



TAXPAYERS'
FEDERATION
— OF ILLINOIS —

Welcome to the 80th Annual Meeting!

July 12, 2021

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Today's Agenda

- Legislative Update
- Official Annual Meeting of TFI Members
- Annual Meeting of TFI Board of Trustees
- Annual Meeting of Illinois Fiscal Policy Council





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Legislative Update

Big Issues Passed by Both Chambers

- SB 2800: Budget (Amendatory Veto)
- SB 2017: BIMP (Effective Date 6/17/2021)
- HB 2777: State Legislative Redistricting
- SB 642: Supreme Court Redistricting (implementation has been delayed by the Illinois Supreme Court)
- SB 825: Election Omnibus
 - March 15 primary moved to June 28
- HB 2908: Elected Chicago School Board
- SJRCA 11: Right to Organize



Big Issues That Haven't Passed Both Chambers

- Congressional Redistricting
- Energy Omnibus

Scheduled return: October 19 – 21, 26 – 28



Tax Related Bills That Have Passed Both Chambers



Budget Implementation Bill – SB 2017

- Eliminates the phase out of the franchise tax. The current \$1,000 credit will continue to be in place.
- Net operating loss suspension. Can only deduct \$100,000 per year. Applies to tax years 2021, 2022, and 2023.
- Decouples from bonus depreciation. First applies for the 2021 tax year.
- Foreign dividends:
 - For tax years ending on or after June 30, 2021.
 - Adds back GILTI deduction taken at federal level (IRC § 250(a)(1)(B)(i)).
 - Add back deductions under IRC § 243 (e) and IRC § 245A(a).
 - For dividend deduction, dividend does not include any amount treated as a dividend under IRC § 1248.
 - Dividend deduction does not apply to dividends for which a deduction is allowed under IRC § 245(a).



Budget Implementation Bill – SB 2017 – Cont'd

- DCEO & DOR can adopt rules to extend EDGE credit unused due to COVID-19
- New Markets Development extension through FY 2024
- Extends the following credits through 2026
 - Affordable housing donation tax credit
 - Angel investment tax credit
 - River edge historic redevelopment tax credit
 - Live theater tax credit
 - ~~Credit now applies to a commercial Broadway touring show in addition to pre-Broadway production.~~
 - Feminine hygiene products sales tax exemption



Budget Implementation Bill – SB 2017 – Cont'd

- Prepared food sold prepared by an entity licensed by the Assisted Living and Shared Housing Act or an entity that holds a permit issued pursuant to the Life Care Facilities Act.
- Special valuation for supportive living facilities.
- Exempts trade schools from property taxes.
- ~~• Employer withholding tax credit for employers that allow employees to take 30 days of paid leave to be an organ donor or bone marrow donor. Maximum credit of \$1,000 per employee. Excludes vacation or sick time.~~



IDOR Omnibus – SB 2279/P.A. 102-0040

- Extends the statute of limitations for a taxpayer's entire tax return by 6 months if a refund claim is filed when there is less than six months left in the original statute of limitations.
- Allows IDOR to look back 23 years (rather than 20) for any outstanding tax liability when issuing certificates of registration.
- EDGE credits recaptured by increasing the company's tax liability for the current year. Does not expand the scenarios for credits to be recaptured; merely changes *how* credits are recaptured.
- Changes how sports wagering winnings are sourced to Illinois for income taxes and requires withholding.
- Changes the notice requirements of bulk sales in the Income Tax Code to match the requirements in the Retailers' Occupation Tax Act. Notice of sales is to be 10 days before the sale, rather than within 10 days after the sale.
- Electronic cigarette substances with cannabis are not subject to cigarette tax.
- Makes technical changes to the Local Government Revenue Recapture Act. Institutes a \$2,500 fee for participants in the Certified Audit Program.



Tax Bills

- SB 58: Repeals trade in credit limitation. Increases private motor vehicle transfer tax. Lowers license plate fee for trailers.
- SB 2066: Marketplace Facilitator. ROT exemption for marketplace sellers where the marketplace facilitator collected and paid use tax during 2020. Auctioneers exempt from statute, but not internet auction listing services.
- SB 2531: Pass through entity optional tax. (federal SALT limitation workaround)
- SB 508: Property Tax Omnibus
 - Does not contain Cook County Assessor's income and expense reporting proposal or the physical description reporting.
 - Southwest Home Equity Assurance Program
 - Recapture levy for PTELL districts
 - Tax sale provisions



Issues Still Out There

- SB 860: Cook County Assessor Initiatives
 - Income & expense disclosure
 - Physical description disclosure
- SB 1794/HB 731: Local utility tax audit “reforms”



What's Next?

- Energy Omnibus
- Congressional Redistricting
- Redistricting Litigation
- 2022 Election



A Few Odds and Ends

- Some good news: Credit Upgrades!
- IDOR guidance:
 - “Level the Playing Field Act” resource page
 - Foreign dividend changes: Info Bulletin FY 2021-27
 - No penalty for estimated payment underpmts: Rule 100.8010(h)
 - Ongoing rulemaking projects





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Annual Meeting of the Membership

Trustees Elected to 3-Year Terms, expiring 2024

Catherine Battin

McDermott, Will & Emery

Mike Brown

Abbott Laboratories

Patrick Butler

Caterpillar

Dave Dorner

Reed Smith

Owen Evans

Ryan

Eric Fader

BDO

Tim Freeman

Calamos

Joanne Chun Hughes

WWGrainger

Jeff Hummel

PepsiCo

Jeff Hyla

Aon

Brian Kuler

Fortune Brands

Derek Jones

PNC

Anthony Pastore

Mayer Brown

Pat Quist

Chicago Title Insurance Co

Mike Rubino

Deere & Co.

Breen Schiller

Eversheds

Andy Sikora

CME

David Uphaus

BNSF

Carol Wuerffel

Ameren

Archana Warner

Exelon





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Annual Meeting of the Board of Trustees

TFI Board of Trustees Annual Meeting

- Approval of Minutes (attachment A)
- Election of Executive Committee:
 - Harry Bond, Monical Pizza Corporation
 - Michael Brown, Abbott Laboratories
 - Scott Heyman, Sidley Austin LLP
 - Jeff Hummel, PepsiCo
 - Brian Kuler, Fortune Brands
 - Brian Murphy, Grant Thornton
 - Larry Pociask, Tate & Lyle
 - Alana Reimer, State Farm Insurance Companies
 - Mike Rubino, Deere & Co
 - Tim Tamer, Navistar
 - Archana Warner, Exelon Corporation
- Election of Officers:
 - Jeff Hummel, Chairman
 - Larry Pociask, Vice Chairman
 - Alana Reimer, Treasurer



TFI Board of Trustees Annual Meeting, cont'd

- TFI Update:
 - Membership development (new and existing)
 - Staffing
 - Research projects
 - Finances
 - State and Local Tax Conference





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Annual Meeting of the Illinois Fiscal Policy Council

Illinois Fiscal Policy Council Annual Meeting

- Approval of Minutes (attachment X)
- Election of Trustees:
 - J Thomas Johnson
 - Therese McGuire
 - Cordelia Meyer
 - Jim Nowlan
- Financial Statements



Questions?

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