

Senate Floor Action for May 23, 2017

FY 2017 and FY 2018 Spending (SB 6):

- FY 2017 supplemental appropriations are unchanged with the exception of removing capital appropriations and moving those projects to FY 2018.
- Appropriates a total of \$33.3 B – excluding statutory transfers.

Revenue package of increases, reductions and credits (SB 9):

- Individual income tax increased to 4.95% and corporate income tax to 7%, beginning Jan. 1, 2017, permanently
- Research & Development Credit reinstated and made permanent
- Earned Income Tax Credit increased 15%.
- Increases Education Expense Credit to \$750 for tax years ending on or after Dec. 31, 2017, while also creating a means test to qualify for the credit: only taxpayers having <\$500,000 in taxable income for joint filers and <\$250,000 for individual taxpayers may claim the credit.
- Creates Teachers Tax Credit for instructional materials and supplies purchased as a personal expense and used in schools
- Means tests taxpayers claiming the standard deduction: <\$500,000 for joint filers and <\$250,000 for all other taxpayers, beginning January 1, 2018
- Extends Film Production Services Tax Credit and the Live Theater Tax Credit to Jan. 1, 2027.
- Adds back certain federal deductions taken by Illinois business income taxpayers, as well as, suspends the non-combination rule. By adding back the amounts federally deducted, these amounts become subject to Illinois Income Tax.
- Expands taxation of off-shore entities, often natural resource producers, who have a taxable presence in Illinois.
- Reduces initial LLC filing fees
- Amends the Sales Tax Acts to impose a tax on “taxable services” beginning Jan. 1, 2018, at a rate of 6.25%, plus all applicable local sales taxes:
 - providing space for storage (exempts grain)
 - laundry, dry cleaning, cloth pressing, dyeing, or linen service (except coin-operated, self-service machines)
 - private detective, private alarm, and private security services
 - structural pest control services
 - personal care services (skin care, application of cosmetics, manicuring, pedicuring, hair removal, tanning, massage, and other similar services)
- Creates a new Act to impose a tax on providing direct-to-home satellite service, direct broadcast satellite service, or digital audio-visual works to a subscriber at a rate of 5%.
- Creates a new Act to impose a tax on the subscribers of entertainment at a rate of 1%, for the privilege to witness, view, or otherwise enjoy the entertainment.
- Graphic arts machinery and equipment included in MM&E exemption beginning July 1, 2017, and all production related tangible personal property is exempt for all manufacturers beginning July 1, 2017.
- Removes risk of a home rule county double taxation by not giving home rule the authority to impose a sales or use tax on the gross receipts, or weight or volume from the use, sale, or purchase.

- Amends False Claims Act to provide that any taxes, imposed, collected, or administered by the State are exempt.

Budget Implementation Act (SB 42): Creates the FY 2018 Budget Implementation Act to make changes to state programs that are necessary to implement the FY 2018 budget.

Bond Authorization (SB 521): Amends the General Obligations Bond Act to increase the authorization for Capital Facilities Bonds by \$575 million.

Privilege Tax (SB 1719): Amends the Illinois Income Tax Act to impose a privilege tax on businesses providing investment management services.

House Bills passed by the Senate

Trapping Regulations (HB 2685): Cleans up language in the trapping regulations worked upon by the Illinois Trappers Association and the Department of Natural Resources. Effective Jan. 1, 2018.

Unemployment Disclosure of Information (HB 2699): Amends provisions of the Unemployment Insurance Act prohibiting the disclosure of information obtained from an individual or employing unit during the administration of the Act. The prohibition does not apply to communication with an individual or entity through unencrypted e-mail or unencrypted electronic means as long as the communication does not contain the individual's or entity's name in combination with specified numbers or codes, deletes "account number" from the numbers and codes.

Payroll Certifications (HB 2704): Amends the Personnel Code so that payroll certifications must be made by individual agency heads instead of the Director of Central Management Services (CMS).

Prescription Monitoring Program (HB 2708): Authorizes certain Department of Children and Family Services employees to have access to the Prescription Monitoring Program database to assist in the investigations of child abuse and neglect.

Secretary of State Business Entities Clean-Up (HB 2713): Amends the Uniform Partnership Act (UPA), the Limited Liability Company Act (LLCA) and the Business Corporation Act (BCA) to clarify certain provisions and to correct various omissions.

Radon Task Force Removal (HB 2719): Amends the Radon Resistant Construction Act; deletes reference to "Task Force on Radon Resistant Building Codes."

Recreational Trails Programs Funds (HB 2725): Provides that money received from the federal government under the Recreational Trails Program for grants or contracts obligated on or after Oct. 1, 2017, shall not be considered for use as aid in construction of highways, and shall be placed in the "Park and Conservation Fund." Provides that the Department of Natural Resources may enter into agreements as necessary with the Federal Highway Administration, or any successor agency, for the purpose of authorizing projects under the federal Recreational Trails Program; provided that, IDOT enter into an inter-agency agreement to closely coordinate the obligation of projects authorized by the Illinois Division Office of the Federal Highway Administration to maximize federal funding opportunities.

Bio-solids (HB 2732): Amends the Environmental Protection Act to state that nothing in the section concerning exceptional quality bio-solids shall limit or supersede the authority of the Illinois Emergency Management Agency under the Nuclear Safety Law of 2004.

Abolish Hazardous Materials Board (HB 2733): Abolishes the Hazardous Materials Advisory

Board and makes conforming changes throughout Act.

Alternative Methods of Secondary School Credentials (HB 2740): States that high school equivalency certificates may be awarded through means other than the passage of a standardized assessment offered through a private vendor.

Task Force Administration (HB 2782): Changes the administrative support for the Employment and Economic Opportunity for Persons with Disabilities Task Force from the Illinois Department of Employment Security to the Illinois Department of Human Services.

Licensing Modernization (HB 2783): Amends the Collection Agency Act to allow for the use of a third party, multi-state licensing system to modernize the process for collection agencies that are licensed through the state of Illinois.

Dual Enrollment Notice for Qualified Students (HB 2794): Provides that a school board shall require the school district's high schools, if any, to inform all 11th and 12th grade students of dual enrollment and dual credit opportunities at public community colleges for qualified students.