



Sen. John M. Sullivan

Filed: 4/15/2013

09800SB2194sam002

LRB098 04083 HLH 44588 a

1 AMENDMENT TO SENATE BILL 2194

2 AMENDMENT NO. _____. Amend Senate Bill 2194, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Department of Revenue Law of the Civil
6 Administrative Code of Illinois is amended by changing Section
7 2505-200 as follows:

8 (20 ILCS 2505/2505-200) (was 20 ILCS 2505/39c-1a)

9 Sec. 2505-200. Electronic filing rules.

10 (a) The Department may adopt rules to authorize the
11 electronic filing of any return or document required to be
12 filed under any Act administered by the Department.

13 (b) The Department may adopt rules to require the
14 electronic filing of the income and replacement tax return
15 required to be filed under the Illinois Income Tax Act for a
16 taxable year by any taxpayer (other than an individual) who is

1 required to file its federal income tax return electronically
2 for the taxable year.

3 (c) In the case of an electronically filed return or other
4 document required to be filed with the Department or maintained
5 by any taxpayer, these rules may set forth standards that
6 provide for acceptance of a signature in a form other than in
7 the proper handwriting of the person.

8 (d) The Department may adopt rules to require electronic
9 filing of any return or document that is required to be filed
10 on or after January 1, 2014 (without regard to extensions)
11 under any Act administered by the Department, provided that:

12 (1) no individual taxpayer shall be required to file
13 electronically any return or document required to be filed
14 under the Illinois Income Tax Act except as expressly
15 provided in that Act; and

16 (2) such rules shall require the Department to grant a
17 waiver of the electronic filing requirement for any
18 taxpayer who petitions for a waiver and demonstrates that
19 the taxpayer does not have reasonably convenient ability to
20 comply with the electronic filing requirement. Such
21 waivers shall be for a period not to exceed 2 years, but
22 may be renewed an unlimited number of times for periods not
23 to exceed 2 years each.

24 (Source: P.A. 96-520, eff. 8-14-09.)

25 Section 10. The Uniform Penalty and Interest Act is amended

1 by changing Section 3-8 and by adding Section 3-3.5 as follows:

2 (35 ILCS 735/3-3.5 new)

3 Sec. 3-3.5. Failure to comply with electronic filing and
4 payment requirements.

5 (a) Any person who is required to file electronically any
6 information return or any return due under Section 3-1002 of
7 the Illinois Vehicle Code, and who fails to file the return
8 electronically, shall be subject to a penalty equal to \$50 for
9 each such failure.

10 (b) Any person who is required to file electronically any
11 return (other than an information return) that is required to
12 be filed under the Illinois Income Tax Act, and who fails to
13 file the return electronically, shall be subject to a penalty
14 for each such failure equal to:

15 (1) for each tax return required to be filed under
16 Section 502 of the Illinois Income Tax Act, the greater of
17 \$250 or 5% of the amount of tax liability required to be
18 shown on the return, computed without regard to any
19 payments or credits allowable against the liability; and

20 (2) for each tax return required to be filed under
21 Section 704A or Section 711(a-5) of the Illinois Income Tax
22 Act, the greater of \$250 or 5% of the amount of tax
23 required to be withheld for the period for which the return
24 is required.

25 (c) Any person who is required to file electronically any

1 return (other than information return or return due under
2 Section 3-1002 of the Illinois Vehicle Code) that is required
3 to be filed under any Act administered by the Department (other
4 than the Illinois Income Tax Act), and who fails to file the
5 return electronically, shall be subject to a penalty for each
6 such failure equal to:

7 (1) the amount of any discount allowable under Section
8 9 of the Use Tax Act, Section 9 of the Service Use Tax Act,
9 Section 9 of the Service Occupation Tax Act, or Section 3
10 of the Retailers' Occupation Tax Act with regard to the tax
11 reported on the return, provided that this penalty shall
12 not apply to a taxpayer allowed to file the return
13 annually; plus

14 (2) the greater of \$250 or 5% of the amount of tax
15 liability required to be shown on the return, computed
16 without regard to any payments or credits allowable against
17 the tax.

18 (d) Any person required to make any payment of tax to the
19 Department electronically who fails to do so shall be subject
20 to a penalty for each such failure equal to the lesser of
21 \$1,000 or 5% of the payment required to be made.

22 (e) For purposes of this Section, an information return is
23 any tax return (other than a return under Section 704A of the
24 Illinois Income Tax Act) that is required by any tax Act
25 administered by the Department to be filed with the Department
26 and that does not, by law, require the payment of a tax

1 liability.

2 (f) If, without regard to this subsection (f), a taxpayer
3 would be subject to penalty under both Section 3-4 of this Act
4 and subsection (a) of this Section with respect to the same
5 information return, only the penalty under Section 3-4 of this
6 Act shall apply.

7 If, without regard to this subsection (f), a taxpayer would
8 be subject to both a failure to file penalty in Section 3-3 of
9 this Act and a penalty under either subsection (b) or (c) of
10 this Section, only the failure to file penalty under Section
11 3-3 of this Act shall apply.

12 If, without regard to this subsection (f), a taxpayer would
13 be subject to both a failure to pay penalty under Section 3-3
14 of this Act and a penalty under subsection (d) of this Section,
15 only the failure to pay penalty under Section 3-3 of this Act
16 shall apply.

17 (g) Except as provided in subsection (f) of this Section,
18 the penalties imposed under this Section are in addition to all
19 other penalties, and shall apply to returns and payments due
20 (without regard to extensions) on or after January 1, 2014.

21 (35 ILCS 735/3-8) (from Ch. 120, par. 2603-8)

22 Sec. 3-8. No penalties if reasonable cause exists. The
23 penalties imposed under the provisions of Sections 3-3, 3-3.5,
24 3-4, 3-4.5, 3-5, and 3-7.5 of this Act shall not apply if the
25 taxpayer shows that his failure to file a return or pay tax at

1 the required time was due to reasonable cause. Reasonable cause
2 shall be determined in each situation in accordance with the
3 rules and regulations promulgated by the Department. A taxpayer
4 may protest the imposition of a penalty under Section 3-3,
5 3-3.5, 3-4, 3-4.5, 3-5, or 3-7.5 on the basis of reasonable
6 cause without protesting the underlying tax liability.
7 (Source: P.A. 91-803, eff. 1-1-01.)".