

HB4417



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4417

Introduced 1/14/2026, by Rep. Joyce Mason

SYNOPSIS AS INTRODUCED:

35 ILCS 5/601.1
35 ILCS 5/605

Ch. 120, par. 6-601.1
from Ch. 120, par. 6-605

Amends the Illinois Income Tax Act. Provides that the Department of Revenue may not impose fees or charges for the payment by electronic funds transfer of taxes under the Act, including, but not limited to, fees or charges for the recovery of any convenience fee imposed by a credit card issuer. Effective immediately.

LRB104 17610 HLH 31040 b

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 Illinois Income Tax Act is amended by
5 changing Sections 601.1 and 605 as follows:

6 (35 ILCS 5/601.1) (Ch. 120, par. 6-601.1)

7 Sec. 601.1. Payment by electronic funds transfer.

8 (a) Beginning on October 1, 1993, a taxpayer who has an
9 average monthly tax liability of \$150,000 or more under
10 Article 7 of this Act shall make all payments required by rules
11 of the Department by electronic funds transfer. Beginning
12 October 1, 1993, a taxpayer who has an average quarterly
13 estimated tax payment obligation of \$450,000 or more under
14 Article 8 of this Act shall make all payments required by rules
15 of the Department by electronic funds transfer. Beginning on
16 October 1, 1994, a taxpayer who has an average monthly tax
17 liability of \$100,000 or more under Article 7 of this Act shall
18 make all payments required by rules of the Department by
19 electronic funds transfer. Beginning October 1, 1994, a
20 taxpayer who has an average quarterly estimated tax payment
21 obligation of \$300,000 or more under Article 8 of this Act
22 shall make all payments required by rules of the Department by
23 electronic funds transfer. Beginning on October 1, 1995, a

1 taxpayer who has an average monthly tax liability of \$50,000
2 or more under Article 7 of this Act shall make all payments
3 required by rules of the Department by electronic funds
4 transfer. Beginning October 1, 1995, a taxpayer who has an
5 average quarterly estimated tax payment obligation of \$150,000
6 or more under Article 8 of this Act shall make all payments
7 required by rules of the Department by electronic funds
8 transfer. Beginning on October 1, 2000, and for all liability
9 periods thereafter, a taxpayer who has an average annual tax
10 liability of \$200,000 or more under Article 7 of this Act shall
11 make all payments required by rules of the Department by
12 electronic funds transfer. Beginning October 1, 2000, a
13 taxpayer who has an average quarterly estimated tax payment
14 obligation of \$50,000 or more under Article 8 of this Act shall
15 make all payments required by rules of the Department by
16 electronic funds transfer. Beginning on October 1, 2002, a
17 taxpayer who has a tax liability in the amount set forth in
18 subsection (b) of Section 2505-210 of the Department of
19 Revenue Law shall make all payments required by rules of the
20 Department by electronic funds transfer. Beginning on October
21 1, 2002, a taxpayer who has a tax liability in the amount set
22 forth in subsection (b) of Section 2505-210 of the Department
23 of Revenue Law shall make all payments required by rules of the
24 Department by electronic funds transfer.

25 (b) Any taxpayer who is not required to make payments by
26 electronic funds transfer may make payments by electronic

1 funds transfer with the permission of the Department.

2 (c) All taxpayers required to make payments by electronic
3 funds transfer and any taxpayers who wish to voluntarily make
4 payments by electronic funds transfer shall make those
5 payments in the manner authorized by the Department.

6 (d) The Department shall notify all taxpayers required to
7 make payments by electronic funds transfer. All taxpayers
8 notified by the Department shall make payments by electronic
9 funds transfer for a minimum of one year beginning on October
10 1. In determining the threshold amounts under subsection (a),
11 the Department shall calculate the averages as follows:

12 (1) the total liability under Article 7 for the
13 preceding tax year (and, prior to October 1, 2000, divided
14 by 12); or

15 (2) for purposes of estimated payments under Article
16 8, the total tax obligation of the taxpayer for the
17 previous tax year divided by 4.

18 (e) The Department shall adopt such rules as are necessary
19 to effectuate a program of electronic funds transfer and the
20 requirements of this Section.

21 (f) The Department may not impose fees or charges for the
22 payment by electronic funds transfer of taxes under this Act,
23 including, but not limited to, fees or charges for the
24 recovery of any convenience fee imposed by a credit card
25 issuer.

26 (Source: P.A. 91-541, eff. 8-13-99; 92-492, eff. 1-1-02;

1 92-846, eff. 8-23-02.)

2 (35 ILCS 5/605) (from Ch. 120, par. 6-605)

3 Sec. 605. The Department shall ~~may~~ adopt rules and
4 regulations for payment of taxes due under this Act by credit
5 card ~~only when the Department is not required to pay a discount~~
6 ~~fee charged by the credit card issuer.~~

7 (Source: P.A. 87-1175; 87-1189.)

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