IN THE CIRCUIT COURT OF THE SEVENTH JUDICIAL CIRCUIT
SANGAMON COUNTY, ILLINOIS

BLOCKCHAIN ASSOCIATION; CRYPTO COUNCIL FOR INNOVATION, Plaintiffs, v. DAVID HARRIS, in his official capacity as the Director of the Illinois Department of Revenue; KWAME RAOUL, in his official capacity as the Illinois Attorney General; and JOHN MILHISER, in his official capacity as the State's Attorney of Sangamon County, Defendants.	Case No. 2026 MR 000312
CHAMBER OF DIGITAL COMMERCE; ILLINOIS BLOCKCHAIN ASSOCIATION, Plaintiffs, v. DAVID HARRIS, in his official capacity as the Director of the Illinois Department of Revenue; and KWAME RAOUL, in his official capacity as the Illinois Attorney General, Defendants.	Case No. 2026 MR 000271

MEMORANDUM OF LAW OF PLAINTIFFS THE BLOCKCHAIN ASSOCIATION AND CRYPTO COUNCIL FOR INNOVATION IN SUPPORT OF THEIR MOTION FOR SUMMARY JUDGMENT

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INTRODUCTION

Illinois's Digital Asset Tax Act imposes a tax on digital assets that is unprecedented in Illinois and nationwide. 35 ILCS 195/3-5 *et seq*. That discriminatory tax, which is currently scheduled to take effect on July 1, 2027, violates a host of statutory and constitutional provisions and was the product of a rushed and unlawful legislative process. Plaintiffs—two leading digital-asset trade associations—and their members are left to spend millions of dollars to try to comply with the Act without sufficient guidance, and under the threat of the Act's criminal penalties. This Court should grant summary judgment for Plaintiffs, declare the Act facially invalid, and enter a permanent injunction barring its enforcement.

Digital assets are assets that exist entirely on the internet. Like other assets (such as money or gold), digital assets (such as Bitcoin) store economic value. Digital assets represent an emerging and innovative segment of the economy, and millions of Americans and Illinoisans use them. The Act's first-in-the-nation tax on digital-asset activities threatens to stunt the growth of this new industry. The Act taxes *only* digital-asset activities, and it works unlike any traditional tax: The Act taxes a percentage of the *full value* of a digital asset *each time* a customer exchanges, transfers, or stores the asset in Illinois using a "digital asset broker"—even if the customer buys nothing, sells nothing, gains nothing, and transfers no ownership. The Act further requires brokers to collect and remit the taxes on pain of criminal penalties, while requiring ordinary Illinoisans to pay the tax absent broker collection. Illinois taxes no other asset like this. And if the Act is permitted to stand, Illinois will not be the last State to impose discriminatory taxes on digital assets, which will result in catastrophic consequences for digital commerce even beyond Illinois.

Careful legislative deliberation should have informed a discriminatory and novel tax of this magnitude. But the Act was publicly revealed on the last day of the General Assembly's 2026 session as one part of a 1,624-page bill addressing everything from truck weights to social media

to sports wagering. That bill was rushed through the legislature within hours, without meaningful debate and despite legislators' concerns about the Act's lawfulness.

That flawed and unlawful process led to a flawed and unlawful statute. The Act violates the federal Internet Tax Freedom Act by taxing internet commerce—activities involving *digital* assets—without taxing activities involving similar non-digital assets, such as using cash or buying gold. *See Performance Mktg. Ass'n v. Hamer*, 2013 IL 114496; *Google LLC v. Comptroller of Maryland*, 2026 WL 2437106, at *10 (Md. Tax Ct. Aug. 14, 2026). The ITFA was enacted precisely to protect innovative internet commerce like this from being squelched by state taxes. That violation alone entitles Plaintiffs to summary judgment.

In addition, the Act violates the dormant Commerce Clause because its novel tax—a percentage of the *full value* of the digital assets transacted or held by Illinois residents and visitors—discriminates against interstate commerce. And the tax is grossly disproportionate to (and sometimes will exceed) the amount of the fees brokers earn for the taxed activities. The Act also violates due process by failing to provide regulated parties, including the ordinary Illinoisans who must comply with the Act, answers to basic questions about what is taxed, who is taxed, and when brokers must register, collect, and remit the tax—while threatening civil and criminal penalties for noncompliance. And it violates bedrock limitations that the Illinois Constitution imposes on taxation and lawmaking. The Court should declare the Act facially invalid and enjoin its enforcement.

BACKGROUND

A. Digital Assets Are Assets On The Internet

Digital assets are assets that exist entirely on the internet. The digital assets at issue here—often called "cryptocurrencies"—involve the use of a blockchain. Generally speaking, a blockchain is a technology that allows many people around the world to maintain a public database of transactions on the internet without any single person or entity controlling the database. Chris

Jaikaran, Cong. Rsch. Serv., R45116, *Blockchain: Background and Policy Issues* 1 (2018), https://perma.cc/AZ29-JTVT. Digital assets are snippets of computer code associated with a particular blockchain. Smith Decl. ¶ 11.[1] They store or represent economic value because, among other reasons, the blockchain's rules limit their supply.[2]

Owners hold their digital assets in "wallets." Kim Decl. ¶ 11. A wallet stores the credentials—called "private key[s]"—needed to transfer a digital asset on a blockchain. Jaikaran, *Blockchain*, at 5. Wallets can connect to the blockchain only through the internet. *Id*.

Bitcoin was the first digital asset (and blockchain). Its creator called it "electronic cash"; others have called it "digital gold."[3] Many other digital assets (and blockchains) have been created since Bitcoin. Smith Decl. ¶ 13. These assets and blockchains differ in their particulars, but they all exist exclusively in electronic form and require the internet to function. *Id*.

One common type of digital asset is a "stablecoin." Kim Decl. ¶ 16. Stablecoins are designed to hold a constant value pegged to another financial asset—for instance, the U.S. dollar.[4] Individuals and businesses increasingly use stablecoins to, among other things, pay for goods and services, settle transactions, and send money abroad—just as they use the dollars in their bank accounts. *Id.*

Today, digital assets are a mainstream part of U.S. and global financial markets, with a total market capitalization of more than $2 trillion and millions of holders in the United States and

[1] Citations to declarations are to the declarations filed with this motion for summary judgment.

[2] *See, e.g.*, Joint Comm. on Tax'n, *Selected Issues Regarding the Taxation of Digital Assets* 1 (2023) (Bitcoin designed to be a "scarce, purely digital good"), https://perma.cc/J4M4-WDPL.

[3] *See* Satoshi Nakamoto, *Bitcoin: A Peer-to-Peer Electronic Cash System* 1 (2008), https://bitcoin.org/bitcoin.pdf; Sarah Wynn, *Fed Chair Powell Says Bitcoin Is Like Digital Gold*, The Block (Dec. 4, 2024), https://perma.cc/6HA5-UMPA.

[4] Jack Spira & David Wessel, *What Are Stablecoins, And How Are They Regulated?*, Brookings Inst. (Oct. 24, 2025), https://perma.cc/J8DP-5728.

around the world. Smith Decl. ¶ 18. Both Congress and Illinois have recently passed legislation to bring digital assets within regulatory frameworks similar to those that apply to traditional financial assets. *See* GENIUS Act, Pub. L. No. 119-27, 139 Stat. 419 (2025) (codified at 12 U.S.C. § 5901 *et seq.*); Digital Assets and Consumer Protection Act, 205 ILCS 731/1-1 *et seq.* (2025).

B. Digital-Asset Service Providers Also Operate Over The Internet

In today's economy, people who want to use digital assets often do so through digital-asset service providers, like trading platforms or payment applications. Those online platforms facilitate the online trading, transfer, and storage of digital assets.

Trading. Some digital-asset service providers, such as online trading platforms, facilitate the exchange of digital assets for fiat currency (such as U.S. dollars) or for other digital assets—for example, U.S. dollars for Bitcoin, Bitcoin for a different digital asset, or Bitcoin back into U.S. dollars. The customer places an order on the platform's website or mobile application, and the platform's computers match the order with another customer's order, execute the trade, and update each customer's account to reflect the trade. The entire trade consists of computers exchanging messages over the internet. *See* Zlatkin Decl. ¶¶ 7-8; Nydegger Decl. ¶¶ 8-9.

Transfer. Customers also can use digital-asset service providers to transfer digital assets, including to make payments. To effectuate a transfer, a customer simply enters a destination digital wallet and clicks send. The provider then submits the transfer request to the blockchain over the internet, and the computer network that maintains the blockchain processes the transfer. In the case of a payment, one person's digital assets are transferred to someone else, such as a merchant. Other transfers involve no sale, no gain, and no change in ownership—for example, an owner might move digital assets from his account with a provider to his own wallet just like he might withdraw cash from his bank account. *See* Nydegger Decl. ¶¶ 11-12.

Storage. A digital asset cannot be kept in a drawer or a safe, because there is nothing physical to put there. Instead, an owner holds a "private key"—in essence, a password—that allows whoever knows it to transfer the digital asset on the blockchain. Many customers store their assets with digital-asset service providers rather than in their own wallets. The platform holds the assets in custody for the customer, and the customer sees his balance by logging into his account. That storage is not a single event but an ongoing service. *See* Anderika Decl. ¶ 9.

Like digital assets themselves, service providers operate within an extensive body of federal and state regulation. *See, e.g.*, 31 U.S.C. § 5330 (regulating money services businesses).[5]

C. Illinois Previously Taxed Digital Assets Just Like Traditional Financial Assets

Illinois principally raises revenue through a familiar set of taxes. For example, the State taxes income, including gains realized on the sale of property, under the Illinois Income Tax Act. 35 ILCS 5/201(a), 5/203. And the State taxes retail sales and the use of tangible personal property under the Retailers' Occupation Tax Act and the Use Tax Act. 35 ILCS 120/2, 105/3.

Illinois generally does not tax transactions or services involving financial assets, beyond taxing income and capital gains associated with those transactions or services, and sales in which financial assets (such as money) are used as a method of payment. The State's sales and use taxes do not otherwise reach activities involving intangible personal property, including most financial assets, and those laws expressly exempt money and precious metals. *See* 35 ILCS 105/3-5(8), 120/2-5(18). Thus, a person who buys or sells stocks or gold through a broker pays no Illinois tax on the exchange itself (though he may pay taxes on any realized gains). A person who withdraws cash from an ATM and then uses it at a hardware store pays no Illinois tax on the withdrawal or

[5] *See also* FinCEN, *Application of FinCEN's Regulations to Certain Business Models Involving Convertible Virtual Currencies*, FIN-2019-G001 (May 9, 2019); 26 U.S.C. § 6045; 26 C.F.R. § 1.6045-1 (digital-asset broker reporting); 205 ILCS 731/1-1 *et seq*. (Digital Assets and Consumer Protection Act).

transfer of cash to the store (though he may pay a sales tax on his purchase). And a person who gives cash, gold, or stocks to a bank or broker for storage pays no Illinois tax at all.

Digital assets have long been subject to this same tax framework. Like activities involving traditional financial assets, activities involving digital assets could give rise to Illinois income, capital-gains, or sales taxes. Smith Decl. ¶ 21. But until the Act challenged here, no tax in Illinois—or anywhere in the country—applied solely to the exchange, transfer, or storage of digital assets. *Id.* ¶¶ 20-22; Kim Decl. ¶¶ 19-21.

D. Illinois Enacts The Digital Asset Tax Act

On the very last day of the 2026 legislative session, the Illinois General Assembly passed (and the Governor later signed) the Digital Asset Tax Act. 35 ILCS 195/3-5 *et seq*. The Act imposes an unprecedented tax on exchanging, transferring, and storing digital assets using a broker. 35 ILCS 195/3-20(a). The tax is assessed not on the fee that the broker charges for its services, but on the value of the digital assets involved in the taxed activity—regardless of whether it results in any sale, gain, or change in ownership. *Id.* The Act further makes digital-asset brokers liable for collecting and remitting the tax to the State, and it subjects them to novel registration and recordkeeping requirements backed by the threat of civil and criminal penalties. *Id.* §§ 3-35, 3-40, 3-45, 3-55. By its terms, the Act takes effect on January 1, 2027. *Id.* § 3-20(a). On October 7, however, this Court entered an agreed preliminary injunction staying the effectiveness and enforcement of the tax until July 1, 2027. *See* Agreed Order (Oct. 7, 2026).

Despite its unprecedented nature, the Act was rushed through the General Assembly with minimal debate or opportunity for public input. The predecessor to the bill that eventually included the Act was introduced in January 2026 as a two-page bill concerning loans for agricultural property. *See* S.B. 3019, 104th Gen. Assemb., Reg. Sess. (Ill. 2026) (as introduced). But on the very last day of the 2026 legislative session, the substance and scope of the bill changed completely

through a "gut and replace" procedure: Two amendments replaced everything after the enacting clause and transformed the two-page agricultural-finance bill into a 1,624-page behemoth covering everything from gambling licenses to vehicle weight restrictions.[6] The Digital Asset Tax Act was 20 pages of the 1,624-page total, and it contained no legislative findings or statements of purpose. In less than 24 hours, with just one hour's notice to the public, the new bill was rushed through committee hearings and a final vote in the House and Senate.[7]

Even still, the House hearing revealed grave concerns and confusion about the Act. Legislators recognized that the digital-asset tax was not "something that other States have proposed" and questioned whether it would be "upheld in the courts." *Hearing on S.B. 3019 Before the H. Comm. on Revenue & Fin.*, 12:53-13:00, 15:00-13, 25:50-55, 104th Gen. Assemb., Reg. Sess. (Ill. May 31, 2026) ("*Hearing*"), https://tinyurl.com/47zwaf9k. One legislator criticized the bill for "just picking on one type of asset" and noted that lawmakers had previously rejected a "similar" tax on financial assets. *Id.* 13:45-14:23. Another legislator expressed frustration that no one from the Governor's office had attended the hearing and that "the very people who are proposing these ideas … aren't here to answer our questions." *Id.* 25:22-26:04. The legislature nonetheless passed the bill in the early morning hours the next day. The Governor signed the bill into law on June 16.

The Act imposes a tax "upon the privilege of receiving any digital asset business activity by a customer in this State at the rate of 0.2% of the value of the digital asset to which the digital asset business activity relates." 35 ILCS 195/3-20(a). That provision incorporates nested statutory

[6] *See* S.B. 3019, 104th Gen. Assemb., H. Floor Amend. No. 1, at 1, 708, 725-26 (Ill. May 31, 2026); S.B. 3019, 104th Gen. Assemb., H. Floor Amend. No. 2, at 1 (Ill. May 31, 2026).

[7] *See* Ill. Gen. Assemb., H. Revenue & Fin. Comm., Hearing Details (May 31, 2026) (just over an hour's notice), https://perma.cc/77GF-P25E; Ill. Gen. Assemb., S. Exec. Comm., Hearing Details (May 31, 2026) (less than an hour's notice), https://perma.cc/3QTG-CN8D; Ill. Gen. Assemb., Bill Status of S.B. 3019, 104th Gen. Assemb. (Ill.), Actions tbl., https://perma.cc/L8WX-STFK.

definitions and interacts with other requirements in the Act. To determine whether tax is due, how much is due, and who must collect, pay, and remit it, the Act requires answers to at least six questions: (1) what qualifies as a "digital asset"; (2) which activities are taxed; (3) which customers are deemed to be "in" Illinois; (4) who qualifies as a "digital asset broker"; (5) which brokers must register, collect, remit, and keep records; and (6) how affected businesses and individuals must collect and remit the tax.

What counts as a "digital asset." The Act taxes only transactions involving "digital assets." It defines a "digital asset" by incorporating the definition of that phrase in another Illinois statute. *See* 35 ILCS 195/3-15; 205 ILCS 731/1-5(a). Under that definition, a "digital asset" is "a digital representation of value that is used as a medium of exchange, unit of account, or store of value, and that is not fiat currency." 205 ILCS 731/1-5(a); *see* 35 ILCS 195/3-15.

Several exclusions limit the definition of a "digital asset." For example, exclusion (3) carves out "digital representations of value that have substantial value, utility, or significance beyond the asset's mere existence as a digital asset, including digital equivalents of tangible and intangible goods." 205 ILCS 731/1-5(a). That exclusion should put stablecoins beyond the Act's reach, as stablecoins derive their value from the U.S. dollars (or similar highly liquid assets) backing the stablecoins on at least a 1-to-1 basis. *See* 12 U.S.C. § 5903(a)(1). But Illinois nonetheless takes the position that stablecoins *are* covered by the statutory definition. *See infra* 11.

Which activities are taxed. The Act imposes its tax "upon the privilege of receiving any digital asset business activity" through a digital-asset broker. 35 ILCS 195/3-20(a). The Act defines "[d]igital asset business activity" as "*any single occurrence* of exchanging, transferring, or storing a digital asset as part of a business or on behalf of a customer who has entered into an agreement with a business for the provision of those services." *Id.* § 3-15 (emphasis added). The

terms "exchange," "transfer," and "storage" are defined capaciously—for example, "[t]ransfer" includes "moving the digital asset from one account or storage of a customer to another account or storage of the same customer." *Id.* The Act does not explain how to tax services when they are bundled together, as they often are. For example, a provider may (i) exchange the customer's dollars for a digital asset (an "exchange"); (ii) credit the digital asset to the customer's account (a "transfer"); and (iii) thereafter hold the private keys for the digital asset ("storage"). The Act does not make clear whether that activity incurs one, two, or three taxes. *See id.* Nor does it explain how continuous custody can be divided into the taxable unit of "any single occurrence" of "storing."

Which customers are "in" Illinois. The Act taxes only transactions occurring "in this State." 35 ILCS 195/3-20(a). To identify customers "in" Illinois within the meaning of the Act, digital-asset brokers must apply the Act's "[s]ourcing" provision, which creates a rebuttable presumption that customers are in Illinois when, among other things, a customer has an Illinois home address, IP address, or "other data" suggesting a location in Illinois. *Id.* § 3-25. The Act does not explain what a broker should do when, for example, a customer's records show an Indiana home address for a customer who used an Illinois IP address to make a trade. Nor does it say what "other data" "available to" a broker might give rise to the presumption that the customer is in Illinois. The consequence of guessing wrong falls entirely on the broker, which "shall be liable for the tax whether or not the tax has been collected." *Id.* § 3-35(a).

Who counts as a "digital asset broker." The Act taxes only activities involving "digital asset brokers," and it imposes registration, collection, remittance, and recordkeeping requirements on certain brokers. 35 ILCS 195/3-20(a), 3-30, 3-35, 3-40, 3-45. The Act defines a "[d]igital asset broker" in part based on federal law: "a person, as defined in Section 6045(c)(1)(D) of the Internal Revenue Code and any regulations as the Secretary of the Treasury may prescribe, who is engaged

in the business of providing digital asset business activity to customers in this State." *Id.* § 3-15. The Act does not explain how much Illinois "digital asset business activity" renders a company "engaged in the business of providing digital asset business activity to customers in this State." *Id.*

Which brokers must register, collect, remit, and keep records. The Act imposes registration, collection, remittance, and recordkeeping obligations on brokers, with differently situated brokers subject to different requirements. The registration requirement applies to "any person" "engage[d] in business as a digital asset broker in this State"—an undefined threshold. 35 ILCS 195/3-30(a). The collection requirement seemingly applies only to brokers "maintaining a place of business in this State," which the Act defines to include brokers with "gross receipts from digital asset business activity sales to Illinois customers" of "$100,000 or more" over the prior 12 months. *Id.* §§ 3-15, 3-35(a). But another section appears to contradict that one, requiring "the digital asset broker making or effectuating the sale … to collect the tax," with no gross-receipts limitation. *Id.* § 3-20(a). And the remittance and recordkeeping requirements apply to a "digital asset broker" seemingly without any gross-receipts limitation. *Id.* §§ 3-40, 3-45.

How affected parties collect and remit the tax. The Act requires a covered broker to "collect the tax … from the customer" and remit it to the Department of Revenue; once collected, the tax is "held in trust" for the Department. 35 ILCS 195/3-35(a). When the broker makes "no charge … of the tax"—which may be the case when the broker has gross receipts of less than $100,000 in Illinois—the customer must self-assess and pay the Department directly. *Id.* § 3-35(f). Illinois customers thus are independently responsible for understanding the terms of the Act. The Act empowers the Department of Revenue to collect those taxes from Illinoisans, including through liens and levies on property and foreclosures of homes. *See id.* § 3-60 (cross-referencing the remedies of the Retailers' Occupation Tax Act); 35 ILCS 120/5a, 5e, 5f.

Penalties for noncompliance. Compliance failures have serious civil and criminal consequences. Any digital-asset broker "who violates" "any" provision of the Act, including merely failing to register as a broker, "is guilty of a Class 3 felony," subject to a five-year limitations period. 35 ILCS 195/3-55. Any broker "who willfully violates" any Department rules implementing the Act likewise is guilty of a Class 3 felony. *Id.* The Act's willfulness requirement for regulatory, but not statutory, violations leaves open the possibility that Illinois will take the position that the Act imposes strict liability for statutory violations. The Act also incorporates the harsh penalties of the Uniform Penalty and Interest Act. *Id.* § 3-60. Among other things, those include deficiency penalties and potential *personal* liability for officers of digital-asset brokers who willfully fail to file or pay the tax. *See* 35 ILCS 735/3-3 to -7.

E. The Illinois Department Of Revenue Publishes A Draft Proposed Rule

In September 2026, the Department of Revenue posted and solicited comments on "draft proposed rules" to implement the Act. Ill. Dep't of Revenue, *Digital Asset Tax Draft Proposed Rules Posted* (Sept. 28, 2026), https://perma.cc/VJ6F-VSEE; *see* Ill. Dep't of Revenue, *Digital Asset Tax Act*, 86 Ill. Admin. Code pt. 497 (Sept. 28, 2026) ("Draft Proposed Rule"), https://perma.cc/3JFD-KDA5. The Draft Proposed Rule contains the Department's preliminary interpretations of several provisions of the Act. For example, it interprets the Act's definition of "digital asset" to cover only "blockchain-based" assets, including stablecoins. Draft Proposed Rule § 497.105(a), (d). It also distinguishes fiat currency from digital assets on the ground that fiat currency "is a physical form of currency issued and backed by a central government," while "[b]lockchain based digital assets are not in any physical form." *Id.* § 497.105(b).

As the name suggests, however, the Draft Proposed Rule is not itself a proposed rule but instead a preliminary, informal "draft" proposal. The Draft Proposed Rule has no legal force, and no rule can take effect until the Department issues a formal proposed rule, solicits public input,

and issues a final rule. *See* 5 ILCS 100/5-40(b)-(e).

ARGUMENT

Summary judgment is proper when "there is no genuine issue as to any material fact and … the moving party is entitled to a judgment as a matter of law." 735 ILCS 5/2-1005(c). "The interpretation of a statute is a matter of law and is thus appropriate for summary judgment." *Performance Mktg.*, 2013 IL 114496, ¶ 12. "The constitutionality of a statute is a question of law" that likewise is an issue appropriate for resolution at summary judgment. *Grand Chapter, Ord. of E. Star of State v. Topinka*, 2015 IL 117083, ¶ 10; *see also Arvia v. Madigan*, 209 Ill. 2d 520, 528 (2004) ("A facial challenge to a statute … presents an entirely legal question ….").

The Supreme Court of Illinois has repeatedly resolved preemption and constitutional challenges to taxes at summary judgment, including a challenge under the Internet Tax Freedom Act. *See Performance Mktg.*, 2013 IL 114496, ¶¶ 9-10, 17, 25; *Iwan Ries & Co. v. City of Chicago*, 2019 IL 124469, ¶¶ 2-3, 42 (reinstating summary judgment invalidating preempted tax); *Guns Save Life, Inc. v. Ali*, 2021 IL 126014, ¶ 41 (holding taxes unconstitutional under the Uniformity Clause). Plaintiffs here likewise are entitled to summary judgment on their "entirely legal" claims that the Act is preempted and unconstitutional on its face. *Arvia*, 209 Ill. 2d at 528.

I. The Act Is Preempted And Unconstitutional

The Act is facially invalid for four independent reasons: It is preempted by the Internet Tax Freedom Act; it is inconsistent with dormant Commerce Clause principles; it is unconstitutionally vague; and it violates four separate provisions of the Illinois Constitution. Each ground independently entitles Plaintiffs to summary judgment.

A. The Act Is Preempted By The Internet Tax Freedom Act (Count I)

In 1998, Congress passed and the President signed the Internet Tax Freedom Act to shield internet commerce from state taxation that could "stifl[e] the potential" for the internet "to provide

information, goods, and services quickly and cheaply throughout the world." H.R. Rep. No. 105-808, pt. 1, at 7 (1998); *see* Internet Tax Freedom Act, Pub. L. No. 105-277, div. C, tit. XI, 112 Stat. 2681-719 (1998) (codified as amended at 47 U.S.C. § 151 note) ("ITFA"). The ITFA's sponsor explained that internet commerce is "inherently susceptible" to state taxes that "seek to place [it] at a disadvantage compared to similar commerce conducted through more traditional means." H.R. Rep. No. 105-570, pt. 1, at 29, 33 (1998). Congress therefore enacted the ITFA to "protect" electronic commerce "from being singled out and taxed in new and creative ways." *Id.* at 29; *see also* S. Rep. No. 105-184, at 3 (1998) (the ITFA requires a "technology-neutral tax policy"). Although initially a temporary measure, Congress made the ITFA permanent so that "consumers, innovators and investors" can "permanently rely" on its protections for digital commerce. H.R. Rep. No. 113-510, at 2 (2014).

As relevant here, the ITFA forbids "discriminatory taxes on electronic commerce," defined as taxes on "transaction[s] conducted over the Internet or through Internet access" that are "not generally imposed … on transactions involving similar property, goods, services, or information accomplished through other means." ITFA §§ 1101(a)(2), 1105(2)(A)(i), 1105(3). "Congress could not have been any clearer that it did not want internet services of any kind taxed unless other similar services in the broader sense were taxed." *Google LLC*, 2026 WL 2437106, at *10.

The Supreme Court of Illinois applied the ITFA in striking down a discriminatory tax in *Performance Marketing.* There, a statute imposed a tax-collection obligation on retailers who used online performance marketing but not on retailers who used economically similar offline marketing. 2013 IL 114496, ¶¶ 5-8. The Court explained that the statute "impose[d] discriminatory taxes within the meaning of the ITFA" because it "singl[ed] out" digital services for unfavorable tax treatment relative to analogous non-digital services. *Id.* ¶¶ 19, 22.

Here, the Digital Asset Tax Act discriminates against electronic commerce even more starkly than the law at issue in *Performance Marketing*. Illinois generally imposes no taxes on the exchange, transfer, or storage of assets except when they result in income or a sale. *Supra* 5-6. The Act, however, imposes novel and burdensome taxes exclusively on *digital* assets—which are used only for electronic commerce and exist only because of the internet. That hampers and fragments an innovative national marketplace and undermines the ITFA's purpose of "protect[ing]" novel uses of the internet "from being singled out and taxed." H.R. Rep. No. 105-570, pt. 1, at 29.

The Act's novel and discriminatory tax violates the plain text of the ITFA. The Act taxes only transactions involving a "*digital* asset," 35 ILCS 195/3-20(a) (emphasis added), defined to mean "a *digital* representation of value that is used as a medium of exchange, unit of account, or store of value," 205 ILCS 731/1-5(a) (emphasis added). As the name suggests, *digital*-asset transactions are "electronic commerce" under the ITFA because they occur "over the Internet or through Internet access." ITFA § 1105(3); *see supra* 2-5. And the Act discriminates against electronic commerce by exempting from taxation "transactions involving similar" *non*-digital assets, ITFA § 1105(2)(A)(i)—*i.e.*, non-digital assets "used as a medium of exchange, unit of account, or store of value." 205 ILCS 731/1-5(a).

For example, the Act does not tax transactions involving non-digital forms of money—the paradigmatic "means of payment," "unit of account," and "store of value." Bd. of Govs. of the Fed. Rsrv. Sys., *Money and Payments: The U.S. Dollar in the Age of Digital Transformation* 5 (Jan. 2022). Indeed, the Act expressly exempts "fiat currency" from the definition of "[d]igital asset" to ensure that the statute applies only to currency that exists exclusively on the internet—*i.e.*, cryptocurrency. 205 ILCS 731/1-5(a). The Department's Draft Proposed Rule draws the same discriminatory line. It defines a digital asset as "blockchain-based" and distinguishes fiat currency

on the ground that fiat "is a physical form of currency" while "[b]lockchain based digital assets are not in any physical form." Draft Proposed Rule § 497.105(a)-(b).

Thus, if an Illinois customer walks into a currency-exchange business and trades U.S. dollars for euros or another fiat currency, the customer incurs zero taxes under the Act. By contrast, if the customer uses a digital-asset service provider to exchange U.S. dollars for cryptocurrency (such as Bitcoin), the customer incurs a tax of at least 0.2% of the full amount exchanged. Similarly, an Illinois customer incurs no taxes (other than a sales tax) for making cash payments, but if the customer makes the same payments using cryptocurrency through a digital-asset broker, the customer incurs the Act's tax *plus* a sales tax. Likewise for storage: Storing U.S. dollars at a bank is tax-free, while storing Bitcoin with a broker is taxed. And the discrimination is even starker for stablecoins, which the Draft Proposed Rule deems covered by the Act. *See supra* 11. Stablecoins are pegged to and backed by U.S. dollars; yet in the Department's view, transferring a dollar's blockchain equivalent is subject to a tax while transferring a physical dollar is not.

No other Illinois law cures the Act's discrimination by taxing the non-digital equivalents to digital assets. Illinois has expressly exempted the sale and use of traditional currencies from its sales and use taxes. *See, e.g.*, 35 ILCS 105/3-5(8), 120/2-5(18). Nor does Illinois tax activities involving *any other* asset used as a medium of exchange, unit of account, or store of value like the Act taxes digital-asset activities. For example, Illinois does not tax the exchange, transfer, or storage of precious metals, stocks, or bonds. *See, e.g.*, 35 ILCS 105/3-5(8), 120/2-5(18) (exempting "bullion" from sales and use taxes); 86 Ill. Admin. Code 130.120(a) (sales tax "does not apply" to sales of "intangible personal property, such as shares of stocks" and "bonds"); *id.* § 140.125(a). An Illinois customer purchasing a gold bar in person at a bullion dealer thus is subject to no tax. But if he purchases Bitcoin (sometimes called "digital gold") through a broker, he is subject to the

Act's tax. As one Illinois legislator aptly put it: The Act "just pick[s] on one type of asset" even though Illinois previously rejected "similar" taxes on other financial assets. *Hearing* 13:45-14:23.

In short, the only thing distinguishing taxed and untaxed transactions in Illinois is the very thing that triggers the ITFA: the "digital" nature of the transacted asset. Thus, just like the statute in *Performance Marketing*, the Act "singl[es] out" digital activities and is "void and unenforceable" under the ITFA. 2013 IL 114496, ¶¶ 19, 23.

B. The Act Violates The Dormant Commerce Clause (Count II)

The U.S. Constitution grants Congress the power "[t]o regulate Commerce" "among the several States." U.S. Const. art. I, § 8, cl. 3. That language "contain[s] a further, negative command, known as the dormant Commerce Clause," which "prohibit[s] States from discriminating against or imposing excessive burdens on interstate commerce without congressional approval." *Comptroller of Treasury of Maryland v. Wynne*, 575 U.S. 542, 549 (2015) (citation omitted).

State taxes are subject to dormant Commerce Clause scrutiny. Under the *Complete Auto* test, "no state tax may be sustained unless the tax: (1) has a substantial nexus with the State; (2) is fairly apportioned; (3) does not discriminate against interstate commerce; and (4) is fairly related to the services provided by the State." *Maryland v. Louisiana*, 451 U.S. 725, 754 (1981) (applying *Complete Auto Transit, Inc. v. Brady*, 430 U.S. 274, 279 (1977)). Here, the Digital Asset Tax Act fails at least the second prong of *Complete Auto* because it is not fairly apportioned. "[T]he central purpose behind the [fair] apportionment requirement is to ensure that each State taxes only its fair share of an interstate transaction." *Goldberg v. Sweet*, 488 U.S. 252, 260-61 (1989). To be fairly apportioned, a state tax must be "internally and externally consistent." *Id.* at 261. The Act is neither.

Internal consistency. The internal-consistency test "looks to the structure of the tax at issue to see whether its identical application by every State in the Union would place interstate commerce at a disadvantage as compared with commerce intrastate." *Wynne*, 575 U.S. at 562

(citation omitted). A tax is not internally consistent when activities would be "subject to more than one State's tax" if every State imposed an identical tax. *Okla. Tax Comm'n v. Jefferson Lines, Inc.*, 514 U.S. 175, 185 (1995).

The U.S. Supreme Court has repeatedly invalidated internally inconsistent state taxes. *See Wynne*, 575 U.S. at 563-64 (collecting cases). In *Wynne*, for example, the Supreme Court struck down a Maryland law that taxed the income Maryland residents earned nationwide as well as the income non-residents earned in Maryland. *Id.* at 564-65. That law, if adopted by other States, would have imposed double taxation *only* on people who lived in one State and worked in another. *See id*. It was thus "inherently discriminatory and operate[d] as a tariff." *Id.* at 565.

The Digital Asset Tax Act is internally inconsistent for the same reason. The Act taxes digital-asset activities that occur when a customer is "in" Illinois, and the Act presumptively deems a customer to be in Illinois when the customer (1) has an Illinois home address or mailing address, (2) uses an Illinois IP address, or (3) has other data showing a "place of primary use" in Illinois. 35 ILCS 195/3-25. Thus, Illinois residents are presumptively taxed on their digital-asset activities no matter where those activities occur, and non-residents are presumptively taxed when they engage in digital-asset activities while they are in Illinois. That presumption will be conclusive in many cases because the Act says nothing about how or when it can be rebutted.

Just as in *Wynne*, that scheme, if adopted by other States, would result in double taxation. For instance, if Indiana adopted an identical tax, an Indiana resident who works in Chicago presumptively would be subject to double taxation on trades placed from an Illinois IP address while he is at work—once by Indiana based on his home address, and once by Illinois based on his IP address. Same for a Notre Dame fan who lives in Chicago but trades or uses digital assets while visiting South Bend, Indiana, on Saturdays. Only when a customer resides and remains in a single

State while engaging in digital-asset activities can he escape the threat of double taxation.

The Act's omission of any credit mechanism clinches the constitutional violation. A "credit against … taxes paid to other States" is how "most States" (including Illinois) avoid internal-consistency problems. *Wynne*, 575 U.S. at 568; *see also, e.g.*, *Goldberg*, 488 U.S. at 264 (upholding Illinois tax against dormant Commerce Clause challenge based on credit provision). Yet Illinois declined to provide a credit here, confirming that the Act is "inherently discriminatory" and unlawful. *Wynne*, 575 U.S. at 568.

External consistency. The Act also fails the external-consistency test. A state tax cannot claim more than the State's "fair share of the value" of an interstate activity. *Jefferson Lines*, 514 U.S. at 184. The test turns on "whether a State's tax reaches beyond that portion of value that is fairly attributable to economic activity within the taxing State." *Id.* at 185. A tax assessed on value that is "out of all appropriate proportions to the business transacted in that State" is unlawful. *Id.* at 195 (alteration adopted and citation omitted). Thus, for example, New York could not tax even a small percentage of a bus company's *total* ticket sales for interstate trips originating in New York; the State could constitutionally use as the tax base only "the receipts from the transportation apportioned as to the mileage within" New York. *See Cent. Greyhound Lines of N.Y. v. Mealey*, 334 U.S. 653, 662-63 (1948).

Here, the Act creates an extraordinary mismatch between the "economic activity" purportedly occurring "within the taxing State" and the value taxed. *Jefferson Lines*, 514 U.S. at 185. The Act taxes a customer's "privilege of receiving any digital asset business activity" from a digital-asset broker in Illinois. 35 ILCS 195/3-20(a). A tax on the sale of a service (like a brokerage service) *can* be externally consistent if the tax is assessed on the "gross receipts in the hands of the seller"—*e.g.*, the fees charged by a broker. *Jefferson Lines*, 514 U.S. at 189; *see Goldberg*, 488

U.S. at 262 (discussing taxes that apply to the "revenues" from "the activity being taxed").

That is not what the Act does. Instead, the Act's tax is calculated based on the *full value* of the digital assets involved in the service. The full value of a digital asset is not "fairly attributable" to any in-state brokerage service. *Jefferson Lines*, 514 U.S. at 185. It instead derives from inter-state (and international) activity, including trading in other jurisdictions and the development and maintenance of blockchains by participants around the world. That mismatch results in taxes that are "out of all appropriate proportions" to the value of any economic activity in Illinois. *Id.* at 195 (citations omitted). Indeed, the amount of the tax imposed by the Act will sometimes *exceed* the fees charged by brokers to facilitate transactions. *See* Zlatkin Decl. ¶ 28; Nydegger Decl. ¶ 32.

Courts have long invalidated taxes like the Act's that lay claim to value far in excess of the in-state activity purportedly being taxed.[8] For example, a Maryland tax court recently invalidated a digital-advertising tax under the dormant Commerce Clause. *Google*, 2026 WL 2437106, at *13-16. The tax was externally inconsistent because, although the tax was triggered by a company's digital advertising in Maryland, the "tax rate increase[d] as a taxpayer's global revenues increase[d]," and the "taxpayer's global revenue has nothing to do with its Maryland activity." *Id*. at *14. The tax here is invalid for the same reason: The tax increases along with the value of the digital asset, which has nothing to do with the value of any in-state brokerage activities being taxed.

Excessive burdens on interstate commerce. The Act also imposes "burden[s]" on inter-state commerce that are "clearly excessive in relation to [their] putative local benefits." *Pike v. Bruce Church, Inc.*, 397 U.S. 137, 142 (1970); *see also Russell Stewart Oil Co. v. State*, 124 Ill.

[8] *See, e.g.*, *Int'l Paper Co. v. Massachusetts*, 246 U.S. 135, 140 (1918) (invalidating "annual excise" charged as a percentage of a company's total capital stock); *Gwin, White & Prince Inc. v. Henneford*, 305 U.S. 434, 439 (1939) (business activities tax "measured by the entire volume of the interstate commerce in which [the company] participates"); *Northwood Constr. Co. v. Twp. of Upper Moreland*, 856 A.2d 789, 804 (Pa. 2004) (invalidating tax measured by gross receipts when "a significant portion" of a taxpayer's revenues were generated outside of Pennsylvania).

2d 116, 129-34 (1988) (invalidating an Illinois tax on this ground). By taxing the entire value of the digital assets involved in interstate transactions with Illinois parties, the Act disincentivizes those transactions and burdens interstate commerce by "imped[ing] the flow of interstate goods" into and out of Illinois. *Nat'l Pork Producers Council v. Ross*, 598 U.S. 356, 379 n.2 (2023) (citation and emphasis omitted). Indeed, the Act was aimed directly at out-of-state brokers: A proponent of the Act explained that a tax on a broader class of assets was not viable due to "concern[s] about jobs actually leaving the State," a concern that was absent for a tax on digital assets alone. *Hearing* 14:37-52. The Act burdens out-of-state brokers providing services to Illinois residents by imposing collection obligations that even diligent brokers will struggle to follow. By contrast, Illinois derives no unique benefit that could justify imposing special taxes on transactions involving digital assets, as evidenced by the lack of any similar taxes nationwide and the State's failure to impose taxes on analogous transactions involving other types of assets.

C. The Act Is Unconstitutionally Vague (Count III)

The Act is unconstitutionally vague because it provides no clear standard by which regulated parties—who face criminal penalties for violations—can determine whether they are in compliance. A statute is impermissibly vague "if it fails to provide people of ordinary intelligence a reasonable opportunity to understand what conduct it prohibits." *City of Chicago v. Pooh Bah Enters.*, 224 Ill. 2d 390, 441-42 (2006). "The Constitution tolerates a lesser degree of vagueness in enactments with criminal rather than civil penalties." *Wilson v. County of Cook*, 2012 IL 112026, ¶ 23. "[U]ncertainties" that "may be tolerable in isolation" make a statute unconstitutionally vague if "their sum makes a task for [courts] which at best could be only guesswork." *Johnson v. United States*, 576 U.S. 591, 602 (2015) (quoting *United States v. Evans*, 333 U.S. 483, 495 (1948)).

The Digital Asset Tax Act is indeterminate from beginning to end. It imposes criminal penalties on any digital-asset broker who fails to collect the tax, and it mandates that Illinois

customers remit the taxes in the absence of broker collection. But companies and customers cannot know their obligations given the Act's many unanswered questions. *See Hearing* 25:22-26:04 (legislator expressing frustration about the lack of answers concerning the digital-asset tax).

Most basically, the Act provides no discernible guidance on which "digital assets" are subject to taxation. One exclusion from the definition of "digital assets" carves out "digital representations of value that have substantial value, utility, or significance beyond the asset's mere existence as a digital asset." 205 ILCS 731/1-5(a). That exclusion supplies no standard for what it means to have "substantial" independent "value," "utility," or "significance" "beyond the asset's mere existence as a digital asset." And it is circular because it uses the very phrase ("digital asset") that the exclusion is supposed to help define. *Folkers v. City of Waterloo*, 2007 WL 3430936, at *11 (N.D. Iowa Nov. 14, 2007) (a "circular definition does not provide any guidance for the public and is unconstitutionally vague"). Underscoring the problem, the State somehow has concluded that U.S.-dollar stablecoins do *not* fall within the exclusion (and thus are within the statutory definition), even though stablecoins clearly have substantial independent value—*i.e.*, the U.S. dollars (and other liquid assets) backing them on at least a 1-to-1 basis. *See supra* 8.

That is hardly the Act's only indeterminate provision. The Act also does not say how many times it taxes a trade that involves an exchange, a transfer, and storage in a single transaction. *See supra* 8-9. It does not explain how to reconcile conflicting indicia of whether a transaction is in Illinois. *See supra* 9. It does not make clear whether digital-asset brokers with less than $100,000 of gross receipts are required to register with Illinois and collect the tax. *See supra* 10. And the list goes on. Ordinary Illinoisans and businesses who guess the answers incorrectly face civil or (for brokers) even criminal liability, without even an assurance that they can avoid committing a felony through good-faith efforts to comply. That will cause regulated parties to "steer far wider

of the unlawful zone" than the Act requires, resulting in over-collection and harm to Illinois customers and businesses. *Grayned v. City of Rockford*, 408 U.S. 104, 109 (1972) (citation omitted); *see also, e.g.*, Zlatkin Decl. ¶¶ 30-31. This "combination of indeterminacy with indeterminacy" cannot be squared with due process. *United States v. Vivas-Ceja*, 808 F.3d 719, 722 (7th Cir. 2015).

The Department's Draft Proposed Rule cannot and does not cure these defects. Nothing in the Act gives the Department of Revenue the authority to define the Act's key terms. And regardless, only the legislature, not an administrative agency, can define criminal conduct. Both the Illinois and U.S. Supreme Courts confirmed as much in *City of Chicago v. Morales*, 177 Ill. 2d 440 (1997), *aff'd*, 527 U.S. 41 (1999). There, Chicago argued that the executive branch's interpretation of a criminal ordinance "should be considered a limiting construction of the ordinance, thus curing its vagueness." *Id.* at 457. The Supreme Court of Illinois disagreed, reasoning that because "lawmakers may not abdicate their responsibilities for setting the standards of the criminal law," the executive branch's interpretation "does not save the ordinance from being impermissibly vague." *Id.* at 457-58. The U.S. Supreme Court affirmed. *See City of Chicago v. Morales*, 527 U.S. 41, 63-64 (1999) (agreeing the order was not "a sufficient limitation" on the discretion the ordinance conferred); *see also United States v. Davis*, 588 U.S. 445, 448 (2019) (vague laws "hand off the legislature's responsibility for defining criminal behavior to unelected prosecutors and judges"). The Department thus cannot fix the Act's vague provisions by substituting its own policy choices for the legislature's—let alone through "draft proposed rules" that lack any legal effect.

In any event, although the Draft Proposed Rule purports to resolve some of the Act's indeterminacies, it only compounds others. For example, the Draft Proposed Rule further muddies the Act's definition of "digital assets." It provides that "tokenized securities"—digital assets backed by traditional assets (like stocks)—are *not* taxable "digital assets" because they have "substantial

value … beyond the asset's mere existence as a digital asset." Draft Proposed Rule § 497.105(a)(3)(A). Yet it also somehow concludes that stablecoins—which likewise are backed by traditional assets (dollars)—*are* taxable "digital assets." *Id.* § 497.105(d).

The Draft Proposed Rule thus confirms that the Act does not meet the demands of due process: If the agency charged with administering the Act cannot sensibly interpret the statute, the regulated parties who face felony liability cannot fairly be expected to do so. Moreover, because the Draft Proposed Rule faces two more rounds of revision, parties cannot rely on it to comply with the Act or build compliance systems. *See, e.g.*, Zlatkin Decl. ¶ 30.

D. The Act Violates The Illinois Constitution (Counts IV Through VII)

The Act suffers from four additional infirmities under the Illinois Constitution.

First, the Act violates the Uniformity Clause by creating an unreasonable tax classification between digital and non-digital assets. Ill. Const. art. IX, § 2; *see, e.g.*, *Milwaukee Safeguard Ins. Co. v. Selcke*, 179 Ill. 2d 94, 102-03 (1997) (invalidating privilege tax on foreign insurers under the Uniformity Clause); *Guns Save Life*, 2021 IL 126014, ¶ 38 (invalidating firearm and ammunition taxes under the Uniformity Clause). There is no "real and substantial difference" between exchanging, transferring, and storing digital assets (services that are taxed) and exchanging, transferring, and storing non-digital assets (services that are not taxed). *Mut. Life Ins. Co. of N.Y. v. Washburn*, 137 Ill. 2d 312, 331 (1990). In each case, the real-world economic activity—exchanging, transferring, or storing representations of value—is the same. Moreover, the Act's tax classification does not bear a "reasonable relationship" to its revenue-raising purpose because there is no reasonable justification for making customers who transact in digital assets pay higher Illinois taxes than customers who transact in non-digital assets. *Id.*

Second, the Act impermissibly outsources the power to define the scope of Illinois tax liability. The Illinois Constitution "places the formulation of tax policy in the legislature" alone.

Hoffmann v. Clark, 69 Ill. 2d 402, 423 (1977) (citation omitted); Ill. Const. art. IV, § 1. The legislature's "power of taxation shall not be surrendered, suspended, or contracted away." Ill. Const. art. IX, § 1. Here, the Act taxes only services provided by a "[d]igital asset broker." *See, e.g.*, 35 ILCS 195/3-15. It defines that phrase, however, by reference to "the [federal] Internal Revenue Code" and regulations that "the Secretary of the Treasury may prescribe." *Id.* The Act thus makes an ongoing delegation to Congress and the Treasury Secretary to determine which activities are taxed under Illinois law. As the Attorney General has long recognized, incorporating future changes to federal law in this way "involve[s] a surrender, abandonment, or delegation of legislative power by this State in violation of … the Illinois Constitution." 1951 Ill. Att'y Gen. Op. No. 256, at 183; *see also Coram v. State*, 2013 IL 113867, ¶ 85 (Burke, J., specially concurring, joined by Freeman, J.) (Illinois law cannot turn on "future amendments to the federal law").

Third, the omnibus bill containing the Act flouts the single-subject rule. *See* Ill. Const. art. IV, § 8(d). That rule ensures that the General Assembly "addresses the difficult decisions it faces directly and subject to public scrutiny, rather than passing unpopular measures on the backs of popular ones." *Johnson v. Edgar*, 176 Ill. 2d 499, 515 (1997). Here, the sprawling, 1,624-page law is "unconstitutional in its entirety" because it "encompass[es] at least two unrelated subjects." *People v. Reedy*, 186 Ill. 2d 1, 12 (1999). Among many other things, the bill regulates the conduct of social media companies; creates a licensing and regulatory regime for fantasy sports backed by criminal penalties; creates a licensing scheme for remote tobacco sellers; and revises wheel, axle, and gross vehicle weight limits. *See* Pub. Act 104-468, §§ 5-5, 95-5, 110-5, 140-10 (Ill. 2026). Those provisions lack "a natural and logical connection" to one another or to the Act's new tax on digital-asset activities. *Johnson*, 176 Ill. 2d at 515. Any shared subject they address would be so "sweeping and vague" that to uphold the law would "render the single subject clause …

meaningless." *People v. Olender*, 222 Ill. 2d 123, 139 (2005). As a result, the omnibus bill—including the Act—is void in its entirety.

Finally, the Act violates the three-readings rule. The Illinois Constitution requires all bills to be "read by title on three different days in each house." Ill. Const. art. IV, § 8(d). That did not happen here; the bill containing the Act passed the House and Senate within hours of being announced, depriving legislators—and the public—of the opportunity to understand and refine the law as the three-readings rule intends. Although the "enrolled bill doctrine" precludes this Court from holding the legislature to its constitutional duties, Plaintiffs preserve the argument for appellate review. *See First Midwest Bank v. Rossi*, 2023 IL App (4th) 220643, ¶¶ 232-40.

* * *

Because the Act violates the ITFA, the federal Constitution, and the Illinois Constitution, Plaintiffs are entitled to summary judgment declaring the Act void and unenforceable. Plaintiffs are also entitled to a permanent injunction. Plaintiffs' members have a "clear, protectable interest" in operating free of an invalid tax, and the Act inflicts "irreparable injury" that no damages award can repair and that sovereign immunity makes unrecoverable: millions in compliance costs, lost customers and goodwill, and felony exposure under an indeterminate statute. *See C.J. v. Dep't of Hum. Servs.*, 331 Ill. App. 3d 871, 891 (2002) (citation omitted); *see also, e.g.*, Zlatkin Decl. ¶¶ 21-31; Nydegger Decl. ¶¶ 23-35; Anderika Decl. ¶¶ 17-29; Pls.' Mem. in Support of Mot. for Prelim. Inj. 22-25. Defendants have agreed to stay the Act until July 1, 2027, *see* Agreed Order (Oct. 7, 2026); the Court should make that relief permanent.

CONCLUSION

For the foregoing reasons, Plaintiffs respectfully request that the Court grant Plaintiffs' motion for summary judgment.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies, pursuant to Section 1-109 of the Code of Civil Procedure, on November 4, 2026 I electronically filed the foregoing with the Sangamon County Circuit Clerk of the Court via the Odyssey eFileIL system, and on the same date I sent a copy of the foregoing by electronic mail to:

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