property to purchasers that take possession
18 of that property in this State; performing services for
19 customers located in this State; performing services in this
20 State; earning income from intangible personal property that
21 has a business situs in this State; engaging in regular and
22 systematic solicitation of sales in this State; being a partner
23 in a partnership engaged in any of the preceding activities in

1 this State; or being a member of a limited liability company
2 engaged in any of the preceding activities in this State.

3 Section 10. Tax disclosure statement required.

4 (a) For each taxable year ending on or after December 31,
5 2013, the following corporations, if doing business in this
6 State, shall file a statement described in this Section with
7 the Secretary of State:

8 (1) all publicly traded corporations, including
9 corporations traded on foreign stock exchanges.

10 (2) any corporation with respect to which 50% or more
11 of the voting stock is owned, directly or indirectly, by a
12 publicly traded corporation.

13 (b) This statement shall be filed annually in an electronic
14 format specified by the Secretary of State, pursuant to rules
15 adopted by the Secretary of State, no more than 30 days
16 following the filing of the corporation's tax return required
17 under Section 502 of the Illinois Income Tax Act, or, in the
18 case of a corporation that is not required to file such a tax
19 return, within 90 days after the filing of the corporation's
20 federal income tax return, including any federal consolidated
21 return in which the corporation is included.

22 (c) The statement shall contain the following information:

23 (1) the name of the corporation and the street address
24 of its principal executive office;

25 (2) if different from item (1), the name of any

1 corporation that owns, directly or indirectly, 50% or more
2 of the voting stock of the corporation and the street
3 address of that corporation's principal executive office;

4 (3) the corporation's 4-digit North American Industry
5 Classification System code number;

6 (4) a unique code number, assigned by the Secretary of
7 State, to identify the corporation; that code number shall
8 remain constant from year to year; and

9 (5) the following information used in preparing or
10 contained in the corporation's most recent tax return filed
11 under the Illinois Income Tax Act, or, in the case of a
12 corporation that is not required to file a tax return under
13 the Illinois Income Tax Act, the information that would be
14 required to be reported on or used in preparing the tax
15 return if the corporation had been required to file such a
16 return:

17 (A) the taxable income of the corporation as
18 modified by paragraphs 203(b)(2)(A) through
19 203(b)(2)(E-16) of the Illinois Income Tax Act;

20 (B) the base income of the corporation;

21 (C) the apportionment factor in the State for the
22 corporation;

23 (D) the total business income of the corporation
24 apportioned to the State;

25 (E) the Illinois net operating loss deduction for
26 the corporation, if any;

1 (F) the total non-business income of the
2 corporation and the amount of non-business income
3 allocated to the State;

4 (G) the net income of the corporation;

5 (H) the corporation's total State income tax
6 liability before credits;

7 (I) the corporation's total personal property tax
8 replacement tax liability before credits;

9 (J) tax credits claimed by the corporation, with
10 each credit individually enumerated;

11 (K) the net personal property tax replacement tax;
12 and

13 (L) the net corporate income tax.

14 (d) A corporation doing business in this State that is not
15 required to file a tax return under Section 502 of the Illinois
16 Income Tax Act may, in lieu of the statement under subsection
17 (c), elect to file a statement with the Secretary of State
18 containing the following information:

19 (1) the information specified in items (1) through (4)
20 of subsection (c) of this Section;

21 (2) an explanation of why the corporation is not
22 required to file a corporate income tax return in this
23 State; and

24 (3) a designation of whether the corporation's total
25 gross receipts from sales to purchasers in this State
26 during the taxable year was: (1) less than \$10,000,000; (2)

1 \$10,000,000 or more but less than \$50,000,000; (3)
2 \$50,000,000 or more but less than \$100,000,000; (4)
3 \$100,000,000 or more but less than \$250,000,000; or (5)
4 \$250,000,000 or more.

5 Section 20. Supplemental information. Any corporation that
6 is required to submit a statement under this Act is permitted
7 to submit supplemental information that, in the judgment of the
8 corporation, could facilitate proper interpretation of the
9 information included in the statement. The method of public
10 dissemination of the information contained in the statements
11 required under Section 35 of this Act shall ensure that any
12 such supplemental information is publicly available and that
13 notification of its availability is made to any person seeking
14 information contained in the statement.

15 Section 25. Amended tax disclosure statements. If a
16 corporation files an amended federal or State income tax
17 return, then that corporation shall file a revised statement
18 under this Section within 60 calendar days after the amended
19 return is filed. If a corporation's tax liability for a tax
20 year is changed as the result of an uncontested audit
21 adjustment or final determination of liability by the
22 Department of Revenue, or by a court of law as provided for in
23 the Illinois Income Tax Act, then the corporation shall file a
24 revised statement under this Section within 60 calendar days

1 after the final determination of liability.

2 Section 30. Public access to tax disclosure statements. The
3 statements required under this Act shall be public records. The
4 Secretary of State shall make all information contained in
5 those statements available to the public on an ongoing basis in
6 the form of a searchable database accessible through the
7 Internet. The Secretary of State shall set and collect from
8 persons requesting information in the statements reasonable
9 charges that cover the cost to the State of providing copies on
10 appropriate computer-readable media of the entire database for
11 statements filed during each calendar year as well as hard
12 copies of any individual annual statement for a specific
13 corporation. No statement for any corporation for a particular
14 tax year shall be publicly available until the first day of the
15 third calendar year following the calendar year in which the
16 particular tax year ends.

17 Section 35. Enforcing compliance. The accuracy of the
18 statements required under this Act shall be attested to in
19 writing by the chief operating officer of the corporation, and
20 shall be subject to audit by the Department of Revenue in the
21 course of and under the normal procedures applicable to
22 corporate income tax return audits. The Department of Revenue
23 shall develop and implement an oversight and penalty system
24 applicable to both the chief operating officer of the

1 corporation and the corporation itself to ensure that
2 corporations doing business in this State, including those not
3 required to file a return under Section 502 of the Illinois
4 Income Tax Act, shall provide the required attestation and
5 disclosure statements, respectively, in a timely and accurate
6 manner. The maximum civil penalty may not exceed \$100 per
7 statement for each day during which the corporation is
8 delinquent in filing an original statement under Section 10 or
9 an amended statement under Section 25. The Department of
10 Revenue shall publish the name and penalty imposed upon any
11 corporation subject to a penalty for failing to file the
12 required statement or filing an inaccurate statement.

13 Section 40. Rules. The Secretary of State and the
14 Department of Revenue shall adopt rules in accordance with the
15 Illinois Administrative Procedure Act as may be deemed
16 necessary to carry out the purposes of this Act.

17 Section 45. Disclosure of confidential information.
18 Nothing in this Act shall require reporting or allow disclosure
19 of information that is confidential and may not be disclosed
20 pursuant to the Internal Revenue Code or any other federal
21 statute.