



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB3436

by Rep. Barbara Flynn Currie

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Illinois Corporate Responsibility and Tax Disclosure Act. Requires certain publicly traded corporations that do business in the State to file with the Secretary of State a statement containing information concerning the corporation's income tax liability. Provides that the Secretary of State shall make all information contained in those statements available to the public on an ongoing basis in the form of a searchable database accessible through the Internet. Provides that nothing in the Act requires reporting or allows disclosure of information that is confidential and may not be disclosed pursuant to the Internal Revenue Code or any other federal statute.

LRB099 07582 HLH 27711 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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 Illinois Corporate Responsibility and Tax Disclosure Act.

6 Section 5. Definitions. As used in this Act:

7 "Corporation" means any entity subject to the tax imposed  
8 on corporations by Section 201 of the Illinois Income Tax Act  
9 or by Section 11 of the Internal Revenue Code of 1986, as  
10 amended, except that "qualified personal service  
11 corporations", as defined in Section 448 of the Internal  
12 Revenue Code of 1986, as amended, are exempt from this Act.

13 "Doing business in this State" means: owning or renting  
14 real or tangible personal property physically located in this  
15 State; having employees, agents, or representatives acting on  
16 the corporation's behalf in this State; making sales of  
17 tangible personal property to purchasers that take possession  
18 of that property in this State; performing services for  
19 customers located in this State; performing services in this  
20 State; earning income from intangible personal property that  
21 has a business situs in this State; engaging in regular and  
22 systematic solicitation of sales in this State; being a partner  
23 in a partnership engaged in any of the preceding activities in

1 this State; or being a member of a limited liability company  
2 engaged in any of the preceding activities in this State.

3 Section 10. Tax disclosure statement required.

4 (a) For each taxable year ending on or after December 31,  
5 2015, the following corporations, if doing business in this  
6 State, shall file a statement described in this Section with  
7 the Secretary of State:

8 (1) all publicly traded corporations, including  
9 corporations traded on foreign stock exchanges; and

10 (2) any corporation with respect to which 50% or more  
11 of the voting stock is owned, directly or indirectly, by a  
12 publicly traded corporation.

13 (b) This statement shall be filed annually in an electronic  
14 format specified by the Secretary of State, pursuant to rules  
15 adopted by the Secretary of State, no more than 30 days  
16 following the filing of the corporation's tax return required  
17 under Section 502 of the Illinois Income Tax Act, or, in the  
18 case of a corporation that is not required to file such a tax  
19 return, within 90 days after the filing of the corporation's  
20 federal income tax return, including any federal consolidated  
21 return in which the corporation is included.

22 (c) The statement shall contain the following information:

23 (1) the name of the corporation and the street address  
24 of its principal executive office;

25 (2) if different from item (1), the name of any

1 corporation that owns, directly or indirectly, 50% or more  
2 of the voting stock of the corporation and the street  
3 address of that corporation's principal executive office;

4 (3) the corporation's 4-digit North American Industry  
5 Classification System code number;

6 (4) a unique code number, assigned by the Secretary of  
7 State, to identify the corporation; that code number shall  
8 remain constant from year to year; and

9 (5) the following information used in preparing or  
10 contained in the corporation's most recent tax return filed  
11 under the Illinois Income Tax Act, or, in the case of a  
12 corporation that is not required to file a tax return under  
13 the Illinois Income Tax Act, the information that would be  
14 required to be reported on or used in preparing the tax  
15 return if the corporation had been required to file such a  
16 return:

17 (A) the taxable income of the corporation as  
18 modified by paragraphs 203(b)(2)(A) through  
19 203(b)(2)(E-16) of the Illinois Income Tax Act;

20 (B) the base income of the corporation;

21 (C) the apportionment factor in the State for the  
22 corporation;

23 (D) the total business income of the corporation  
24 apportioned to the State;

25 (E) the Illinois net operating loss deduction for  
26 the corporation, if any;

1 (F) the total non-business income of the  
2 corporation and the amount of non-business income  
3 allocated to the State;

4 (G) the net income of the corporation;

5 (H) the corporation's total State income tax  
6 liability before credits;

7 (I) the corporation's total personal property tax  
8 replacement tax liability before credits;

9 (J) tax credits claimed by the corporation, with  
10 each credit individually enumerated;

11 (K) the net personal property tax replacement tax;  
12 and

13 (L) the net corporate income tax.

14 (d) A corporation doing business in this State that is not  
15 required to file a tax return under Section 502 of the Illinois  
16 Income Tax Act may, in lieu of the statement under subsection  
17 (c), elect to file a statement with the Secretary of State  
18 containing the following information:

19 (1) the information specified in items (1) through (4)  
20 of subsection (c) of this Section;

21 (2) an explanation of why the corporation is not  
22 required to file a corporate income tax return in this  
23 State; and

24 (3) a designation of whether the corporation's total  
25 gross receipts from sales to purchasers in this State  
26 during the taxable year was: (1) less than \$10,000,000; (2)

1           \$10,000,000 or more but less than \$50,000,000; (3)  
2           \$50,000,000 or more but less than \$100,000,000; (4)  
3           \$100,000,000 or more but less than \$250,000,000; or (5)  
4           \$250,000,000 or more.

5           Section 20. Supplemental information. Any corporation that  
6           is required to submit a statement under this Act is permitted  
7           to submit supplemental information that, in the judgment of the  
8           corporation, could facilitate proper interpretation of the  
9           information included in the statement. The method of public  
10          dissemination of the information contained in the statements  
11          required under Section 35 of this Act shall ensure that any  
12          such supplemental information is publicly available and that  
13          notification of its availability is made to any person seeking  
14          information contained in the statement.

15          Section 25. Amended tax disclosure statements. If a  
16          corporation files an amended federal or State income tax  
17          return, then that corporation shall file a revised statement  
18          under this Section within 60 calendar days after the amended  
19          return is filed. If a corporation's tax liability for a tax  
20          year is changed as the result of an uncontested audit  
21          adjustment or final determination of liability by the  
22          Department of Revenue, or by a court of law as provided for in  
23          the Illinois Income Tax Act, then the corporation shall file a  
24          revised statement under this Section within 60 calendar days

1 after the final determination of liability.

2 Section 30. Public access to tax disclosure statements. The  
3 statements required under this Act shall be public records. The  
4 Secretary of State shall make all information contained in  
5 those statements available to the public on an ongoing basis in  
6 the form of a searchable database accessible through the  
7 Internet. The Secretary of State shall set and collect from  
8 persons requesting information in the statements reasonable  
9 charges that cover the cost to the State of providing copies on  
10 appropriate computer-readable media of the entire database for  
11 statements filed during each calendar year as well as hard  
12 copies of any individual annual statement for a specific  
13 corporation. No statement for any corporation for a particular  
14 tax year shall be publicly available until the first day of the  
15 third calendar year following the calendar year in which the  
16 particular tax year ends.

17 Section 35. Enforcing compliance. The accuracy of the  
18 statements required under this Act shall be attested to in  
19 writing by the chief operating officer of the corporation, and  
20 shall be subject to audit by the Department of Revenue in the  
21 course of and under the normal procedures applicable to  
22 corporate income tax return audits. The Department of Revenue  
23 shall develop and implement an oversight and penalty system  
24 applicable to both the chief operating officer of the

1 corporation and the corporation itself to ensure that  
2 corporations doing business in this State, including those not  
3 required to file a return under Section 502 of the Illinois  
4 Income Tax Act, shall provide the required attestation and  
5 disclosure statements, respectively, in a timely and accurate  
6 manner. The maximum civil penalty may not exceed \$100 per  
7 statement for each day during which the corporation is  
8 delinquent in filing an original statement under Section 10 or  
9 an amended statement under Section 25. The Department of  
10 Revenue shall publish the name and penalty imposed upon any  
11 corporation subject to a penalty for failing to file the  
12 required statement or filing an inaccurate statement.

13 Section 40. Rules. The Secretary of State and the  
14 Department of Revenue shall adopt rules in accordance with the  
15 Illinois Administrative Procedure Act as may be deemed  
16 necessary to carry out the purposes of this Act.

17 Section 45. Disclosure of confidential information.  
18 Nothing in this Act shall require reporting or allow disclosure  
19 of information that is confidential and may not be disclosed  
20 pursuant to the Internal Revenue Code or any other federal  
21 statute.