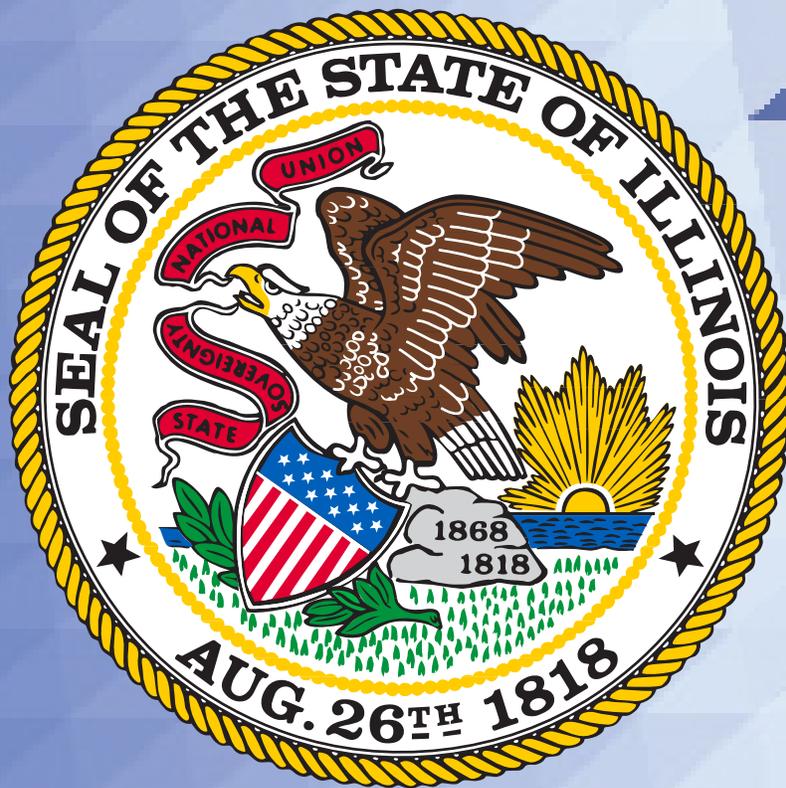


ILLINOIS DEPARTMENT OF REVENUE

Annual Report

Fiscal Year 2017



Annual Report FY2017

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Collections Remitted to the State Comptroller - All Revenue Sources

	Total
Collections by tax/type ¹	
Sales	\$14,840,871,477.43
Motor Fuel.....	1,349,888,448.23
Cigarette	802,022,843.01
Senior Citizen Deferral	7,955,430.29
Liquor	294,532,642.85
Public Utility	1,511,670,323.95
Hotel.....	412,279,179.53
Liquor Control Commission.....	19,226,539.48
Real Estate	93,049,942.79
Gaming	5,998,341.91
Private Vehicle Use	54,956,307.63
General Office / Misc.....	17,540,273.13
Business Income.....	3,779,684,129.42
Individual Income	14,928,919,010.77
Racing.....	5,677,418.97
Automobile Renting.....	81,084,748.03
Live Adult Entertainment.....	468,208.49
Intergovernmental	71,193,905.89
	\$44,959,909,989.99

Collections deposited into State Treasury and in-transit to State Comptroller at year end:

Current year	427,394,380.64
Prior year	<u>388,280,226.05</u>
Net change	\$39,114,154.59

Comptroller fund receipts ²

Sales	14,826,547,415.53
Motor Fuel.....	1,349,496,756.56
Cigarette	781,529,286.51
Senior Citizen Deferral	8,061,856.22
Liquor	294,304,352.36
Public Utility	1,513,762,601.59
Hotel.....	410,380,286.93
Liquor Control Commission.....	18,907,125.75
Real Estate	91,615,459.11
Gaming	5,880,113.46
Private Vehicle Use	54,437,321.36
General Office / Misc.....	17,523,513.38
Business Income.....	3,778,235,710.32
Individual Income	14,928,798,693.06
Racing.....	5,665,166.23
Automobile Renting.....	81,099,171.72
Live Adult Entertainment.....	466,281.23
Intergovernmental	71,193,905.89
	\$38,237,905,017.21

Collections reconciled to receipts

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Additional Information

¹ **Collections by tax/type**

Taxpayers remit their payments to the Department using prescribed payment vouchers. The monies collected are deposited into bank accounts held in the custody of the State Treasurer's Office. The amounts showing in the "**Collections by tax/type**" section reflect the payments received from taxpayers.

³ **Comptroller fund receipts**

The monies collected are then receipted into State funds maintained by the State Comptroller's Office. The fund receipts are reflected in the section titled "Comptroller fund receipts". The allocation of specific monies to specific funds is governed by various tax acts. Additional information regarding fund receipts can be found in the State Ledger on the Comptroller's website.

³ **Collections reconciled to receipts**

The line "**Collections reconciled to receipts**" demonstrates all money collected by the Department from taxpayers and is ultimately receipted into State funds. Variances between collections and receipts are due to timing differences related to changes in the amount of deposits in-transit to the State Comptroller at the end of the period. This information is provided in the section titled "**Collections deposited into State Treasury and in-transit to State Comptroller at year end.**"

Information regarding the taxes imposed, rates, form/filing requirements, payment requirements, and statutory authority can be found in the Research/Tax Information section of the Department's website at tax.illinois.gov. A more detailed version of this schedule with monthly amounts, collections by voucher type, and receipts by fund and revenue source can be found in the Research/Raw Tax Statistics section of the Department's website.

Also, updated tax statistics are available at the Research section of the Department's website. Please see the report "Monthly Collections Remitted to the State Comptroller." This report provides additional details about monthly amounts, collections by voucher type, and receipts by fund and revenue source.

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Illinois Department of Revenue Legislative Summary

Income Tax

House Bill 5527, Public Act 99-0641

Creates the State Tax Preparer Oversight Act. Effective January 1, 2017. Requires income tax preparers to include Preparer Tax Identification Numbers on income tax returns. Provides that the Department may investigate misconduct and suspend or bar preparers from filing returns for good cause. Imposes penalties for failing to include PTINs on returns.

Senate Bill 2921, Public Act 99-0915

Amends the Illinois Income Tax Act. Provides that the credit for affordable housing donations sunsets on December 31, 2021 (currently, December 31, 2016).

Senate Bill 1488, Public Act 99-0914

Amends the Illinois Income Tax Act. Provides that the income tax credit awarded for the restoration and preservation of a qualified historic structure located in a River Edge Redevelopment Zone sunsets on January 1, 2018 (currently, January 1, 2017).

Sales and Related Taxes

Senate Bill 0010, Public Act 99-0519

Extends the provisions of the Compassionate Use of Medical Cannabis Pilot Program Act, including the Medical Cannabis Cultivation Privilege Tax Law, to July 1, 2020 (currently, January 1, 2018); makes other non tax changes.

Senate Bill 2746, Public Act 99-0855

Provides an exemption from sales taxes for menstrual pads, tampons and menstrual cups. Effective January 1, 2016.

Senate Bill 3047, Public Act 99-0858

Provides that the preferential low rate of tax applies to products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices. Effective August 19, 2016.

Motor Fuel Tax

House Bill 2801, Public Act 100-0009

Amends the Motor Fuel Tax Law. Provides that the tax imposed on the privilege of operating motor vehicles that use liquefied natural gas or propane is 21.5 cents per gallon. Provides that the tax imposed on compressed natural gas is 19 cents per gallon. Provides that, in the case of liquefied natural gas and propane, "gallon" means a diesel gallon equivalent. Amends the Weights and Measures Act. Provides that liquefied natural gas used as motor fuel shall be sold in diesel gallon equivalents, and compressed natural gas shall be sold in gasoline gallon equivalents. Provides that propane used as motor fuel shall be sold in actual measured gallon volumetric units, subject to adjustment for the purposes of determining the diesel gallon equivalents that are subject to the tax rates under the Motor Fuel Tax Law. Amends the Environmental Impact Fee Law. Provides that no fee is imposed on the importation or receipt of liquefied natural gas (i) sold to or used by a rail carrier or (ii) consumed or used in the operation of ships, barges, or vessels that are used primarily in or for the transportation of property in interstate commerce for hire on rivers bordering Illinois if the natural gas is delivered to the ship, barge, or vessel by a licensed receiver.

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Illinois Department of Revenue Legislative Summary

Property Tax

Senate Bill 0318, Public Act 99-0521

Provides that the rate is not a new rate for the purposes of the Property Tax Extension Limitation Law. Amends the Property Tax Extension Limitation Law in the Property Tax Code to add certain extensions made for making employer contributions to the Chicago Teachers Pension Fund to the list of special purpose extensions that are excluded from the aggregate extension.

Senate Bill 2160, Public Act 99-0560

Amends the Property Tax Code. Provides that a Section concerning the valuation of vegetative filter strips is repealed on December 31, 2026 (instead of December 31, 2016).

Senate Bill 2517, Public Act 99-0573

Amends the Property Tax Code. Provides that the chief county assessment officer shall return the assessment books to the board of review on or before the third Monday in June of the assessment year, or on or before the 90th day following the certification of the final township assessment roll in the county, whichever is later (currently, on or before the third Monday in June of the assessment year).

Senate Bill 2593, Public Act 99-0626

Provides that, if a final administrative decision of the Property Tax Appeal Board is served by United States Mail, then the decision shall be mailed to the parties at the addresses listed in their pleadings (in the introduced bill, at his or her last known residence or place of business). Provides that, if any of the parties is represented by an attorney, the notice shall go to the attorney at the address listed in the pleadings. Provides that the Property Tax Appeal Board shall allow each party to designate one or more individuals to receive electronic correspondence and shall allow each party to change, add, or remove designees selected by that party during the course of the proceedings.

Senate Bill 2782, Public Act 99-0738

Amends the Property Tax Code. Provides that the valuation procedures for PPV leases sunsets on January 1, 2017 (currently, January 1, 2016).

Senate Bill 2889, Public Act 99-0579

Amends the Property Tax Code. In a Section requiring the board of review to serve a copy of the petition on all taxing districts when a change in assessed valuation of \$100,000 or more is sought, provides that the service may be by electronic means if the taxing district consents to electronic service and provides the board of review with a valid e-mail address for the purpose of receiving service.

Senate Bill 3149, Public Act 99-0818

Amends the Property Tax Code. Provides that a taxable PPV lease that (i) encumbers exempt real property located within a county of less than 600,000 inhabitants and (ii) is related to taxable real property used for military housing purposes may be assessed and valued pursuant to the terms of a real property tax assessment settlement agreement executed between the local county assessment officials and the taxpayer. Provides that those provisions apply to appeals that were pending as of January 1, 2006 or thereafter. Contains provisions concerning the settlement agreements.

Senate Bill 2612 Public Act 99-0825

Amends the Property Tax Code. Provides that a Division of the Code concerning the assessment of wind energy devices applies through assessment year 2021 (instead of 2016).

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Illinois Department of Revenue Legislative Summary

Senate Bill 2427 Public Act 99-0851

In provisions requiring the property owner to notify the chief county assessment officer if the property is not occupied by the property owner as a principal residence as of January 1, provides that the notice must be provided by March 1 of the next year (in the engrossed bill, April 1 of that year). Provides that, if the exemption is not removed upon timely receipt of the notice by the chief assessment officer, then the exemption is considered an erroneous homestead exemption granted as a result of a clerical error or omission on the part of the chief county assessment officer, and the property owner is not liable for the payment of interest and penalties. Provides that the notice of discovery must contain language informing the taxpayer that, if the taxpayer provided timely notice to the chief county assessment officer, then the chief county assessment officer will withdraw the notice of discovery and reissue a notice of discovery in which the taxpayer is not liable for interest and penalties for the current tax year in which the notice was received.

Senate Bill 3337 Public Act 99-0930

Amends the Property Tax Code. Provides that, if funds received through a special service area are going to be used by a person or entity other than the municipality or county, then the notice of the establishment of the special service area shall include a statement to that effect. Provides that no member of a special service area commission may be an executive officer, owner, or member of the board of directors of the service provider agency selected for a services contract for that special service area. Provides that no business owned by a member of special service area commission may, for valuable consideration, provide goods or services as a subcontractor of a service provider agency pursuant to a services contract for the special service area that is the subject of that special service area commission. Provides that at least one membership position for each special service area commission in a special service area which contains one or more homestead properties shall be reserved as a first priority membership position for any owner of homestead property located within that special service area. Provides that special service area commissions may not establish any loan or line of credit in connection with the special service area. Requires special service area audits. Provides that municipalities may charge an annual administrative fee in connection with the administration of a special service area. Provides that the corporate authorities may disconnect erroneously included property from a special service area solely by municipal action.

Liquor Control

House Bill 6125, Public Act 99-0558

Authorizes the issuance and renewal of a license to sell alcoholic liquor at specific premises located within 100 feet of a church or churches in the City of Chicago.

House Bill 4820, Public Act 99-0550

Amends the Liquor Control Act of 1934. Provides that alcoholic liquors may be served or sold in buildings under the control of the Board of Trustees of a public university or a community college district for events that the Board of Trustees of that public university or community college district may determine are public events and not student-related activities. Provides that the Board of Trustees shall issue a written policy within 6 months after the effective date of the amendatory Act concerning the types of events that would be eligible for an exemption. Provides that the Board of Trustees may issue revised, updated, new, or amended policies as it deems necessary and appropriate. Specifies factors that the Board of Trustees shall, in addition to other factors it considers relevant and important, consider in forming its written policy. Provides that the provisions do not apply to certain community college districts authorized to sell or serve alcoholic liquor. Defines "public university".

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Illinois Department of Revenue Legislative Summary

Senate Bill 2989 Public Act 99-0904

Provides that most liquor licenses administered by the Illinois Liquor Control Commission have an increased fee for new license applications and license renewals, and distributors and “in state” winery shippers will be licensed based on the number of gallons.

Senate Bill 3095, Public Act 99-0800

Amends the Liquor Control Act of 1934. Provides that no importing distributor’s licenses may be issued on or after the effective date of the amendatory Act. Provides that an importing distributor’s license that is valid on the effective date of the amendatory Act shall remain valid until that license expires. Changes the definition of “distributor” to include any person other than a non-resident dealer licensed under the Act who imports into this State, from any point in the United States outside this State, whether for himself or herself or for another, any alcoholic liquors for sale or resale, or for use in the manufacture, preparation, or compounding of products other than alcoholic liquors, or who imports into this State, from any point in the United States outside this State, for consumption in any one calendar year, more than one gallon of such liquors. Provides that a distributor’s license also allows the importation of alcoholic liquor by the licensee into this State from any point in the United States outside this State and the purchase of alcoholic liquor in barrels, casks, or other bulk containers and the bottling of such alcoholic liquors before resale thereof, but all bottles or containers so filled shall be sealed, labeled, stamped, and otherwise made to comply with all provisions and rules governing manufacturers in the preparation and bottling of alcoholic liquors.

Senate Bill 2797, Public Act 99-0902

Amends the Liquor Control Act of 1934. Provides that a craft distiller license allows the manufacture of up to 100,000 gallons (instead of 35,000 gallons) of spirits by distillation per year and the storage of those spirits. Provides that a craft distiller license holder may store those spirits at a non-contiguous licensed location, but at no time shall a craft distiller license holder, or any subsidiary or affiliate thereof, or any officer, associate, member, partner, representative, employee, agent, or shareholder of that craft distiller license holder directly or indirectly produce in the aggregate more than 100,000 gallons of spirits per year. Requires a craft distiller to affirm in its application that it does not produce more than 100,000 gallons of distilled spirits annually and that it does not sell more than 2,500 gallons of spirits to non-licensees. Prohibits craft distillers from being affiliated with directly or indirectly any other alcoholic liquor manufacturer licensed by any licensing authority. Prohibits distributors, importing distributors, and retailers from being licensed as a craft distiller. Amends the Video Gaming Act. In the definition of “licensed establishment”, provides that “licensed establishment” does not include the premises of any manufacturer’s licensee, wine maker’s premises licensee, or brew pub licensee and adds a cross-reference to a provision in the Liquor Control Act of 1934 that describes a retailer’s license.

House Bill 0950, Public Act 99-0936

Amends the Liquor Control Act of 1934. Authorizes the issuance and renewal of a license to sell alcoholic liquor at premises located within 100 feet of specific churches or schools located in the City of Chicago.

Senate Bill 0941, Public Act 100-0017

Amends the Liquor Control Act of 1934. Changes the definition of “special event retailer” to include the sale or offering of spirits by an educational, fraternal, political, civic, religious, or non-profit organization. Further amends the Liquor Control Act of 1934. Defines “third-party provider”. Establishes additional reporting and record keeping requirements for third-party providers. Provides that if the Department of Revenue or the State Commission requests a statement of certain information, the third-party provider must provide that statement no later than 30 days after the request is made. Provides that a violation of certain reporting requirements is a Class C misdemeanor. Effective June 30, 2017.

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Illinois Department of Revenue Legislative Summary

General / Miscellaneous

Senate Bill 0010, Public Act 99-519

Extends the provisions of the Compassionate Use of Medical Cannabis Pilot Program Act, including the Medical Cannabis Cultivation Privilege Tax Law, to July 1, 2020 (currently, January 1, 2018); makes other non tax changes.

Senate Bill 5598, Public Act 99-0517

Amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Provides that moneys in the Tax Compliance and Administration Fund shall consist of deposits provided for in tax laws, reimbursements, or other payments received from units of local government for administering a local tax or fee on behalf of the unit of local government in accordance with the Local Tax Collection Act, or other payments designated for deposit into the Fund. Amends the Retailers' Occupation Tax Act. In provisions concerning the disclosure of information, provides that the Department of Revenue may furnish certain information to counties as well as municipalities. Provides that, in addition to other information that the Department of Revenue is authorized to disclose, the Department may also disclose the standard classification number assigned to a business. Makes changes concerning cancellation of agreements. Provides that the Department of Revenue may enter into tax collection agreements with any unit of local government (currently, only counties and municipalities). Contains provisions concerning ordinances or resolutions imposing or discontinuing a tax collected by the Department pursuant to an intergovernmental agreement.

Senate Bill 0513, Public Act 99-0925

Amends the Economic Development for a Growing Economy Tax Credit Act. Provides that the Department of Commerce and Economic Opportunity shall not enter into any new EDGE Agreements after April 30, 2017 (currently, December 31, 2016).

House Joint Resolution Constitutional Amendment 36 (HRJCA 36)

Provides that a constitutional amendment be placed on the ballot which would prohibit moneys "derived from taxes, fees, excises, or license taxes ... relating to operation or use of vehicles, or related to the use of highways, roads ... or to fuels used for propelling vehicles" from being used for any purpose other than the "cost of administering laws related to vehicles and transportation."

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