



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2958

by Rep. Anthony DeLuca

SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-11-1	from Ch. 24, par. 8-11-1
65 ILCS 5/8-11-1.3	from Ch. 24, par. 8-11-1.3
65 ILCS 5/8-11-1.4	from Ch. 24, par. 8-11-1.4
65 ILCS 5/8-11-1.6	
65 ILCS 5/8-11-1.7	
65 ILCS 5/8-11-5	from Ch. 24, par. 8-11-5
65 ILCS 5/8-11-6	from Ch. 24, par. 8-11-6

Amends the Illinois Municipal Code. Provides that a municipality may, by ordinance, provide that its use and occupation taxes shall be collected and enforced by the municipality (currently, the Department of Revenue). Provides that, if the tax is collected and enforced by the municipality, none of the proceeds collected from the tax shall be transferred into the Tax Compliance and Administration Fund. Effective immediately.

LRB101 06247 HLH 51273 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 Illinois Municipal Code is amended by
5 changing Sections 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,
6 8-11-1.7, 8-11-5, and 8-11-6 as follows:

7 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

8 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax
9 Act. The corporate authorities of a home rule municipality may
10 impose a tax upon all persons engaged in the business of
11 selling tangible personal property, other than an item of
12 tangible personal property titled or registered with an agency
13 of this State's government, at retail in the municipality on
14 the gross receipts from these sales made in the course of such
15 business. If imposed, the tax shall only be imposed in 1/4%
16 increments. On and after September 1, 1991, this additional tax
17 may not be imposed on tangible personal property taxed at the
18 1% rate under the Retailers' Occupation Tax Act. The tax
19 imposed by a home rule municipality under this Section and all
20 civil penalties that may be assessed as an incident of the tax
21 shall be collected and enforced by the State Department of
22 Revenue, except that a municipality may, by ordinance, provide
23 that the tax shall be collected and enforced by the

1 municipality. If the tax is collected and enforced by the
2 municipality, none of the proceeds collected from the tax shall
3 be transferred into the Tax Compliance and Administration Fund.

4 The certificate of registration that is issued by the
5 Department to a retailer under the Retailers' Occupation Tax
6 Act shall permit the retailer to engage in a business that is
7 taxable under any ordinance or resolution enacted pursuant to
8 this Section without registering separately with the
9 Department under such ordinance or resolution or under this
10 Section. The Department shall have full power to administer and
11 enforce this Section; to collect all taxes and penalties due
12 hereunder; to dispose of taxes and penalties so collected in
13 the manner hereinafter provided; and to determine all rights to
14 credit memoranda arising on account of the erroneous payment of
15 tax or penalty hereunder. In the administration of, and
16 compliance with, this Section the Department and persons who
17 are subject to this Section shall have the same rights,
18 remedies, privileges, immunities, powers and duties, and be
19 subject to the same conditions, restrictions, limitations,
20 penalties and definitions of terms, and employ the same modes
21 of procedure, as are prescribed in Sections 1, 1a, 1d, 1e, 1f,
22 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all
23 provisions therein other than the State rate of tax), 2c, 3
24 (except as to the disposition of taxes and penalties
25 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,
26 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the

1 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
2 Penalty and Interest Act, as fully as if those provisions were
3 set forth herein.

4 No tax may be imposed by a home rule municipality under
5 this Section unless the municipality also imposes a tax at the
6 same rate under Section 8-11-5 of this Act.

7 Persons subject to any tax imposed under the authority
8 granted in this Section may reimburse themselves for their
9 seller's tax liability hereunder by separately stating that tax
10 as an additional charge, which charge may be stated in
11 combination, in a single amount, with State tax which sellers
12 are required to collect under the Use Tax Act, pursuant to such
13 bracket schedules as the Department may prescribe.

14 Whenever the Department determines that a refund should be
15 made under this Section to a claimant instead of issuing a
16 credit memorandum, the Department shall notify the State
17 Comptroller, who shall cause the order to be drawn for the
18 amount specified and to the person named in the notification
19 from the Department. The refund shall be paid by the State
20 Treasurer out of the home rule municipal retailers' occupation
21 tax fund.

22 The Department shall immediately pay over to the State
23 Treasurer, ex officio, as trustee, all taxes and penalties
24 collected hereunder.

25 As soon as possible after the first day of each month,
26 beginning January 1, 2011, upon certification of the Department

1 of Revenue, the Comptroller shall order transferred, and the
2 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
3 local sales tax increment, as defined in the Innovation
4 Development and Economy Act, collected under this Section
5 during the second preceding calendar month for sales within a
6 STAR bond district.

7 After the monthly transfer to the STAR Bonds Revenue Fund,
8 on or before the 25th day of each calendar month, the
9 Department shall prepare and certify to the Comptroller the
10 disbursement of stated sums of money to named municipalities,
11 the municipalities to be those from which retailers have paid
12 taxes or penalties hereunder to the Department during the
13 second preceding calendar month. The amount to be paid to each
14 municipality shall be the amount (not including credit
15 memoranda) collected hereunder during the second preceding
16 calendar month by the Department plus an amount the Department
17 determines is necessary to offset any amounts that were
18 erroneously paid to a different taxing body, and not including
19 an amount equal to the amount of refunds made during the second
20 preceding calendar month by the Department on behalf of such
21 municipality, and not including any amount that the Department
22 determines is necessary to offset any amounts that were payable
23 to a different taxing body but were erroneously paid to the
24 municipality, and not including any amounts that are
25 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
26 remainder, which the Department shall transfer into the Tax

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

12 In addition to the disbursement required by the preceding
13 paragraph and in order to mitigate delays caused by
14 distribution procedures, an allocation shall, if requested, be
15 made within 10 days after January 14, 1991, and in November of
16 1991 and each year thereafter, to each municipality that
17 received more than \$500,000 during the preceding fiscal year,
18 (July 1 through June 30) whether collected by the municipality
19 or disbursed by the Department as required by this Section.
20 Within 10 days after January 14, 1991, participating
21 municipalities shall notify the Department in writing of their
22 intent to participate. In addition, for the initial
23 distribution, participating municipalities shall certify to
24 the Department the amounts collected by the municipality for
25 each month under its home rule occupation and service
26 occupation tax during the period July 1, 1989 through June 30,

1 1990. The allocation within 10 days after January 14, 1991,
2 shall be in an amount equal to the monthly average of these
3 amounts, excluding the 2 months of highest receipts. The
4 monthly average for the period of July 1, 1990 through June 30,
5 1991 will be determined as follows: the amounts collected by
6 the municipality under its home rule occupation and service
7 occupation tax during the period of July 1, 1990 through
8 September 30, 1990, plus amounts collected by the Department
9 and paid to such municipality through June 30, 1991, excluding
10 the 2 months of highest receipts. The monthly average for each
11 subsequent period of July 1 through June 30 shall be an amount
12 equal to the monthly distribution made to each such
13 municipality under the preceding paragraph during this period,
14 excluding the 2 months of highest receipts. The distribution
15 made in November 1991 and each year thereafter under this
16 paragraph and the preceding paragraph shall be reduced by the
17 amount allocated and disbursed under this paragraph in the
18 preceding period of July 1 through June 30. The Department
19 shall prepare and certify to the Comptroller for disbursement
20 the allocations made in accordance with this paragraph.

21 For the purpose of determining the local governmental unit
22 whose tax is applicable, a retail sale by a producer of coal or
23 other mineral mined in Illinois is a sale at retail at the
24 place where the coal or other mineral mined in Illinois is
25 extracted from the earth. This paragraph does not apply to coal
26 or other mineral when it is delivered or shipped by the seller

1 to the purchaser at a point outside Illinois so that the sale
2 is exempt under the United States Constitution as a sale in
3 interstate or foreign commerce.

4 Nothing in this Section shall be construed to authorize a
5 municipality to impose a tax upon the privilege of engaging in
6 any business which under the Constitution of the United States
7 may not be made the subject of taxation by this State.

8 An ordinance or resolution imposing or discontinuing a tax
9 hereunder or effecting a change in the rate thereof shall be
10 adopted and a certified copy thereof filed with the Department
11 on or before the first day of June, whereupon the Department
12 shall proceed to administer and enforce this Section as of the
13 first day of September next following the adoption and filing.
14 Beginning January 1, 1992, an ordinance or resolution imposing
15 or discontinuing the tax hereunder or effecting a change in the
16 rate thereof shall be adopted and a certified copy thereof
17 filed with the Department on or before the first day of July,
18 whereupon the Department shall proceed to administer and
19 enforce this Section as of the first day of October next
20 following such adoption and filing. Beginning January 1, 1993,
21 an ordinance or resolution imposing or discontinuing the tax
22 hereunder or effecting a change in the rate thereof shall be
23 adopted and a certified copy thereof filed with the Department
24 on or before the first day of October, whereupon the Department
25 shall proceed to administer and enforce this Section as of the
26 first day of January next following the adoption and filing.

1 However, a municipality located in a county with a population
2 in excess of 3,000,000 that elected to become a home rule unit
3 at the general primary election in 1994 may adopt an ordinance
4 or resolution imposing the tax under this Section and file a
5 certified copy of the ordinance or resolution with the
6 Department on or before July 1, 1994. The Department shall then
7 proceed to administer and enforce this Section as of October 1,
8 1994. Beginning April 1, 1998, an ordinance or resolution
9 imposing or discontinuing the tax hereunder or effecting a
10 change in the rate thereof shall either (i) be adopted and a
11 certified copy thereof filed with the Department on or before
12 the first day of April, whereupon the Department shall proceed
13 to administer and enforce this Section as of the first day of
14 July next following the adoption and filing; or (ii) be adopted
15 and a certified copy thereof filed with the Department on or
16 before the first day of October, whereupon the Department shall
17 proceed to administer and enforce this Section as of the first
18 day of January next following the adoption and filing.

19 When certifying the amount of a monthly disbursement to a
20 municipality under this Section, the Department shall increase
21 or decrease the amount by an amount necessary to offset any
22 misallocation of previous disbursements. The offset amount
23 shall be the amount erroneously disbursed within the previous 6
24 months from the time a misallocation is discovered.

25 Any unobligated balance remaining in the Municipal
26 Retailers' Occupation Tax Fund on December 31, 1989, which fund

1 was abolished by Public Act 85-1135, and all receipts of
2 municipal tax as a result of audits of liability periods prior
3 to January 1, 1990, shall be paid into the Local Government Tax
4 Fund for distribution as provided by this Section prior to the
5 enactment of Public Act 85-1135. All receipts of municipal tax
6 as a result of an assessment not arising from an audit, for
7 liability periods prior to January 1, 1990, shall be paid into
8 the Local Government Tax Fund for distribution before July 1,
9 1990, as provided by this Section prior to the enactment of
10 Public Act 85-1135; and on and after July 1, 1990, all such
11 receipts shall be distributed as provided in Section 6z-18 of
12 the State Finance Act.

13 As used in this Section, "municipal" and "municipality"
14 means a city, village or incorporated town, including an
15 incorporated town that has superseded a civil township.

16 This Section shall be known and may be cited as the Home
17 Rule Municipal Retailers' Occupation Tax Act.

18 (Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17;
19 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; revised 1-9-19.)

20 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

21 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
22 Occupation Tax Act. The corporate authorities of a non-home
23 rule municipality may impose a tax upon all persons engaged in
24 the business of selling tangible personal property, other than
25 on an item of tangible personal property which is titled and

1 registered by an agency of this State's Government, at retail
2 in the municipality for expenditure on public infrastructure or
3 for property tax relief or both as defined in Section 8-11-1.2
4 if approved by referendum as provided in Section 8-11-1.1, of
5 the gross receipts from such sales made in the course of such
6 business. If the tax is approved by referendum on or after July
7 14, 2010 (the effective date of Public Act 96-1057), the
8 corporate authorities of a non-home rule municipality may,
9 until December 31, 2020, use the proceeds of the tax for
10 expenditure on municipal operations, in addition to or in lieu
11 of any expenditure on public infrastructure or for property tax
12 relief. The tax imposed may not be more than 1% and may be
13 imposed only in 1/4% increments. The tax may not be imposed on
14 tangible personal property taxed at the 1% rate under the
15 Retailers' Occupation Tax Act. The tax imposed by a
16 municipality pursuant to this Section and all civil penalties
17 that may be assessed as an incident thereof shall be collected
18 and enforced by the State Department of Revenue, except that a
19 municipality may, by ordinance, provide that the tax shall be
20 collected and enforced by the municipality. If the tax is
21 collected and enforced by the municipality, none of the
22 proceeds collected from the tax shall be transferred into the
23 Tax Compliance and Administration Fund. The certificate of
24 registration which is issued by the Department to a retailer
25 under the Retailers' Occupation Tax Act shall permit such
26 retailer to engage in a business which is taxable under any

1 ordinance or resolution enacted pursuant to this Section
2 without registering separately with the Department under such
3 ordinance or resolution or under this Section. The Department
4 shall have full power to administer and enforce this Section;
5 to collect all taxes and penalties due hereunder; to dispose of
6 taxes and penalties so collected in the manner hereinafter
7 provided, and to determine all rights to credit memoranda,
8 arising on account of the erroneous payment of tax or penalty
9 hereunder. In the administration of, and compliance with, this
10 Section, the Department and persons who are subject to this
11 Section shall have the same rights, remedies, privileges,
12 immunities, powers and duties, and be subject to the same
13 conditions, restrictions, limitations, penalties and
14 definitions of terms, and employ the same modes of procedure,
15 as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,
16 2 through 2-65 (in respect to all provisions therein other than
17 the State rate of tax), 2c, 3 (except as to the disposition of
18 taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,
19 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12
20 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of
21 the Uniform Penalty and Interest Act as fully as if those
22 provisions were set forth herein.

23 No municipality may impose a tax under this Section unless
24 the municipality also imposes a tax at the same rate under
25 Section 8-11-1.4 of this Code.

26 Persons subject to any tax imposed pursuant to the

1 authority granted in this Section may reimburse themselves for
2 their seller's tax liability hereunder by separately stating
3 such tax as an additional charge, which charge may be stated in
4 combination, in a single amount, with State tax which sellers
5 are required to collect under the Use Tax Act, pursuant to such
6 bracket schedules as the Department may prescribe.

7 Whenever the Department determines that a refund should be
8 made under this Section to a claimant instead of issuing a
9 credit memorandum, the Department shall notify the State
10 Comptroller, who shall cause the order to be drawn for the
11 amount specified, and to the person named, in such notification
12 from the Department. Such refund shall be paid by the State
13 Treasurer out of the non-home rule municipal retailers'
14 occupation tax fund.

15 The Department shall forthwith pay over to the State
16 Treasurer, ex officio, as trustee, all taxes and penalties
17 collected hereunder.

18 As soon as possible after the first day of each month,
19 beginning January 1, 2011, upon certification of the Department
20 of Revenue, the Comptroller shall order transferred, and the
21 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
22 local sales tax increment, as defined in the Innovation
23 Development and Economy Act, collected under this Section
24 during the second preceding calendar month for sales within a
25 STAR bond district.

26 After the monthly transfer to the STAR Bonds Revenue Fund,

1 on or before the 25th day of each calendar month, the
2 Department shall prepare and certify to the Comptroller the
3 disbursement of stated sums of money to named municipalities,
4 the municipalities to be those from which retailers have paid
5 taxes or penalties hereunder to the Department during the
6 second preceding calendar month. The amount to be paid to each
7 municipality shall be the amount (not including credit
8 memoranda) collected hereunder during the second preceding
9 calendar month by the Department plus an amount the Department
10 determines is necessary to offset any amounts which were
11 erroneously paid to a different taxing body, and not including
12 an amount equal to the amount of refunds made during the second
13 preceding calendar month by the Department on behalf of such
14 municipality, and not including any amount which the Department
15 determines is necessary to offset any amounts which were
16 payable to a different taxing body but were erroneously paid to
17 the municipality, and not including any amounts that are
18 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
19 remainder, which the Department shall transfer into the Tax
20 Compliance and Administration Fund. The Department, at the time
21 of each monthly disbursement to the municipalities, shall
22 prepare and certify to the State Comptroller the amount to be
23 transferred into the Tax Compliance and Administration Fund
24 under this Section. Within 10 days after receipt, by the
25 Comptroller, of the disbursement certification to the
26 municipalities and the Tax Compliance and Administration Fund

1 provided for in this Section to be given to the Comptroller by
2 the Department, the Comptroller shall cause the orders to be
3 drawn for the respective amounts in accordance with the
4 directions contained in such certification.

5 For the purpose of determining the local governmental unit
6 whose tax is applicable, a retail sale, by a producer of coal
7 or other mineral mined in Illinois, is a sale at retail at the
8 place where the coal or other mineral mined in Illinois is
9 extracted from the earth. This paragraph does not apply to coal
10 or other mineral when it is delivered or shipped by the seller
11 to the purchaser at a point outside Illinois so that the sale
12 is exempt under the Federal Constitution as a sale in
13 interstate or foreign commerce.

14 Nothing in this Section shall be construed to authorize a
15 municipality to impose a tax upon the privilege of engaging in
16 any business which under the constitution of the United States
17 may not be made the subject of taxation by this State.

18 When certifying the amount of a monthly disbursement to a
19 municipality under this Section, the Department shall increase
20 or decrease such amount by an amount necessary to offset any
21 misallocation of previous disbursements. The offset amount
22 shall be the amount erroneously disbursed within the previous 6
23 months from the time a misallocation is discovered.

24 The Department of Revenue shall implement Public Act 91-649
25 ~~this amendatory Act of the 91st General Assembly~~ so as to
26 collect the tax on and after January 1, 2002.

1 As used in this Section, "municipal" and "municipality"
2 means a city, village or incorporated town, including an
3 incorporated town which has superseded a civil township.

4 This Section shall be known and may be cited as the
5 "Non-Home Rule Municipal Retailers' Occupation Tax Act".

6 (Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17;
7 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; revised 1-9-19.)

8 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

9 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation
10 Tax Act. The corporate authorities of a non-home rule
11 municipality may impose a tax upon all persons engaged, in such
12 municipality, in the business of making sales of service for
13 expenditure on public infrastructure or for property tax relief
14 or both as defined in Section 8-11-1.2 if approved by
15 referendum as provided in Section 8-11-1.1, of the selling
16 price of all tangible personal property transferred by such
17 servicemen either in the form of tangible personal property or
18 in the form of real estate as an incident to a sale of service.
19 If the tax is approved by referendum on or after July 14, 2010
20 (the effective date of Public Act 96-1057), the corporate
21 authorities of a non-home rule municipality may, until December
22 31, 2020, use the proceeds of the tax for expenditure on
23 municipal operations, in addition to or in lieu of any
24 expenditure on public infrastructure or for property tax
25 relief. The tax imposed may not be more than 1% and may be

1 imposed only in 1/4% increments. The tax may not be imposed on
2 tangible personal property taxed at the 1% rate under the
3 Service Occupation Tax Act. The tax imposed by a municipality
4 pursuant to this Section and all civil penalties that may be
5 assessed as an incident thereof shall be collected and enforced
6 by the State Department of Revenue, except that a municipality
7 may, by ordinance, provide that the tax shall be collected and
8 enforced by the municipality. If the tax is collected and
9 enforced by the municipality, none of the proceeds collected
10 from the tax shall be transferred into the Tax Compliance and
11 Administration Fund. The certificate of registration which is
12 issued by the Department to a retailer under the Retailers'
13 Occupation Tax Act or under the Service Occupation Tax Act
14 shall permit such registrant to engage in a business which is
15 taxable under any ordinance or resolution enacted pursuant to
16 this Section without registering separately with the
17 Department under such ordinance or resolution or under this
18 Section. The Department shall have full power to administer and
19 enforce this Section; to collect all taxes and penalties due
20 hereunder; to dispose of taxes and penalties so collected in
21 the manner hereinafter provided, and to determine all rights to
22 credit memoranda arising on account of the erroneous payment of
23 tax or penalty hereunder. In the administration of, and
24 compliance with, this Section the Department and persons who
25 are subject to this Section shall have the same rights,
26 remedies, privileges, immunities, powers and duties, and be

1 subject to the same conditions, restrictions, limitations,
2 penalties and definitions of terms, and employ the same modes
3 of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3
4 through 3-50 (in respect to all provisions therein other than
5 the State rate of tax), 4 (except that the reference to the
6 State shall be to the taxing municipality), 5, 7, 8 (except
7 that the jurisdiction to which the tax shall be a debt to the
8 extent indicated in that Section 8 shall be the taxing
9 municipality), 9 (except as to the disposition of taxes and
10 penalties collected, and except that the returned merchandise
11 credit for this municipal tax may not be taken against any
12 State tax), 10, 11, 12 (except the reference therein to Section
13 2b of the Retailers' Occupation Tax Act), 13 (except that any
14 reference to the State shall mean the taxing municipality), the
15 first paragraph of Section 15, 16, 17, 18, 19 and 20 of the
16 Service Occupation Tax Act and Section 3-7 of the Uniform
17 Penalty and Interest Act, as fully as if those provisions were
18 set forth herein.

19 No municipality may impose a tax under this Section unless
20 the municipality also imposes a tax at the same rate under
21 Section 8-11-1.3 of this Code.

22 Persons subject to any tax imposed pursuant to the
23 authority granted in this Section may reimburse themselves for
24 their serviceman's tax liability hereunder by separately
25 stating such tax as an additional charge, which charge may be
26 stated in combination, in a single amount, with State tax which

1 servicemen are authorized to collect under the Service Use Tax
2 Act, pursuant to such bracket schedules as the Department may
3 prescribe.

4 Whenever the Department determines that a refund should be
5 made under this Section to a claimant instead of issuing credit
6 memorandum, the Department shall notify the State Comptroller,
7 who shall cause the order to be drawn for the amount specified,
8 and to the person named, in such notification from the
9 Department. Such refund shall be paid by the State Treasurer
10 out of the municipal retailers' occupation tax fund.

11 The Department shall forthwith pay over to the State
12 Treasurer, ex officio, as trustee, all taxes and penalties
13 collected hereunder.

14 As soon as possible after the first day of each month,
15 beginning January 1, 2011, upon certification of the Department
16 of Revenue, the Comptroller shall order transferred, and the
17 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
18 local sales tax increment, as defined in the Innovation
19 Development and Economy Act, collected under this Section
20 during the second preceding calendar month for sales within a
21 STAR bond district.

22 After the monthly transfer to the STAR Bonds Revenue Fund,
23 on or before the 25th day of each calendar month, the
24 Department shall prepare and certify to the Comptroller the
25 disbursement of stated sums of money to named municipalities,
26 the municipalities to be those from which suppliers and

1 servicemen have paid taxes or penalties hereunder to the
2 Department during the second preceding calendar month. The
3 amount to be paid to each municipality shall be the amount (not
4 including credit memoranda) collected hereunder during the
5 second preceding calendar month by the Department, and not
6 including an amount equal to the amount of refunds made during
7 the second preceding calendar month by the Department on behalf
8 of such municipality, and not including any amounts that are
9 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
10 remainder, which the Department shall transfer into the Tax
11 Compliance and Administration Fund. The Department, at the time
12 of each monthly disbursement to the municipalities, shall
13 prepare and certify to the State Comptroller the amount to be
14 transferred into the Tax Compliance and Administration Fund
15 under this Section. Within 10 days after receipt, by the
16 Comptroller, of the disbursement certification to the
17 municipalities, the General Revenue Fund, and the Tax
18 Compliance and Administration Fund provided for in this Section
19 to be given to the Comptroller by the Department, the
20 Comptroller shall cause the orders to be drawn for the
21 respective amounts in accordance with the directions contained
22 in such certification.

23 The Department of Revenue shall implement Public Act 91-649
24 ~~this amendatory Act of the 91st General Assembly~~ so as to
25 collect the tax on and after January 1, 2002.

26 Nothing in this Section shall be construed to authorize a

1 municipality to impose a tax upon the privilege of engaging in
2 any business which under the constitution of the United States
3 may not be made the subject of taxation by this State.

4 As used in this Section, "municipal" or "municipality"
5 means or refers to a city, village or incorporated town,
6 including an incorporated town which has superseded a civil
7 township.

8 This Section shall be known and may be cited as the
9 "Non-Home Rule Municipal Service Occupation Tax Act".

10 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
11 100-1171, eff. 1-4-19; revised 1-9-19.)

12 (65 ILCS 5/8-11-1.6)

13 Sec. 8-11-1.6. Non-home rule municipal retailers'
14 occupation tax; municipalities between 20,000 and 25,000. The
15 corporate authorities of a non-home rule municipality with a
16 population of more than 20,000 but less than 25,000 that has,
17 prior to January 1, 1987, established a Redevelopment Project
18 Area that has been certified as a State Sales Tax Boundary and
19 has issued bonds or otherwise incurred indebtedness to pay for
20 costs in excess of \$5,000,000, which is secured in part by a
21 tax increment allocation fund, in accordance with the
22 provisions of Division 11-74.4 of this Code may, by passage of
23 an ordinance, impose a tax upon all persons engaged in the
24 business of selling tangible personal property, other than on
25 an item of tangible personal property that is titled and

1 registered by an agency of this State's Government, at retail
2 in the municipality. This tax may not be imposed on tangible
3 personal property taxed at the 1% rate under the Retailers'
4 Occupation Tax Act. If imposed, the tax shall only be imposed
5 in .25% increments of the gross receipts from such sales made
6 in the course of business. Any tax imposed by a municipality
7 under this Section and all civil penalties that may be assessed
8 as an incident thereof shall be collected and enforced by the
9 State Department of Revenue, except that a municipality may, by
10 ordinance, provide that the tax shall be collected and enforced
11 by the municipality. If the tax is collected and enforced by
12 the municipality, none of the proceeds collected from the tax
13 shall be transferred into the Tax Compliance and Administration
14 Fund. An ordinance imposing a tax hereunder or effecting a
15 change in the rate thereof shall be adopted and a certified
16 copy thereof filed with the Department on or before the first
17 day of October, whereupon the Department shall proceed to
18 administer and enforce this Section as of the first day of
19 January next following such adoption and filing. The
20 certificate of registration that is issued by the Department to
21 a retailer under the Retailers' Occupation Tax Act shall permit
22 the retailer to engage in a business that is taxable under any
23 ordinance or resolution enacted under this Section without
24 registering separately with the Department under the ordinance
25 or resolution or under this Section. The Department shall have
26 full power to administer and enforce this Section, to collect

1 all taxes and penalties due hereunder, to dispose of taxes and
2 penalties so collected in the manner hereinafter provided, and
3 to determine all rights to credit memoranda, arising on account
4 of the erroneous payment of tax or penalty hereunder. In the
5 administration of, and compliance with this Section, the
6 Department and persons who are subject to this Section shall
7 have the same rights, remedies, privileges, immunities,
8 powers, and duties, and be subject to the same conditions,
9 restrictions, limitations, penalties, and definitions of
10 terms, and employ the same modes of procedure, as are
11 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2
12 through 2-65 (in respect to all provisions therein other than
13 the State rate of tax), 2c, 3 (except as to the disposition of
14 taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,
15 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12
16 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of
17 the Uniform Penalty and Interest Act as fully as if those
18 provisions were set forth herein.

19 A tax may not be imposed by a municipality under this
20 Section unless the municipality also imposes a tax at the same
21 rate under Section 8-11-1.7 of this Act.

22 Persons subject to any tax imposed under the authority
23 granted in this Section may reimburse themselves for their
24 seller's tax liability hereunder by separately stating the tax
25 as an additional charge, which charge may be stated in
26 combination, in a single amount, with State tax which sellers

1 are required to collect under the Use Tax Act, pursuant to such
2 bracket schedules as the Department may prescribe.

3 Whenever the Department determines that a refund should be
4 made under this Section to a claimant, instead of issuing a
5 credit memorandum, the Department shall notify the State
6 Comptroller, who shall cause the order to be drawn for the
7 amount specified, and to the person named in the notification
8 from the Department. The refund shall be paid by the State
9 Treasurer out of the Non-Home Rule Municipal Retailers'
10 Occupation Tax Fund, which is hereby created.

11 The Department shall forthwith pay over to the State
12 Treasurer, ex officio, as trustee, all taxes and penalties
13 collected hereunder.

14 As soon as possible after the first day of each month,
15 beginning January 1, 2011, upon certification of the Department
16 of Revenue, the Comptroller shall order transferred, and the
17 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
18 local sales tax increment, as defined in the Innovation
19 Development and Economy Act, collected under this Section
20 during the second preceding calendar month for sales within a
21 STAR bond district.

22 After the monthly transfer to the STAR Bonds Revenue Fund,
23 on or before the 25th day of each calendar month, the
24 Department shall prepare and certify to the Comptroller the
25 disbursement of stated sums of money to named municipalities,
26 the municipalities to be those from which retailers have paid

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

1 For the purpose of determining the local governmental unit
2 whose tax is applicable, a retail sale by a producer of coal or
3 other mineral mined in Illinois is a sale at retail at the
4 place where the coal or other mineral mined in Illinois is
5 extracted from the earth. This paragraph does not apply to coal
6 or other mineral when it is delivered or shipped by the seller
7 to the purchaser at a point outside Illinois so that the sale
8 is exempt under the federal Constitution as a sale in
9 interstate or foreign commerce.

10 Nothing in this Section shall be construed to authorize a
11 municipality to impose a tax upon the privilege of engaging in
12 any business which under the constitution of the United States
13 may not be made the subject of taxation by this State.

14 When certifying the amount of a monthly disbursement to a
15 municipality under this Section, the Department shall increase
16 or decrease the amount by an amount necessary to offset any
17 misallocation of previous disbursements. The offset amount
18 shall be the amount erroneously disbursed within the previous 6
19 months from the time a misallocation is discovered.

20 As used in this Section, "municipal" and "municipality"
21 means a city, village, or incorporated town, including an
22 incorporated town that has superseded a civil township.

23 (Source: P.A. 99-217, eff. 7-31-15; 99-642, eff. 7-28-16;
24 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-863, eff.
25 8-14-18; 100-1171, eff. 1-4-19; revised 1-9-19.)

1 (65 ILCS 5/8-11-1.7)

2 Sec. 8-11-1.7. Non-home rule municipal service occupation
3 tax; municipalities between 20,000 and 25,000. The corporate
4 authorities of a non-home rule municipality with a population
5 of more than 20,000 but less than 25,000 as determined by the
6 last preceding decennial census that has, prior to January 1,
7 1987, established a Redevelopment Project Area that has been
8 certified as a State Sales Tax Boundary and has issued bonds or
9 otherwise incurred indebtedness to pay for costs in excess of
10 \$5,000,000, which is secured in part by a tax increment
11 allocation fund, in accordance with the provisions of Division
12 11-74.4 of this Code may, by passage of an ordinance, impose a
13 tax upon all persons engaged in the municipality in the
14 business of making sales of service. If imposed, the tax shall
15 only be imposed in .25% increments of the selling price of all
16 tangible personal property transferred by such servicemen
17 either in the form of tangible personal property or in the form
18 of real estate as an incident to a sale of service. This tax
19 may not be imposed on tangible personal property taxed at the
20 1% rate under the Service Occupation Tax Act. The tax imposed
21 by a municipality under this Section and all civil penalties
22 that may be assessed as an incident thereof shall be collected
23 and enforced by the State Department of Revenue, except that a
24 municipality may, by ordinance, provide that the tax shall be
25 collected and enforced by the municipality. If the tax is
26 collected and enforced by the municipality, none of the

1 proceeds collected from the tax shall be transferred into the
2 Tax Compliance and Administration Fund. An ordinance imposing a
3 tax hereunder or effecting a change in the rate thereof shall
4 be adopted and a certified copy thereof filed with the
5 Department on or before the first day of October, whereupon the
6 Department shall proceed to administer and enforce this Section
7 as of the first day of January next following such adoption and
8 filing. The certificate of registration that is issued by the
9 Department to a retailer under the Retailers' Occupation Tax
10 Act or under the Service Occupation Tax Act shall permit the
11 registrant to engage in a business that is taxable under any
12 ordinance or resolution enacted under this Section without
13 registering separately with the Department under the ordinance
14 or resolution or under this Section. The Department shall have
15 full power to administer and enforce this Section, to collect
16 all taxes and penalties due hereunder, to dispose of taxes and
17 penalties so collected in a manner hereinafter provided, and to
18 determine all rights to credit memoranda arising on account of
19 the erroneous payment of tax or penalty hereunder. In the
20 administration of and compliance with this Section, the
21 Department and persons who are subject to this Section shall
22 have the same rights, remedies, privileges, immunities,
23 powers, and duties, and be subject to the same conditions,
24 restrictions, limitations, penalties and definitions of terms,
25 and employ the same modes of procedure, as are prescribed in
26 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all

1 provisions therein other than the State rate of tax), 4 (except
2 that the reference to the State shall be to the taxing
3 municipality), 5, 7, 8 (except that the jurisdiction to which
4 the tax shall be a debt to the extent indicated in that Section
5 8 shall be the taxing municipality), 9 (except as to the
6 disposition of taxes and penalties collected, and except that
7 the returned merchandise credit for this municipal tax may not
8 be taken against any State tax), 10, 11, 12, (except the
9 reference therein to Section 2b of the Retailers' Occupation
10 Tax Act), 13 (except that any reference to the State shall mean
11 the taxing municipality), the first paragraph of Sections 15,
12 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and
13 Section 3-7 of the Uniform Penalty and Interest Act, as fully
14 as if those provisions were set forth herein.

15 A tax may not be imposed by a municipality under this
16 Section unless the municipality also imposes a tax at the same
17 rate under Section 8-11-1.6 of this Act.

18 Person subject to any tax imposed under the authority
19 granted in this Section may reimburse themselves for their
20 servicemen's tax liability hereunder by separately stating the
21 tax as an additional charge, which charge may be stated in
22 combination, in a single amount, with State tax that servicemen
23 are authorized to collect under the Service Use Tax Act, under
24 such bracket schedules as the Department may prescribe.

25 Whenever the Department determines that a refund should be
26 made under this Section to a claimant instead of issuing credit

1 memorandum, the Department shall notify the State Comptroller,
2 who shall cause the order to be drawn for the amount specified,
3 and to the person named, in such notification from the
4 Department. The refund shall be paid by the State Treasurer out
5 of the Non-Home Rule Municipal Retailers' Occupation Tax Fund.

6 The Department shall forthwith pay over to the State
7 Treasurer, ex officio, as trustee, all taxes and penalties
8 collected hereunder.

9 As soon as possible after the first day of each month,
10 beginning January 1, 2011, upon certification of the Department
11 of Revenue, the Comptroller shall order transferred, and the
12 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
13 local sales tax increment, as defined in the Innovation
14 Development and Economy Act, collected under this Section
15 during the second preceding calendar month for sales within a
16 STAR bond district.

17 After the monthly transfer to the STAR Bonds Revenue Fund,
18 on or before the 25th day of each calendar month, the
19 Department shall prepare and certify to the Comptroller the
20 disbursement of stated sums of money to named municipalities,
21 the municipalities to be those from which suppliers and
22 servicemen have paid taxes or penalties hereunder to the
23 Department during the second preceding calendar month. The
24 amount to be paid to each municipality shall be the amount (not
25 including credit memoranda) collected hereunder during the
26 second preceding calendar month by the Department, and not

1 including an amount equal to the amount of refunds made during
2 the second preceding calendar month by the Department on behalf
3 of such municipality, and not including any amounts that are
4 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
5 remainder, which the Department shall transfer into the Tax
6 Compliance and Administration Fund. The Department, at the time
7 of each monthly disbursement to the municipalities, shall
8 prepare and certify to the State Comptroller the amount to be
9 transferred into the Tax Compliance and Administration Fund
10 under this Section. Within 10 days after receipt by the
11 Comptroller of the disbursement certification to the
12 municipalities, the Tax Compliance and Administration Fund,
13 and the General Revenue Fund, provided for in this Section to
14 be given to the Comptroller by the Department, the Comptroller
15 shall cause the orders to be drawn for the respective amounts
16 in accordance with the directions contained in the
17 certification.

18 When certifying the amount of a monthly disbursement to a
19 municipality under this Section, the Department shall increase
20 or decrease the amount by an amount necessary to offset any
21 misallocation of previous disbursements. The offset amount
22 shall be the amount erroneously disbursed within the previous 6
23 months from the time a misallocation is discovered.

24 Nothing in this Section shall be construed to authorize a
25 municipality to impose a tax upon the privilege of engaging in
26 any business which under the constitution of the United States

1 may not be made the subject of taxation by this State.

2 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
3 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised 1-9-19.)

4 (65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)

5 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax
6 Act. The corporate authorities of a home rule municipality may
7 impose a tax upon all persons engaged, in such municipality, in
8 the business of making sales of service at the same rate of tax
9 imposed pursuant to Section 8-11-1, of the selling price of all
10 tangible personal property transferred by such servicemen
11 either in the form of tangible personal property or in the form
12 of real estate as an incident to a sale of service. If imposed,
13 such tax shall only be imposed in 1/4% increments. On and after
14 September 1, 1991, this additional tax may not be imposed on
15 tangible personal property taxed at the 1% rate under the
16 Retailers' Occupation Tax Act. The tax imposed by a home rule
17 municipality pursuant to this Section and all civil penalties
18 that may be assessed as an incident thereof shall be collected
19 and enforced by the State Department of Revenue, except that a
20 municipality may, by ordinance, provide that the tax shall be
21 collected and enforced by the municipality. If the tax is
22 collected and enforced by the municipality, none of the
23 proceeds collected from the tax shall be transferred into the
24 Tax Compliance and Administration Fund. The certificate of
25 registration which is issued by the Department to a retailer

1 under the Retailers' Occupation Tax Act or under the Service
2 Occupation Tax Act shall permit such registrant to engage in a
3 business which is taxable under any ordinance or resolution
4 enacted pursuant to this Section without registering
5 separately with the Department under such ordinance or
6 resolution or under this Section. The Department shall have
7 full power to administer and enforce this Section; to collect
8 all taxes and penalties due hereunder; to dispose of taxes and
9 penalties so collected in the manner hereinafter provided, and
10 to determine all rights to credit memoranda arising on account
11 of the erroneous payment of tax or penalty hereunder. In the
12 administration of, and compliance with, this Section the
13 Department and persons who are subject to this Section shall
14 have the same rights, remedies, privileges, immunities, powers
15 and duties, and be subject to the same conditions,
16 restrictions, limitations, penalties and definitions of terms,
17 and employ the same modes of procedure, as are prescribed in
18 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all
19 provisions therein other than the State rate of tax), 4 (except
20 that the reference to the State shall be to the taxing
21 municipality), 5, 7, 8 (except that the jurisdiction to which
22 the tax shall be a debt to the extent indicated in that Section
23 8 shall be the taxing municipality), 9 (except as to the
24 disposition of taxes and penalties collected, and except that
25 the returned merchandise credit for this municipal tax may not
26 be taken against any State tax), 10, 11, 12 (except the

1 reference therein to Section 2b of the Retailers' Occupation
2 Tax Act), 13 (except that any reference to the State shall mean
3 the taxing municipality), the first paragraph of Section 15,
4 16, 17 (except that credit memoranda issued hereunder may not
5 be used to discharge any State tax liability), 18, 19 and 20 of
6 the Service Occupation Tax Act and Section 3-7 of the Uniform
7 Penalty and Interest Act, as fully as if those provisions were
8 set forth herein.

9 No tax may be imposed by a home rule municipality pursuant
10 to this Section unless such municipality also imposes a tax at
11 the same rate pursuant to Section 8-11-1 of this Act.

12 Persons subject to any tax imposed pursuant to the
13 authority granted in this Section may reimburse themselves for
14 their serviceman's tax liability hereunder by separately
15 stating such tax as an additional charge, which charge may be
16 stated in combination, in a single amount, with State tax which
17 servicemen are authorized to collect under the Service Use Tax
18 Act, pursuant to such bracket schedules as the Department may
19 prescribe.

20 Whenever the Department determines that a refund should be
21 made under this Section to a claimant instead of issuing credit
22 memorandum, the Department shall notify the State Comptroller,
23 who shall cause the order to be drawn for the amount specified,
24 and to the person named, in such notification from the
25 Department. Such refund shall be paid by the State Treasurer
26 out of the home rule municipal retailers' occupation tax fund.

1 The Department shall forthwith pay over to the State
2 Treasurer, ex officio ~~ex officio~~, as trustee, all taxes and
3 penalties collected hereunder.

4 As soon as possible after the first day of each month,
5 beginning January 1, 2011, upon certification of the Department
6 of Revenue, the Comptroller shall order transferred, and the
7 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
8 local sales tax increment, as defined in the Innovation
9 Development and Economy Act, collected under this Section
10 during the second preceding calendar month for sales within a
11 STAR bond district.

12 After the monthly transfer to the STAR Bonds Revenue Fund,
13 on or before the 25th day of each calendar month, the
14 Department shall prepare and certify to the Comptroller the
15 disbursement of stated sums of money to named municipalities,
16 the municipalities to be those from which suppliers and
17 servicemen have paid taxes or penalties hereunder to the
18 Department during the second preceding calendar month. The
19 amount to be paid to each municipality shall be the amount (not
20 including credit memoranda) collected hereunder during the
21 second preceding calendar month by the Department, and not
22 including an amount equal to the amount of refunds made during
23 the second preceding calendar month by the Department on behalf
24 of such municipality, and not including any amounts that are
25 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
26 remainder, which the Department shall transfer into the Tax

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

12 In addition to the disbursement required by the preceding
13 paragraph and in order to mitigate delays caused by
14 distribution procedures, an allocation shall, if requested, be
15 made within 10 days after January 14, 1991, and in November of
16 1991 and each year thereafter, to each municipality that
17 received more than \$500,000 during the preceding fiscal year,
18 (July 1 through June 30) whether collected by the municipality
19 or disbursed by the Department as required by this Section.
20 Within 10 days after January 14, 1991, participating
21 municipalities shall notify the Department in writing of their
22 intent to participate. In addition, for the initial
23 distribution, participating municipalities shall certify to
24 the Department the amounts collected by the municipality for
25 each month under its home rule occupation and service
26 occupation tax during the period July 1, 1989 through June 30,

1 1990. The allocation within 10 days after January 14, 1991,
2 shall be in an amount equal to the monthly average of these
3 amounts, excluding the 2 months of highest receipts. Monthly
4 average for the period of July 1, 1990 through June 30, 1991
5 will be determined as follows: the amounts collected by the
6 municipality under its home rule occupation and service
7 occupation tax during the period of July 1, 1990 through
8 September 30, 1990, plus amounts collected by the Department
9 and paid to such municipality through June 30, 1991, excluding
10 the 2 months of highest receipts. The monthly average for each
11 subsequent period of July 1 through June 30 shall be an amount
12 equal to the monthly distribution made to each such
13 municipality under the preceding paragraph during this period,
14 excluding the 2 months of highest receipts. The distribution
15 made in November 1991 and each year thereafter under this
16 paragraph and the preceding paragraph shall be reduced by the
17 amount allocated and disbursed under this paragraph in the
18 preceding period of July 1 through June 30. The Department
19 shall prepare and certify to the Comptroller for disbursement
20 the allocations made in accordance with this paragraph.

21 Nothing in this Section shall be construed to authorize a
22 municipality to impose a tax upon the privilege of engaging in
23 any business which under the constitution of the United States
24 may not be made the subject of taxation by this State.

25 An ordinance or resolution imposing or discontinuing a tax
26 hereunder or effecting a change in the rate thereof shall be

1 adopted and a certified copy thereof filed with the Department
2 on or before the first day of June, whereupon the Department
3 shall proceed to administer and enforce this Section as of the
4 first day of September next following such adoption and filing.
5 Beginning January 1, 1992, an ordinance or resolution imposing
6 or discontinuing the tax hereunder or effecting a change in the
7 rate thereof shall be adopted and a certified copy thereof
8 filed with the Department on or before the first day of July,
9 whereupon the Department shall proceed to administer and
10 enforce this Section as of the first day of October next
11 following such adoption and filing. Beginning January 1, 1993,
12 an ordinance or resolution imposing or discontinuing the tax
13 hereunder or effecting a change in the rate thereof shall be
14 adopted and a certified copy thereof filed with the Department
15 on or before the first day of October, whereupon the Department
16 shall proceed to administer and enforce this Section as of the
17 first day of January next following such adoption and filing.
18 However, a municipality located in a county with a population
19 in excess of 3,000,000 that elected to become a home rule unit
20 at the general primary election in 1994 may adopt an ordinance
21 or resolution imposing the tax under this Section and file a
22 certified copy of the ordinance or resolution with the
23 Department on or before July 1, 1994. The Department shall then
24 proceed to administer and enforce this Section as of October 1,
25 1994. Beginning April 1, 1998, an ordinance or resolution
26 imposing or discontinuing the tax hereunder or effecting a

1 change in the rate thereof shall either (i) be adopted and a
2 certified copy thereof filed with the Department on or before
3 the first day of April, whereupon the Department shall proceed
4 to administer and enforce this Section as of the first day of
5 July next following the adoption and filing; or (ii) be adopted
6 and a certified copy thereof filed with the Department on or
7 before the first day of October, whereupon the Department shall
8 proceed to administer and enforce this Section as of the first
9 day of January next following the adoption and filing.

10 Any unobligated balance remaining in the Municipal
11 Retailers' Occupation Tax Fund on December 31, 1989, which fund
12 was abolished by Public Act 85-1135, and all receipts of
13 municipal tax as a result of audits of liability periods prior
14 to January 1, 1990, shall be paid into the Local Government Tax
15 Fund, for distribution as provided by this Section prior to the
16 enactment of Public Act 85-1135. All receipts of municipal tax
17 as a result of an assessment not arising from an audit, for
18 liability periods prior to January 1, 1990, shall be paid into
19 the Local Government Tax Fund for distribution before July 1,
20 1990, as provided by this Section prior to the enactment of
21 Public Act 85-1135, and on and after July 1, 1990, all such
22 receipts shall be distributed as provided in Section 6z-18 of
23 the State Finance Act.

24 As used in this Section, "municipal" and "municipality"
25 means a city, village or incorporated town, including an
26 incorporated town which has superseded a civil township.

1 This Section shall be known and may be cited as the Home
2 Rule Municipal Service Occupation Tax Act.

3 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
4 100-1171, eff. 1-4-19; revised 1-9-19.)

5 (65 ILCS 5/8-11-6) (from Ch. 24, par. 8-11-6)

6 Sec. 8-11-6. Home Rule Municipal Use Tax Act.

7 (a) The corporate authorities of a home rule municipality
8 may impose a tax upon the privilege of using, in such
9 municipality, any item of tangible personal property which is
10 purchased at retail from a retailer, and which is titled or
11 registered at a location within the corporate limits of such
12 home rule municipality with an agency of this State's
13 government, at a rate which is an increment of 1/4% and based
14 on the selling price of such tangible personal property, as
15 "selling price" is defined in the Use Tax Act. In home rule
16 municipalities with less than 2,000,000 inhabitants, the tax
17 shall be collected by the municipality imposing the tax from
18 persons whose Illinois address for titling or registration
19 purposes is given as being in such municipality.

20 (b) In home rule municipalities with 2,000,000 or more
21 inhabitants, the corporate authorities of the municipality may
22 additionally impose a tax beginning July 1, 1991 upon the
23 privilege of using in the municipality, any item of tangible
24 personal property, other than tangible personal property
25 titled or registered with an agency of the State's government,

1 that is purchased at retail from a retailer located outside the
2 corporate limits of the municipality, at a rate that is an
3 increment of 1/4% not to exceed 1% and based on the selling
4 price of the tangible personal property, as "selling price" is
5 defined in the Use Tax Act. Such tax shall be collected from
6 the purchaser either by the municipality imposing such tax or
7 by the Department of Revenue pursuant to an agreement between
8 the Department and the municipality. If the tax is collected
9 and enforced by the municipality, none of the proceeds
10 collected from the tax shall be transferred into the Tax
11 Compliance and Administration Fund.

12 To prevent multiple home rule taxation, the use in a home
13 rule municipality of tangible personal property that is
14 acquired outside the municipality and caused to be brought into
15 the municipality by a person who has already paid a home rule
16 municipal tax in another municipality in respect to the sale,
17 purchase, or use of that property, shall be exempt to the
18 extent of the amount of the tax properly due and paid in the
19 other home rule municipality.

20 (c) If a municipality having 2,000,000 or more inhabitants
21 imposes the tax authorized by subsection (a), then the tax
22 shall be collected by the Illinois Department of Revenue when
23 the property is purchased at retail from a retailer in the
24 county in which the home rule municipality imposing the tax is
25 located, and in all contiguous counties. The tax shall be
26 remitted to the State, or an exemption determination must be

1 obtained from the Department before the title or certificate of
2 registration for the property may be issued. The tax or proof
3 of exemption may be transmitted to the Department by way of the
4 State agency with which, or State officer with whom, the
5 tangible personal property must be titled or registered if the
6 Department and that agency or State officer determine that this
7 procedure will expedite the processing of applications for
8 title or registration.

9 The Department shall have full power to administer and
10 enforce this Section to collect all taxes, penalties and
11 interest due hereunder, to dispose of taxes, penalties and
12 interest so collected in the manner hereinafter provided, and
13 determine all rights to credit memoranda or refunds arising on
14 account of the erroneous payment of tax, penalty or interest
15 hereunder. In the administration of and compliance with this
16 Section the Department and persons who are subject to this
17 Section shall have the same rights, remedies, privileges,
18 immunities, powers and duties, and be subject to the same
19 conditions, restrictions, limitations, penalties and
20 definitions of terms, and employ the same modes of procedure as
21 are prescribed in Sections 2 (except the definition of
22 "retailer maintaining a place of business in this State"), 3
23 (except provisions pertaining to the State rate of tax, and
24 except provisions concerning collection or refunding of the tax
25 by retailers), 4, 11, 12, 12a, 14, 15, 19, 20, 21 and 22 of the
26 Use Tax Act, which are not inconsistent with this Section, as

1 fully as if provisions contained in those Sections of the Use
2 Tax Act were set forth herein.

3 Whenever the Department determines that a refund shall be
4 made under this Section to a claimant instead of issuing a
5 credit memorandum, the Department shall notify the State
6 Comptroller, who shall cause the order to be drawn for the
7 amount specified, and to the person named, in such notification
8 from the Department. Such refund shall be paid by the State
9 Treasurer out of the home rule municipal retailers' occupation
10 tax fund.

11 The Department shall forthwith pay over to the State
12 Treasurer, ex officio, as trustee, all taxes, penalties and
13 interest collected hereunder. On or before the 25th day of each
14 calendar month, the Department shall prepare and certify to the
15 State Comptroller the disbursement of stated sums of money to
16 named municipalities, the municipality in each instance to be
17 that municipality from which the Department during the second
18 preceding calendar month, collected municipal use tax from any
19 person whose Illinois address for titling or registration
20 purposes is given as being in such municipality. The amount to
21 be paid to each municipality shall be the amount (not including
22 credit memoranda) collected hereunder during the second
23 preceding calendar month by the Department, and not including
24 an amount equal to the amount of refunds made during the second
25 preceding calendar month by the Department on behalf of such
26 municipality, less 2% of the balance, which sum shall be

1 retained by the State Treasurer to cover the costs incurred by
2 the Department in administering and enforcing the provisions of
3 this Section. The Department, at the time of each monthly
4 disbursement to the municipalities, shall prepare and certify
5 to the Comptroller the amount so retained by the State
6 Treasurer, which shall be transferred into the Tax Compliance
7 and Administration Fund. Within 10 days after receipt by the
8 State Comptroller of the disbursement certification to the
9 municipalities provided for in this Section to be given to the
10 State Comptroller by the Department, the State Comptroller
11 shall cause the orders to be drawn for the respective amounts
12 in accordance with the directions contained in that
13 certification.

14 Any ordinance imposing or discontinuing any tax to be
15 collected and enforced by the Department under this Section
16 shall be adopted and a certified copy thereof filed with the
17 Department on or before October 1, whereupon the Department of
18 Revenue shall proceed to administer and enforce this Section on
19 behalf of the municipalities as of January 1 next following
20 such adoption and filing. Beginning April 1, 1998, any
21 ordinance imposing or discontinuing any tax to be collected and
22 enforced by the Department under this Section shall either (i)
23 be adopted and a certified copy thereof filed with the
24 Department on or before April 1, whereupon the Department of
25 Revenue shall proceed to administer and enforce this Section on
26 behalf of the municipalities as of July 1 next following the

1 adoption and filing; or (ii) be adopted and a certified copy
2 thereof filed with the Department on or before October 1,
3 whereupon the Department of Revenue shall proceed to administer
4 and enforce this Section on behalf of the municipalities as of
5 January 1 next following the adoption and filing.

6 Nothing in this subsection (c) shall prevent a home rule
7 municipality from collecting the tax pursuant to subsection (a)
8 in any situation where such tax is not collected by the
9 Department of Revenue under this subsection (c).

10 (d) Any unobligated balance remaining in the Municipal
11 Retailers' Occupation Tax Fund on December 31, 1989, which fund
12 was abolished by Public Act 85-1135, and all receipts of
13 municipal tax as a result of audits of liability periods prior
14 to January 1, 1990, shall be paid into the Local Government Tax
15 Fund, for distribution as provided by this Section prior to the
16 enactment of Public Act 85-1135. All receipts of municipal tax
17 as a result of an assessment not arising from an audit, for
18 liability periods prior to January 1, 1990, shall be paid into
19 the Local Government Tax Fund for distribution before July 1,
20 1990, as provided by this Section prior to the enactment of
21 Public Act 85-1135, and on and after July 1, 1990, all such
22 receipts shall be distributed as provided in Section 6z-18 of
23 the State Finance Act.

24 (e) As used in this Section, "Municipal" and "Municipality"
25 means a city, village or incorporated town, including an
26 incorporated town which has superseded a civil township.

1 (f) This Section shall be known and may be cited as the
2 Home Rule Municipal Use Tax Act.

3 (Source: P.A. 98-1049, eff. 8-25-14.)

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