



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4135

Introduced 1/22/2020, by Rep. Daniel Didech

SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1006.8
75 ILCS 16/35-45 new

Creates the Library District Cannabis Retailers' Occupation Tax Law in the Public Library District Act of 1991. Provides that, on and after January 1, 2021, the corporate authorities of a library district may, by ordinance, impose a 1% tax upon all persons engaged in the business of selling cannabis, other than cannabis purchased under the Compassionate Use of Medical Cannabis Program Act, at retail in the library district on the gross receipts from these sales made in the course of that business. Amends the County Cannabis Retailers' Occupation Tax Law of the Counties Code. Reduces the tax rate the corporate authorities of a county may impose by 1% within a library district if the library district imposes a Library District Cannabis Retailers' Occupation Tax. Effective immediately.

LRB101 14786 AWJ 63752 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Counties Code is amended by changing Section
5 5-1006.8 as follows:

6 (55 ILCS 5/5-1006.8)

7 Sec. 5-1006.8. County Cannabis Retailers' Occupation Tax
8 Law.

9 (a) This Section may be referred to as the County Cannabis
10 Retailers' Occupation Tax Law. On and after January 1, 2020,
11 the corporate authorities of any county may, by ordinance,
12 impose a tax upon all persons engaged in the business of
13 selling cannabis, other than cannabis purchased under the
14 Compassionate Use of Medical Cannabis Pilot Program Act, at
15 retail in the county on the gross receipts from these sales
16 made in the course of that business. If imposed, the tax shall
17 be imposed only in 0.25% increments. The tax rate may not
18 exceed: (i) 3.75% of the gross receipts of sales made in
19 unincorporated areas of the county; ~~and~~ (ii) 3% of the gross
20 receipts of sales made in a municipality located in the county;
21 (iii) 2.75% of the gross receipts of sales made in
22 unincorporated areas of the county where a 1% tax is imposed by
23 a library district pursuant to the Library District Cannabis

1 Retailers' Occupation Tax Law; and (iv) 2% of the gross
2 receipts of sales made in a municipality located in the county
3 where a 1% tax is imposed by a library district pursuant to the
4 Library District Cannabis Retailers' Occupation Tax Law. The
5 tax imposed under this Section and all civil penalties that may
6 be assessed as an incident of the tax shall be collected and
7 enforced by the Department of Revenue. The Department of
8 Revenue shall have full power to administer and enforce this
9 Section; to collect all taxes and penalties due hereunder; to
10 dispose of taxes and penalties so collected in the manner
11 hereinafter provided; and to determine all rights to credit
12 memoranda arising on account of the erroneous payment of tax or
13 penalty under this Section. In the administration of and
14 compliance with this Section, the Department of Revenue and
15 persons who are subject to this Section shall have the same
16 rights, remedies, privileges, immunities, powers and duties,
17 and be subject to the same conditions, restrictions,
18 limitations, penalties, and definitions of terms, and employ
19 the same modes of procedure, as are described in Sections 1,
20 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect
21 to all provisions therein other than the State rate of tax),
22 2c, 3 (except as to the disposition of taxes and penalties
23 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,
24 5l, 6, 6a, 6bb, 6c, 6d, 8, 8, 9, 10, 11, 12, and 13 of the
25 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
26 Penalty and Interest Act as fully as if those provisions were

1 set forth in this Section.

2 (b) Persons subject to any tax imposed under the authority
3 granted in this Section may reimburse themselves for their
4 seller's tax liability hereunder by separately stating that tax
5 as an additional charge, which charge may be stated in
6 combination, in a single amount, with any State tax that
7 sellers are required to collect.

8 (c) Whenever the Department of Revenue determines that a
9 refund should be made under this Section to a claimant instead
10 of issuing a credit memorandum, the Department of Revenue shall
11 notify the State Comptroller, who shall cause the order to be
12 drawn for the amount specified and to the person named in the
13 notification from the Department of Revenue.

14 (d) The Department of Revenue shall immediately pay over to
15 the State Treasurer, ex officio, as trustee, all taxes and
16 penalties collected hereunder for deposit into the Local
17 Cannabis Consumer Excise Tax Trust Fund.

18 (e) On or before the 25th day of each calendar month, the
19 Department of Revenue shall prepare and certify to the
20 Comptroller the amount of money to be disbursed from the Local
21 Cannabis Consumer Excise Tax Trust Fund to counties from which
22 retailers have paid taxes or penalties under this Section
23 during the second preceding calendar month. The amount to be
24 paid to each county shall be the amount (not including credit
25 memoranda) collected under this Section from sales made in the
26 county during the second preceding calendar month, plus an

1 amount the Department of Revenue determines is necessary to
2 offset any amounts that were erroneously paid to a different
3 taxing body, and not including an amount equal to the amount of
4 refunds made during the second preceding calendar month by the
5 Department on behalf of such county, and not including any
6 amount that the Department determines is necessary to offset
7 any amounts that were payable to a different taxing body but
8 were erroneously paid to the county, less 1.5% of the
9 remainder, which the Department shall transfer into the Tax
10 Compliance and Administration Fund. The Department, at the time
11 of each monthly disbursement to the counties, shall prepare and
12 certify the State Comptroller the amount to be transferred into
13 the Tax Compliance and Administration Fund under this Section.
14 Within 10 days after receipt by the Comptroller of the
15 disbursement certification to the counties and the Tax
16 Compliance and Administration Fund provided for in this Section
17 to be given to the Comptroller by the Department, the
18 Comptroller shall cause the orders to be drawn for the
19 respective amounts in accordance with the directions contained
20 in the certification.

21 (f) An ordinance or resolution imposing or discontinuing a
22 tax under this Section or effecting a change in the rate
23 thereof shall be adopted and a certified copy thereof filed
24 with the Department on or before the first day of June,
25 whereupon the Department shall proceed to administer and
26 enforce this Section as of the first day of September next

1 following the adoption and filing.

2 (Source: P.A. 101-27, eff. 6-25-19; 101-363, eff. 8-9-19.)

3 Section 10. The Public Library District Act of 1991 is
4 amended by adding Section 35-45 as follows:

5 (75 ILCS 16/35-45 new)

6 Sec. 35-45. Library District Cannabis Retailers'
7 Occupation Tax Law.

8 (a) This Section may be referred to as the Library District
9 Cannabis Retailers' Occupation Tax Law. On and after January 1,
10 2021, the corporate authorities of a library district may, by
11 ordinance, impose a tax upon all persons engaged in the
12 business of selling cannabis, other than cannabis purchased
13 under the Compassionate Use of Medical Cannabis Program Act, at
14 retail in the library district on the gross receipts from these
15 sales made in the course of that business. If imposed, the tax
16 imposed shall be 1% of the gross receipts of sales made in the
17 library district. The tax imposed under this Section and all
18 civil penalties that may be assessed as an incident of the tax
19 shall be collected and enforced by the Department of Revenue.
20 The Department of Revenue shall have full power to administer
21 and enforce this Section; to collect all taxes and penalties
22 due hereunder; to dispose of taxes and penalties so collected
23 in the manner hereinafter provided; and to determine all rights
24 to credit memoranda arising on account of the erroneous payment

1 of tax or penalty under this Section. In the administration of
2 and compliance with this Section, the Department of Revenue and
3 persons who are subject to this Section shall have the same
4 rights, remedies, privileges, immunities, powers and duties,
5 and be subject to the same conditions, restrictions,
6 limitations, penalties, and definitions of terms, and employ
7 the same modes of procedure, as are described in Sections 1,
8 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect
9 to all provisions therein other than the State rate of tax),
10 2c, 3 (except as to the disposition of taxes and penalties
11 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,
12 5l, 6, 6a, 6bb, 6c, 6d, 8, 8, 9, 10, 11, 12, and 13 of the
13 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
14 Penalty and Interest Act as fully as if those provisions were
15 set forth in this Section.

16 (b) Persons subject to any tax imposed under the authority
17 granted in this Section may reimburse themselves for their
18 seller's tax liability hereunder by separately stating that tax
19 as an additional charge, which charge may be stated in
20 combination, in a single amount, with any State tax that
21 sellers are required to collect.

22 (c) Whenever the Department of Revenue determines that a
23 refund should be made under this Section to a claimant instead
24 of issuing a credit memorandum, the Department of Revenue shall
25 notify the State Comptroller, who shall cause the order to be
26 drawn for the amount specified and to the person named in the

1 notification from the Department of Revenue.

2 (d) The Department of Revenue shall immediately pay over to
3 the State Treasurer, ex officio, as trustee, all taxes and
4 penalties collected hereunder for deposit into the Local
5 Cannabis Consumer Excise Tax Trust Fund.

6 (e) On or before the 25th day of each calendar month, the
7 Department of Revenue shall prepare and certify to the
8 Comptroller the amount of money to be disbursed from the Local
9 Cannabis Consumer Excise Tax Trust Fund to library districts
10 from which retailers have paid taxes or penalties under this
11 Section during the second preceding calendar month. The amount
12 to be paid to each library district shall be the amount (not
13 including credit memoranda) collected under this Section from
14 sales made in the library district during the second preceding
15 calendar month, plus an amount the Department of Revenue
16 determines is necessary to offset any amounts that were
17 erroneously paid to a different taxing body, and not including
18 an amount equal to the amount of refunds made during the second
19 preceding calendar month by the Department on behalf of such
20 library district, and not including any amount that the
21 Department determines is necessary to offset any amounts that
22 were payable to a different taxing body but were erroneously
23 paid to the library district, less 1.5% of the remainder, which
24 the Department shall transfer into the Tax Compliance and
25 Administration Fund. The Department, at the time of each
26 monthly disbursement to the library districts, shall prepare

1 and certify the State Comptroller the amount to be transferred
2 into the Tax Compliance and Administration Fund under this
3 Section. Within 10 days after receipt by the Comptroller of the
4 disbursement certification to the counties and the Tax
5 Compliance and Administration Fund provided for in this Section
6 to be given to the Comptroller by the Department, the
7 Comptroller shall cause the orders to be drawn for the
8 respective amounts in accordance with the directions contained
9 in the certification.

10 (f) An ordinance or resolution imposing or discontinuing a
11 tax under this Section or effecting a change in the rate
12 thereof shall be adopted and a certified copy thereof filed
13 with the Department on or before the first day of September,
14 whereupon the Department shall proceed to administer and
15 enforce this Section as of the first day of January next
16 following the adoption and filing.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.