

AN ACT concerning revenue.

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

Section 5. The Hotel Operators' Occupation Tax Act is amended by changing Sections 2, 3, and 9 as follows:

(35 ILCS 145/2) (from Ch. 120, par. 481b.32)

Sec. 2. Definitions. As used in this Act, unless the context otherwise requires:

(1) "Hotel" means any building or buildings in which the public may, for a consideration, obtain living quarters, sleeping or housekeeping accommodations. The term includes, but is not limited to, inns, motels, tourist homes or courts, lodging houses, rooming houses and apartment houses, retreat centers, conference centers, and hunting lodges.

(2) "Operator" means any person operating a hotel.

(3) "Occupancy" means the use or possession, or the right to the use or possession, of any room or rooms in a hotel for any purpose, or the right to the use or possession of the furnishings or to the services and accommodations accompanying the use and possession of the room or rooms.

(4) "Room" or "rooms" means any living quarters,

sleeping or housekeeping accommodations.

(5) "Permanent resident" means any person who occupied or has the right to occupy any room or rooms, regardless of whether or not it is the same room or rooms, in a hotel for at least 30 consecutive days.

(6) "Rent" or "rental" means the consideration received for occupancy, valued in money, whether received in money or otherwise, including all receipts, cash, credits and property or services of any kind or nature.

(7) "Department" means the Department of Revenue.

(8) "Person" means any natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian or other representative appointed by order of any court.

(Source: P.A. 87-951; 88-480.)

(35 ILCS 145/3) (from Ch. 120, par. 481b.33)

Sec. 3. Rate; Exemptions ~~Exemption~~.

(a) A tax is imposed upon persons engaged in the business of renting, leasing or letting rooms in a hotel at the rate of 5% of 94% of the gross rental receipts from such renting, leasing or letting, excluding, however, from gross rental receipts, the proceeds of such renting, leasing or letting to permanent residents of that hotel and proceeds from the tax

imposed under subsection (c) of Section 13 of the Metropolitan Pier and Exposition Authority Act.

(b) ~~There Commencing on the first day of the first month after the month this amendatory Act of 1984 becomes law, there~~ shall be imposed an additional tax upon persons engaged in the business of renting, leasing or letting rooms in a hotel at the rate of 1% of 94% of the gross rental receipts from such renting, leasing or letting, excluding, however, from gross rental receipts, the proceeds of such renting, leasing or letting to permanent residents of that hotel and proceeds from the tax imposed under subsection (c) of Section 13 of the Metropolitan Pier and Exposition Authority Act.

(c) No funds received pursuant to this Act shall be used to advertise for or otherwise promote new competition in the hotel business.

(d) However, such tax is not imposed upon the privilege of engaging in any business in Interstate Commerce or otherwise, which business may not, under the Constitution and Statutes of the United States, be made the subject of taxation by this State. In addition, the tax is not imposed upon gross rental receipts for which the hotel operator is prohibited from obtaining reimbursement for the tax from the customer by reason of a federal treaty.

(d-5) On and after July 1, 2017, the tax imposed by this Act shall not apply to gross rental receipts received by an entity that is organized and operated exclusively for religious

purposes and possesses an active Exemption Identification Number issued by the Department pursuant to the Retailers' Occupation Tax Act when acting as a hotel operator renting, leasing, or letting rooms:

(1) in furtherance of the purposes for which it is organized; or

(2) to entities that (i) are organized and operated exclusively for religious purposes, (ii) possess an active Exemption Identification Number issued by the Department pursuant to the Retailers' Occupation Tax Act, and (iii) rent the rooms in furtherance of the purposes for which they are organized.

No gross rental receipts are exempt under paragraph (2) of this subsection (d-5) unless the hotel operator obtains the active Exemption Identification Number from the exclusively religious entity to whom it is renting and maintains that number in its books and records. Gross rental receipts from all rentals other than those described in items (1) or (2) of this subsection (d-5) are subject to the tax imposed by this Act unless otherwise exempt under this Act.

This subsection (d-5) is exempt from the sunset provisions of Section 3-5 of this Act.

(e) Persons subject to the tax imposed by this Act may reimburse themselves for their tax liability under this Act by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with

any tax imposed pursuant to Sections 8-3-13 and 8-3-14 of the Illinois Municipal Code, and Section 25.05-10 of "An Act to revise the law in relation to counties".

(f) If any hotel operator collects an amount (however designated) which purports to reimburse such operator for hotel operators' occupation tax liability measured by receipts which are not subject to hotel operators' occupation tax, or if any hotel operator, in collecting an amount (however designated) which purports to reimburse such operator for hotel operators' occupation tax liability measured by receipts which are subject to tax under this Act, collects more from the customer than the operators' hotel operators' occupation tax liability in the transaction is, the customer shall have a legal right to claim a refund of such amount from such operator. However, if such amount is not refunded to the customer for any reason, the hotel operator is liable to pay such amount to the Department.

(Source: P.A. 87-733.)

(35 ILCS 145/9) (from Ch. 120, par. 481b.39)

Sec. 9. Applicability. Persons engaged in the business of renting, leasing or letting rooms in a hotel only to permanent residents are exempt from the provisions of this Act. In addition, persons engaged in the business of renting, leasing, or letting rooms in a hotel whose only rentals are as described in items (1) and (2) of subsection (d-5) of Section 3 of this Act are exempt from the provisions of this Act.

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(Source: Laws 1961, p. 1728.)

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