ILLINOIS DEPARTMENT OF REVENUE
TAX PRACTITIONERS MEETING
OCTOBER 28, 2016

2016 Legislative Update

Public Act 99-517 (HB 5598) – Makes changes to the Local Tax Collection Act to accommodate agreements between IDOR and local jurisdictions to collect certain taxes; revises confidentiality provisions in Section 11 of the Retailers' Occupation Tax to expand the group of recipients of "financial information" to include counties and adds the SIC/NAICS code of the retailer to the information shared; the legislation also clarifies that the local share of taxes reported means the amount distributed out of the Local Government Tax Fund. Effective June 30, 2016.

Public Act 99-519 (SB 10) – 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 (had been set to expire on January 1, 2018); makes other non-tax changes. See Informational Bulletin FY 2017-02; regulations governing this program are found at 86 Ill. Adm. Code 429.

Public Act 99-855 (SB 2746) – Provides an exemption from sales taxes for menstrual pads, tampons and menstrual cups. Effective January 1, 2016. See Informational Bulletin FY 2017-03; regulations are being amended at 86 Ill. Adm. Code 130.311.

Public Act 99-858 (SB 3047) – 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. See Informational Bulletin FY 2017-04; regulations are being amended at 86 Ill. Adm. Code 130.311.

Public Act 99-641 (HB 5527) – 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.

Public Act 99-904 (SB 2989) – 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.

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."