

# SB3297



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB3297

Introduced 2/19/2016, by Sen. Toi W. Hutchinson

#### SYNOPSIS AS INTRODUCED:

20 ILCS 2505/2505-760 new

Amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Provides that a person or entity in possession of property or rights to property upon which a levy has been made, or any person who is obligated with respect to that property, who surrenders that property, those rights, or those obligations upon demand of the Director of Revenue is discharged from any obligation or liability to the delinquent taxpayer and any other person with respect to that property. Provides that the Department of Revenue may indemnify any financial institution that returns fraudulent funds to the Department based on the bona fide belief that the funds held by the financial institution were deposited as a result of fraud committed against a taxpayer, the Department, or another agency of the State. Effective immediately.

LRB099 16655 HLH 40993 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Department of Revenue Law of the Civil  
5 Administrative Code of Illinois is amended by adding Section  
6 2505-760 as follows:

7 (20 ILCS 2505/2505-760 new)

8 Sec. 2505-760. Surrender of property; indemnification.

9 (a) Any person or entity in possession of, or obligated  
10 with respect to, property or rights to property subject to  
11 levy, upon which a levy has been made, who, upon demand by the  
12 Director, surrenders such property or rights to property or  
13 discharges such obligation to the Director shall, at the  
14 Director's discretion, be discharged from any obligation or  
15 liability to the delinquent taxpayer and any other person with  
16 respect to such property or rights to property arising from  
17 such surrender or payment, but not in an amount in excess of  
18 the amount of property or rights to property surrendered to the  
19 Director.

20 (b) The General Assembly recognizes that financial  
21 institutions, as defined by Section 2 of the Illinois Banking  
22 Act, are in a unique position to assist with the identification  
23 of fraud pertaining to refunds deposited in their accounts. The

1 General Assembly further recognizes that, due to the  
2 relationship between financial institutions and their  
3 customers, financial institutions are reluctant to turn over  
4 funds they have identified as fraudulent without assurances  
5 that they will not be held liable in the event that refunds  
6 were identified as fraud in error. In order to facilitate the  
7 recapture of refunds that have been identified as having been  
8 issued as a result of fraud, the Department has the authority,  
9 but is not required, to indemnify any financial institution  
10 that returns funds to the Department at the request of the  
11 Director based on the bona fide belief that the funds held by  
12 the financial institution were deposited as a result of fraud  
13 committed against another taxpayer, the Department, or another  
14 agency of the State of Illinois.

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.