



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5353

by Rep. Ryan Spain

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.886 new

35 ILCS 615/3

35 ILCS 640/2-9

220 ILCS 5/13-301.4 new

from Ch. 120, par. 467.18

Amends the Public Utility Act. Creates the Rural Illinois Utility Infrastructure Investment Program, under which the Illinois Commerce Commission shall make grants from the Rural Illinois Utility Infrastructure Investment Program Fund for qualified utility infrastructure projects. Amends the Gas Revenue Tax Act and the Electricity Excise Tax Law to provide that certain moneys collected under those Acts shall be deposited into the Fund. Amends the State Finance Act. Creates the Rural Illinois Utility Infrastructure Investment Program Fund as a special fund in the State treasury. Effective July 1, 2018.

LRB100 20011 SMS 35293 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning regulation.

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

4 Section 5. The State Finance Act is amended by adding
5 Section 5.886 as follows:

6 (30 ILCS 105/5.886 new)

7 Sec. 5.886. Rural Illinois Utility Infrastructure
8 Investment Program Fund.

9 Section 10. The Gas Revenue Tax Act is amended by changing
10 Section 3 as follows:

11 (35 ILCS 615/3) (from Ch. 120, par. 467.18)

12 Sec. 3. Except as provided in this Section, on or before
13 the 15th day of each month, each taxpayer shall make a return
14 to the Department for the preceding calendar month, stating:

15 1. His name;

16 2. The address of his principal place of business, and
17 the address of the principal place of business (if that is
18 a different address) from which he engages in the business
19 of distributing, supplying, furnishing or selling gas in
20 this State;

21 3. The total number of therms for which payment was

1 received by him from customers during the preceding
2 calendar month and upon the basis of which the tax is
3 imposed;

4 4. Gross receipts which were received by him from
5 customers during the preceding calendar month from such
6 business, including budget plan and other customer-owned
7 amounts applied during such month in payment of charges
8 includible in gross receipts, and upon the basis of which
9 the tax is imposed;

10 5. Amount of tax (computed upon Items 3 and 4);

11 6. Such other reasonable information as the Department
12 may require.

13 In making such return the taxpayer may use any reasonable
14 method to derive reportable "therms" and "gross receipts" from
15 his billing and payment records.

16 Any taxpayer required to make payments under this Section
17 may make the payments by electronic funds transfer. The
18 Department shall adopt rules necessary to effectuate a program
19 of electronic funds transfer.

20 If the taxpayer's average monthly tax liability to the
21 Department does not exceed \$100.00, the Department may
22 authorize his returns to be filed on a quarter annual basis,
23 with the return for January, February and March of a given year
24 being due by April 30 of such year; with the return for April,
25 May and June of a given year being due by July 31 of such year;
26 with the return for July, August and September of a given year

1 being due by October 31 of such year, and with the return for
2 October, November and December of a given year being due by
3 January 31 of the following year.

4 If the taxpayer's average monthly tax liability to the
5 Department does not exceed \$20.00, the Department may authorize
6 his returns to be filed on an annual basis, with the return for
7 a given year being due by January 31 of the following year.

8 Such quarter annual and annual returns, as to form and
9 substance, shall be subject to the same requirements as monthly
10 returns.

11 Notwithstanding any other provision in this Act concerning
12 the time within which a taxpayer may file his return, in the
13 case of any taxpayer who ceases to engage in a kind of business
14 which makes him responsible for filing returns under this Act,
15 such taxpayer shall file a final return under this Act with the
16 Department not more than one month after discontinuing such
17 business.

18 In making such return the taxpayer shall determine the
19 value of any reportable consideration other than money received
20 by him and shall include such value in his return. Such
21 determination shall be subject to review and revision by the
22 Department in the same manner as is provided in this Act for
23 the correction of returns.

24 Each taxpayer whose average monthly liability to the
25 Department under this Act was \$10,000 or more during the
26 preceding calendar year, excluding the month of highest

1 liability and the month of lowest liability in such calendar
2 year, and who is not operated by a unit of local government,
3 shall make estimated payments to the Department on or before
4 the 7th, 15th, 22nd and last day of the month during which tax
5 liability to the Department is incurred in an amount not less
6 than the lower of either 22.5% of the taxpayer's actual tax
7 liability for the month or 25% of the taxpayer's actual tax
8 liability for the same calendar month of the preceding year.
9 The amount of such quarter monthly payments shall be credited
10 against the final tax liability of the taxpayer's return for
11 that month. Any outstanding credit, approved by the Department,
12 arising from the taxpayer's overpayment of its final tax
13 liability for any month may be applied to reduce the amount of
14 any subsequent quarter monthly payment or credited against the
15 final tax liability of the taxpayer's return for any subsequent
16 month. If any quarter monthly payment is not paid at the time
17 or in the amount required by this Section, the taxpayer shall
18 be liable for penalty and interest on the difference between
19 the minimum amount due as a payment and the amount of such
20 payment actually and timely paid, except insofar as the
21 taxpayer has previously made payments for that month to the
22 Department in excess of the minimum payments previously due.

23 If the Director finds that the information required for the
24 making of an accurate return cannot reasonably be compiled by a
25 taxpayer within 15 days after the close of the calendar month
26 for which a return is to be made, he may grant an extension of

1 time for the filing of such return for a period of not to
2 exceed 31 calendar days. The granting of such an extension may
3 be conditioned upon the deposit by the taxpayer with the
4 Department of an amount of money not exceeding the amount
5 estimated by the Director to be due with the return so
6 extended. All such deposits, including any made before the
7 effective date of this amendatory Act of 1975 with the
8 Department, shall be credited against the taxpayer's
9 liabilities under this Act. If any such deposit exceeds the
10 taxpayer's present and probable future liabilities under this
11 Act, the Department shall issue to the taxpayer a credit
12 memorandum, which may be assigned by the taxpayer to a similar
13 taxpayer under this Act, in accordance with reasonable rules
14 and regulations to be prescribed by the Department.

15 The taxpayer making the return provided for in this Section
16 shall, at the time of making such return, pay to the Department
17 the amount of tax imposed by this Act. All moneys received by
18 the Department under this Act shall be paid into the General
19 Revenue Fund in the State Treasury, except as otherwise
20 provided. Beginning on the first day of the first calendar
21 month to occur on or after the effective date of this
22 amendatory Act of the 100th General Assembly, all moneys
23 received by the Department under this Act shall be paid into
24 the General Revenue Fund, less 1% which shall be paid into the
25 Rural Illinois Utility Infrastructure Investment Program Fund.

26 (Source: P.A. 90-16, eff. 6-16-97.)

1 Section 15. The Electricity Excise Tax Law is amended by
2 changing Section 2-9 as follows:

3 (35 ILCS 640/2-9)

4 Sec. 2-9. Return and payment of tax by delivering supplier.
5 Each delivering supplier who is required or authorized to
6 collect the tax imposed by this Law shall make a return to the
7 Department on or before the 15th day of each month for the
8 preceding calendar month stating the following:

9 (1) The delivering supplier's name.

10 (2) The address of the delivering supplier's principal
11 place of business and the address of the principal place of
12 business (if that is a different address) from which the
13 delivering supplier engaged in the business of delivering
14 electricity in this State.

15 (3) The total number of kilowatt-hours which the
16 supplier delivered to or for purchasers during the
17 preceding calendar month and upon the basis of which the
18 tax is imposed.

19 (4) Amount of tax, computed upon Item (3) at the rates
20 stated in Section 2-4.

21 (5) An adjustment for uncollectible amounts of tax in
22 respect of prior period kilowatt-hour deliveries,
23 determined in accordance with rules and regulations
24 promulgated by the Department.

1 (5.5) The amount of credits to which the taxpayer is
2 entitled on account of purchases made under Section 8-403.1
3 of the Public Utilities Act.

4 (6) Such other information as the Department
5 reasonably may require.

6 In making such return the delivering supplier may use any
7 reasonable method to derive reportable "kilowatt-hours" from
8 the delivering supplier's records.

9 If the average monthly tax liability to the Department of
10 the delivering supplier does not exceed \$2,500, the Department
11 may authorize the delivering supplier's returns to be filed on
12 a quarter-annual basis, with the return for January, February
13 and March of a given year being due by April 30 of such year;
14 with the return for April, May and June of a given year being
15 due by July 31 of such year; with the return for July, August
16 and September of a given year being due by October 31 of such
17 year; and with the return for October, November and December of
18 a given year being due by January 31 of the following year.

19 If the average monthly tax liability to the Department of
20 the delivering supplier does not exceed \$1,000, the Department
21 may authorize the delivering supplier's returns to be filed on
22 an annual basis, with the return for a given year being due by
23 January 31 of the following year.

24 Such quarter-annual and annual returns, as to form and
25 substance, shall be subject to the same requirements as monthly
26 returns.

1 Notwithstanding any other provision in this Law concerning
2 the time within which a delivering supplier may file a return,
3 any such delivering supplier who ceases to engage in a kind of
4 business which makes the person responsible for filing returns
5 under this Law shall file a final return under this Law with
6 the Department not more than one month after discontinuing such
7 business.

8 Each delivering supplier whose average monthly liability
9 to the Department under this Law was \$10,000 or more during the
10 preceding calendar year, excluding the month of highest
11 liability and the month of lowest liability in such calendar
12 year, and who is not operated by a unit of local government,
13 shall make estimated payments to the Department on or before
14 the 7th, 15th, 22nd and last day of the month during which tax
15 liability to the Department is incurred in an amount not less
16 than the lower of either 22.5% of such delivering supplier's
17 actual tax liability for the month or 25% of such delivering
18 supplier's actual tax liability for the same calendar month of
19 the preceding year. The amount of such quarter-monthly payments
20 shall be credited against the final tax liability of such
21 delivering supplier's return for that month. An outstanding
22 credit approved by the Department or a credit memorandum issued
23 by the Department arising from such delivering supplier's
24 overpayment of his or her final tax liability for any month may
25 be applied to reduce the amount of any subsequent
26 quarter-monthly payment or credited against the final tax

1 liability of such delivering supplier's return for any
2 subsequent month. If any quarter-monthly payment is not paid at
3 the time or in the amount required by this Section, such
4 delivering supplier shall be liable for penalty and interest on
5 the difference between the minimum amount due as a payment and
6 the amount of such payment actually and timely paid, except
7 insofar as such delivering supplier has previously made
8 payments for that month to the Department in excess of the
9 minimum payments previously due.

10 If the Director finds that the information required for the
11 making of an accurate return cannot reasonably be compiled by
12 such delivering supplier within 15 days after the close of the
13 calendar month for which a return is to be made, the Director
14 may grant an extension of time for the filing of such return
15 for a period not to exceed 31 calendar days. The granting of
16 such an extension may be conditioned upon the deposit by such
17 delivering supplier with the Department of an amount of money
18 not exceeding the amount estimated by the Director to be due
19 with the return so extended. All such deposits shall be
20 credited against such delivering supplier's liabilities under
21 this Law. If the deposit exceeds such delivering supplier's
22 present and probable future liabilities under this Law, the
23 Department shall issue to such delivering supplier a credit
24 memorandum, which may be assigned by such delivering supplier
25 to a similar person under this Law, in accordance with
26 reasonable rules and regulations to be prescribed by the

1 Department.

2 The delivering supplier making the return provided for in
3 this Section shall, at the time of making such return, pay to
4 the Department the amount of tax imposed by this Law.

5 Until October 1, 2002, a delivering supplier who has an
6 average monthly tax liability of \$10,000 or more shall make all
7 payments required by rules of the Department by electronic
8 funds transfer. The term "average monthly tax liability" shall
9 be the sum of the delivering supplier's liabilities under this
10 Law for the immediately preceding calendar year divided by 12.
11 Beginning on October 1, 2002, a taxpayer who has a tax
12 liability in the amount set forth in subsection (b) of Section
13 2505-210 of the Department of Revenue Law shall make all
14 payments required by rules of the Department by electronic
15 funds transfer. Any delivering supplier not required to make
16 payments by electronic funds transfer may make payments by
17 electronic funds transfer with the permission of the
18 Department. All delivering suppliers required to make payments
19 by electronic funds transfer and any delivering suppliers
20 authorized to voluntarily make payments by electronic funds
21 transfer shall make those payments in the manner authorized by
22 the Department.

23 Through June 30, 2004, each month the Department shall pay
24 into the Public Utility Fund in the State treasury an amount
25 determined by the Director to be equal to 3.0% of the funds
26 received by the Department pursuant to this Section. Through

1 June 30, 2004, the remainder of all moneys received by the
2 Department under this Section shall be paid into the General
3 Revenue Fund in the State treasury. Beginning on July 1, 2004,
4 of the 3% of the funds received pursuant to this Section, each
5 month the Department shall pay \$416,667 into the General
6 Revenue Fund and the balance shall be paid into the Public
7 Utility Fund in the State treasury. Beginning on the first day
8 of the first calendar month to occur on or after the effective
9 date of this amendatory Act of the 100th General Assembly, of
10 the 3% of the funds received pursuant to this Section, each
11 month the Department shall pay \$416,667 into the General
12 Revenue Fund and the balance shall be paid into the Public
13 Utility Fund, less 1% which shall be paid into the Rural
14 Illinois Utility Infrastructure Investment Program Fund.
15 (Source: P.A. 92-492, eff. 1-1-02; 93-839, eff. 7-30-04.)

16 Section 20. The Public Utilities Act is amended by adding
17 Section 13-301.4 as follows:

18 (220 ILCS 5/13-301.4 new)

19 Sec. 13-301.4. Rural Illinois Utility Infrastructure
20 Investment Program.

21 (a) For purposes of this Section:

22 "Eligible entity" means:

23 (1) a business that: (A) is engaged in interstate or
24 intrastate commerce for the purpose of manufacturing,

1 processing, or assembling products; (B) employs no more
2 than 500 employees; and (C) is located in a county with
3 less than 50,000 inhabitants; or

4 (2) a county with less than 50,000 inhabitants.

5 "Qualifying utility infrastructure project" means the
6 construction or installation of gas or electric equipment used
7 in connection with the distribution and delivery of gas or
8 electricity to an eligible recipient.

9 (b) The Commission shall create the Rural Illinois Utility
10 Infrastructure Investment Program, under which the Commission
11 shall, subject to appropriation, make grants from moneys in the
12 Rural Illinois Utility Infrastructure Investment Program Fund
13 to eligible entities for the construction of gas or electric
14 infrastructure in eligible areas of the State. The Commission
15 shall adopt rules for administration of the Program, which
16 shall include that an eligible entity must include in its
17 application evidence that the grants will result in the
18 creation of new jobs and shall provide for the competitive
19 selection of recipients of grant funds available from the Fund
20 pursuant to the Illinois Procurement Code. Grants shall be
21 awarded to eligible entities chosen on the basis of the
22 criteria established in the rules.

23 (c) An eligible entity seeking a grant of funds from the
24 Rural Illinois Utility Infrastructure Investment Program shall
25 demonstrate to the Commission that the grant shall be used for
26 the construction of gas or electric infrastructure in an

1 eligible area and demonstrate that it satisfies all other
2 requirements of the rules adopted by the Commission. The
3 Commission shall determine the information that it deems
4 necessary to award grants pursuant to this Section.

5 (d) All eligible entities awarded grant moneys under this
6 Section shall maintain all records required by rule for the
7 period of time specified in the rules. The records shall be
8 subject to audit by the Commission, by an auditor appointed by
9 the State, or by a State officer authorized to conduct audits.

10 (e) The Rural Illinois Utility Infrastructure Investment
11 Program Fund is created as a special fund in the State
12 treasury. All moneys in the Fund shall be used by the
13 Commission to fund grants for qualified utility infrastructure
14 projects. The Commission may accept private and public funds,
15 including federal funds, for deposit into the Fund. Earnings
16 attributable to moneys in the Fund shall be deposited into the
17 Fund.

18 Section 99. Effective date. This Act takes effect July 1,
19 2018.