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March 2006

Points of Business Interest

- *Use of Private Business Records*

If your firm fires an employee, and he or she has personal records on his or her business computer, it is possible that a State or federal agency can search for these records (Patriot Act, anyone). A State agency, for example, may use the records to prosecute the ex-employee for illegal activities, and may want your firm's computer records to assist in that prosecution.

If your firm receives a subpoena for these records, Illinois law allows you to cooperate with the State agency regarding the release of the records.

- *Pay Your Taxes Online*

The Illinois Department of Employment Security has established a service with the Illinois Department of Revenue at www.ides.state.il.us called TaxNet. It allows employers to obtain account numbers for unemployment insurance payments, calculate and pay their withholding and employment taxes, file wage and withholding reports and make changes to their registration data. TaxNet will allow employee data to be carried forward from one report to the next, and also allow users to enter new employees or delete former employees, and automatically figures the employer's taxable wage amount and unemployment contributions. The employer is provided with a confirmation number, which may be printed. Finally, the service allows employers to pay online, either immediately or on a schedule. The Illinois Department of Revenue amended its regulations to clarify that an employer withholding Illinois income tax from its employees must file returns quarterly rather than annually unless the amount withheld in the previous year is less than \$500 and the expected withholding amount in the current year will be less than \$500. In that event, the employer may file the return annually. At the same time, however, if during any calendar year the amount of tax deducted and withheld equals or exceeds \$500, the employer must switch to filing quarterly until the amount drops below the \$500 floor.

- *For Corporate Purposes, You Can Now Phone It In*

The Business Corporation Act was amended to provide that the default location for shareholder meetings is the registered office of the corporation. The law continues to provide that that location need not be used if a different location is designated by the by-laws or determined by the Board of Directors. In the event that the shareholders meeting has not occurred as directed in the by-laws, any shareholder of the corporation may petition the court for an Order directing that the annual shareholders meeting be held.

The amendment also provides that shareholders meetings can be attended by telephone or other interactive technology, such as the Internet or electric broadcast that allows all attendees to communicate with each other, but provides that a shareholder with voting rights must be allowed to physically attend the meeting if space is available, subject to the preference of the corporation by directors' action or by-laws.