



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB0283

Introduced 1/29/2021, by Rep. Mary E. Flowers

#### SYNOPSIS AS INTRODUCED:

New Act  
5 ILCS 100/5-45.8 new

Creates the Financial Transaction Tax Act. Beginning January 1, 2022, imposes a tax on the privilege of engaging in a financial transaction on any of the following exchanges or boards of trade: the Chicago Stock Exchange, the Chicago Mercantile Exchange, the Chicago Board of Trade, or the Chicago Board Options Exchange. Provides that the tax is imposed at a rate of \$1 per transaction for all transactions for which the underlying asset is an agricultural product, a financial instruments contract, or an options contract. Provides that transactions executed via open outcry that are physically filled on the exchange floor are exempt from the tax. Provides that the term "financial transaction" means a transaction involving the purchase or sale of a stock contract, futures contract, swap contract, credit default swap contract, or options contract, but does not include a transaction involving securities held in a retirement account or a transaction involving a mutual fund. Effective January 1, 2022.

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FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 WHEREAS, The State of Illinois currently faces a serious  
3 budget crisis; and

4 WHEREAS, A financial transaction tax is a fair and  
5 sustainable source of revenue for the State; and

6 WHEREAS, A financial transaction tax will promote job  
7 growth and economic stability and reduce the negative effects  
8 created by high frequency trading; therefore

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

11 Section 1. Short title. This Act may be cited as the  
12 Financial Transaction Tax Act.

13 Section 3. Definitions. As used in this Act:

14 "Department" means the Department of Revenue.

15 "Financial transaction" means a transaction involving the  
16 purchase or sale of a stock contract, futures contract,  
17 futures options contract, swap contract, credit default swap  
18 contract, or options contract, but does not include a  
19 transaction involving securities held in a retirement account  
20 or a transaction involving a mutual fund.

1 Section 5. Tax imposed; definitions.

2 (a) Beginning January 1, 2022, a tax is imposed on the  
3 privilege of engaging in a financial transaction on any of the  
4 following exchanges or boards of trade: the Chicago Stock  
5 Exchange; the Chicago Mercantile Exchange; the Chicago Board  
6 of Trade; or the Chicago Board Options Exchange. The tax is  
7 imposed at a rate of \$1 for each transaction for which the  
8 underlying asset is an agricultural product, a financial  
9 instruments contract, or an options contract. The tax shall be  
10 paid by the trading facility or, in any other case, by the  
11 purchaser involved in the transaction. All transactions  
12 executed via open outcry that are physically filled on the  
13 exchange floor are exempt from the tax.

14 (b) The tax shall be collected by the exchange or board of  
15 trade and shall be remitted to the Department of Revenue  
16 biannually in the form and manner required by the Department.  
17 The exchange or board of trade may retain 5% of the amount  
18 collected, which is allowed to reimburse the exchange or board  
19 of trade for the expenses incurred in keeping records,  
20 preparing and filing returns, remitting the tax, and supplying  
21 data to the Department on request.

22 (c) Subject to the provisions of subsection (b), the tax  
23 imposed under this Act, and all civil penalties that may be  
24 assessed as an incident thereof, shall be administered,  
25 collected, and enforced by the Department of Revenue, and

1 commodity brokers shall register with the Department in the  
2 same manner as required under the Retailers' Occupation Tax  
3 Act insofar as may be applicable. The Department of Revenue  
4 has full power to administer and enforce this Act, to collect  
5 all taxes and penalties due under this Act, to dispose of taxes  
6 and penalties so collected as provided in this Act, and to  
7 determine all rights to credit memoranda arising on account of  
8 the erroneous payment of a tax or penalty under this Act. The  
9 Department of Revenue shall pay over to the State Treasurer  
10 all moneys remitted to the Department under this Act for  
11 deposit into the General Revenue Fund.

12 Section 10. Recordkeeping. Each exchange or board of trade  
13 that is subject to the tax under this Act shall keep records  
14 and books of all transactions giving rise to a tax under this  
15 Act. Those books and records shall be kept in the English  
16 language and shall, at all times during business hours of the  
17 day, be subject to inspection by the Department or its duly  
18 authorized agents and employees.

19 Section 15. Retailers' Occupation Tax Act and Uniform  
20 Penalty and Interest Act adopted. The provisions of Sections  
21 4, 5, 5f, 5i, 6, 6a, 6b, 6c, 8, 9, 10, and 12 of the Retailers'  
22 Occupation Tax Act which are not inconsistent with this Act,  
23 and Section 3-7 of the Uniform Penalty and Interest Act, shall  
24 apply as far as practicable to the subject matter of this Act

1 to the same extent as if those provisions were included in this  
2 Act.

3 Section 20. Rules. The Department shall adopt  
4 administrative rules to implement and administer this Act.  
5 Initial rules may be adopted as emergency rules.

6 Section 25. Interstate commerce exemption. No tax is  
7 imposed under this Act upon the privilege of engaging in a  
8 business in interstate commerce or otherwise when the business  
9 may not, under the Constitution and statutes of the United  
10 States, be made the subject of taxation by this State.

11 Section 900. The Illinois Administrative Procedure Act is  
12 amended by adding Section 5-45.8 as follows:

13 (5 ILCS 100/5-45.8 new)

14 Sec. 5-45.8. Emergency rulemaking. To provide for the  
15 expeditious and timely implementation of the Financial  
16 Transaction Tax Act, emergency rules implementing the  
17 Financial Transaction Tax Act may be adopted in accordance  
18 with Section 5-45 by the Department of Revenue. The adoption  
19 of emergency rules authorized by Section 5-45 and this Section  
20 is deemed to be necessary for the public interest, safety, and  
21 welfare.

22 Section 999. Effective date. This Act takes effect January

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1 1, 2022.