



Rep. Lou Lang

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1 AMENDMENT TO HOUSE BILL 1526

2 AMENDMENT NO. _____. Amend House Bill 1526 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by
5 changing Section 704A as follows:

6 (35 ILCS 5/704A)

7 Sec. 704A. Employer's return and payment of tax withheld.

8 (a) In general, every employer who deducts and withholds or
9 is required to deduct and withhold tax under this Act on or
10 after January 1, 2008 shall make those payments and returns as
11 provided in this Section.

12 (b) Returns. Every employer shall, in the form and manner
13 required by the Department, make returns with respect to taxes
14 withheld or required to be withheld under this Article 7 for
15 each quarter beginning on or after January 1, 2008, on or
16 before the last day of the first month following the close of

1 that quarter.

2 (c) Payments. With respect to amounts withheld or required
3 to be withheld on or after January 1, 2008:

4 (1) Semi-weekly payments. For each calendar year, each
5 employer who withheld or was required to withhold more than
6 \$12,000 during the one-year period ending on June 30 of the
7 immediately preceding calendar year, payment must be made:

8 (A) on or before each Friday of the calendar year,
9 for taxes withheld or required to be withheld on the
10 immediately preceding Saturday, Sunday, Monday, or
11 Tuesday;

12 (B) on or before each Wednesday of the calendar
13 year, for taxes withheld or required to be withheld on
14 the immediately preceding Wednesday, Thursday, or
15 Friday.

16 (2) Semi-weekly payments. Any employer who withholds
17 or is required to withhold more than \$12,000 in any quarter
18 of a calendar year is required to make payments on the
19 dates set forth under item (1) of this subsection (c) for
20 each remaining quarter of that calendar year and for the
21 subsequent calendar year.

22 (3) Monthly payments. Each employer, other than an
23 employer described in items (1) or (2) of this subsection,
24 shall pay to the Department, on or before the 15th day of
25 each month the taxes withheld or required to be withheld
26 during the immediately preceding month.

1 (4) Payments with returns. Each employer shall pay to
2 the Department, on or before the due date for each return
3 required to be filed under this Section, any tax withheld
4 or required to be withheld during the period for which the
5 return is due and not previously paid to the Department.

6 (d) Regulatory authority. The Department may, by rule:

7 (1) If the aggregate amounts required to be withheld
8 under this Article 7 do not exceed \$1,000 for the calendar
9 year, permit employers, in lieu of the requirements of
10 subsections (b) and (c), to file annual returns due on or
11 before January 31 of the following year for taxes withheld
12 or required to be withheld during that calendar year and to
13 pay the taxes required to be shown on each such return no
14 later than the due date for such return.

15 (2) Provide that any payment required to be made under
16 subsection (c)(1) or (c)(2) is deemed to be timely to the
17 extent paid by electronic funds transfer on or before the
18 due date for deposit of federal income taxes withheld from,
19 or federal employment taxes due with respect to, the wages
20 from which the Illinois taxes were withheld.

21 (3) Designate one or more depositories to which payment
22 of taxes required to be withheld under this Article 7 must
23 be paid by some or all employers.

24 (4) Increase the threshold dollar amounts at which
25 employers are required to make semi-weekly payments under
26 subsection (c)(1) or (c)(2).

1 (e) Annual return and payment. Every employer who deducts
2 and withholds or is required to deduct and withhold tax from a
3 person engaged in domestic service employment, as that term is
4 defined in Section 3510 of the Internal Revenue Code, may
5 comply with the requirements of this Section with respect to
6 such employees by filing an annual return and paying the taxes
7 required to be deducted and withheld on or before the 15th day
8 of the fourth month following the close of the employer's
9 taxable year. The Department may allow the employer's return to
10 be submitted with the employer's individual income tax return
11 or to be submitted with a return due from the employer under
12 Section 1400.2 of the Unemployment Insurance Act.

13 (f) Magnetic media and electronic filing. Any W-2 Form
14 that, under the Internal Revenue Code and regulations
15 promulgated thereunder, is required to be submitted to the
16 Internal Revenue Service on magnetic media or electronically
17 must also be submitted to the Department on magnetic media or
18 electronically for Illinois purposes, if required by the
19 Department.

20 (g) For amounts deducted or withheld after December 31,
21 2009, a taxpayer who makes an election under Section 5-15(f) of
22 the Economic Development for a Growing Economy Act for a
23 calendar year shall be allowed a credit against payments due
24 under this Section for amounts withheld during the calendar
25 year equal to the amount of the credit awarded to the taxpayer
26 by the Department of Commerce and Economic Opportunity under

1 the Economic Development for a Growing Economy Act for the
2 preceding calendar year. The credit may not reduce the
3 taxpayer's obligation for any payment due under this Section to
4 less than zero. If the amount of the credit exceeds the total
5 payments due under this Section with respect to amounts
6 withheld during the calendar year for which the election was
7 made, the excess may be carried forward as a credit against the
8 taxes imposed pursuant to subsections (a) and (b) of Section
9 201 of this Act, as provided in Section 211 of this Act, to the
10 first taxable year ending after the calendar year for which the
11 election was made and to the 4 succeeding taxable years.

12 (Source: P.A. 95-8, eff. 6-29-07; 95-707, eff. 1-11-08.)

13 Section 10. The Economic Development for a Growing Economy
14 Tax Credit Act is amended by changing Section 5-15 as follows:

15 (35 ILCS 10/5-15)

16 Sec. 5-15. Tax Credit Awards. Subject to the conditions set
17 forth in this Act, a Taxpayer is entitled to a Credit against
18 taxes imposed pursuant to subsections (a) and (b) of Section
19 201 of the Illinois Income Tax Act that may be imposed on the
20 Taxpayer for a taxable year beginning on or after January 1,
21 1999, if the Taxpayer is awarded a Credit by the Department
22 under this Act for that taxable year.

23 (a) The Department shall make Credit awards under this Act
24 to foster job creation and retention in Illinois.

1 (b) A person that proposes a project to create new jobs in
2 Illinois must enter into an Agreement with the Department for
3 the Credit under this Act.

4 (c) The Credit shall be claimed for the taxable years
5 specified in the Agreement.

6 (d) The Credit shall not exceed the Incremental Income Tax
7 attributable to the project that is the subject of the
8 Agreement.

9 (e) Nothing herein shall prohibit a Tax Credit Award to an
10 Applicant that uses a PEO if all other award criteria are
11 satisfied.

12 (f) In lieu of the credit allowed under this Act against
13 the taxes imposed pursuant to subsections (a) and (b) of
14 Section 201 of the Illinois Income Tax Act, the Taxpayer may
15 elect to claim the Credit against its obligation to pay over
16 withholding under Section 704A of the Illinois Income Tax Act.

17 (1) The election under this subsection (f) may be made
18 only by a Taxpayer that (i) is designated by the United
19 States Department of Commerce, United States Census Bureau
20 North American Industry Classification System Code 336120,
21 (ii) has a net operating loss in tax year 2008 for income
22 tax purposes, (iii) has applied for an Agreement within 150
23 days after the effective date of this amendatory Act of the
24 96th General Assembly, (iv) creates at least 800 new jobs
25 in Illinois, (v) retains at least 2,000 jobs in Illinois
26 that would have been at risk of relocation out of Illinois

1 over a 10-year period, and (vi) makes a capital investment
2 of at least \$50,000,000.

3 (2) An election under this subsection shall allow the
4 credit to be taken against payments otherwise due under
5 Section 704A of the Illinois Income Tax Act during the
6 calendar year following the calendar year in which the
7 credit is awarded under this Act.

8 (3) The election shall be made in the form and manner
9 required by the Illinois Department of Revenue and, once
10 made for a calendar year, shall be irrevocable for that
11 calendar year.

12 (4) If the credit for which the election under this
13 subsection (f) was made exceeds the withholding payments
14 due under Section 704A of the Illinois Income Tax Act
15 against which the credit may be claimed, the excess shall
16 be carried forward as a credit against the taxes imposed
17 pursuant to subsections (a) and (b) of Section 201 of the
18 Illinois Income Tax Act, as provided in Section 211 of the
19 Illinois Income Tax Act, to the first taxable year ending
20 after the calendar year for which the election was made,
21 and may be carried forward up to 4 taxable years
22 thereafter.

23 (5) A Taxpayer electing to claim a credit under this
24 subsection (f) may not enter into an agreement with any
25 State agency to receive any other form of financial
26 assistance or incentive from the State, including, but not

1 limited to, grants and loans, during the term of the
2 Agreement entered into under this Act. Nothing in this item
3 (5) prohibits a Taxpayer from receiving financial
4 assistance from a unit of local government, including tax
5 increment financing moneys.

6 (Source: P.A. 95-375, eff. 8-23-07.)

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