



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3548

Introduced 2/24/2011, by Rep. Mary E. Flowers

SYNOPSIS AS INTRODUCED:

New Act

Creates the Financial Transaction Tax Act. Beginning September 1, 2011, 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, and the Chicago Board Options Exchange. Provides that the tax is imposed at a rate of 0.01% of the value of the transaction. 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 immediately.

LRB097 09806 HLH 49955 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 1. Short title. This Act may be cited as the
5 Financial Transaction Tax Act.

6 Section 5. Tax imposed; definitions.

7 (a) Beginning September 1, 2011, a tax is imposed on the
8 privilege of engaging in a financial transaction on any of the
9 following exchanges or boards of trade: the Chicago Stock
10 Exchange, the Chicago Mercantile Exchange, the Chicago Board of
11 Trade, and the Chicago Board Options Exchange. The tax is
12 imposed at a rate of 0.01% of the value of the transaction. The
13 tax shall be paid by the trading facility or, in any other
14 case, by the purchaser involved in the transaction.

15 (b) A tax imposed under this Act, and all civil penalties
16 that may be assessed as an incident thereof, shall be
17 administered, collected, and enforced by the Illinois
18 Department of Revenue, and commodity brokers shall register
19 with the Department, in the same manner as required under the
20 Retailers' Occupation Tax Act insofar as may be applicable. The
21 Department of Revenue has full power to administer and enforce
22 this Act, to collect all taxes and penalties due under this
23 Act, to dispose of taxes and penalties so collected as provided

1 in this Act, and to determine all rights to credit memoranda
2 arising on account of the erroneous payment of tax or penalty
3 under this Act. The Department of Revenue shall pay over to the
4 State Treasurer all taxes and penalties collected under this
5 Act for deposit into the General Revenue Fund.

6 For the purpose of this Act, "financial transaction" means
7 a transaction involving the purchase or sale of a stock
8 contract, futures contract, swap contract, credit default swap
9 contract, or options contract, but does not include a
10 transaction involving securities held in a retirement account
11 or a transaction involving a mutual fund.

12 Section 10. Rules. The Department shall adopt
13 administrative rules to implement and administer this Act.
14 Initial rules may be adopted as emergency rules.

15 Section 15. Interstate commerce exemption. No tax is
16 imposed under this Act upon the privilege of engaging in a
17 business in interstate commerce or otherwise when the business
18 may not, under the Constitution and statutes of the United
19 States, be made the subject of taxation by this State.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.