



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0865

Introduced 2/10/2021, by Rep. Anthony DeLuca

SYNOPSIS AS INTRODUCED:

| | |
|--------------------|----------------------------|
| 65 ILCS 5/8-11-1.1 | from Ch. 24, par. 8-11-1.1 |
| 65 ILCS 5/8-11-1.2 | from Ch. 24, par. 8-11-1.2 |
| 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 5/8-11-1.5 | from Ch. 24, par. 8-11-1.5 |

Amends the Illinois Municipal Code. Provides that the rate of tax under the Non-Home Rule Municipal Retailers' Occupation Tax Act, the Non-Home Rule Municipal Service Occupation Tax Act, and the Non-Home Rule Municipal Use Tax Act may not exceed 2% (currently, 1%). Provides that the rate of tax that may be imposed for municipal operations may not exceed 1%. With respect to the Non-Home Rule Municipal Retailers' Occupation Tax Act, the Non-Home Rule Municipal Service Occupation Tax Act, and the Non-Home Rule Municipal Use Tax Act, provides that the term "public infrastructure" includes the acquisition, repair, and maintenance of public safety equipment. Effective immediately.

LRB102 03583 AWJ 13596 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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 8-11-1.1, 8-11-1.2, 8-11-1.3, 8-11-1.4, and
6 8-11-1.5 as follows:

7 (65 ILCS 5/8-11-1.1) (from Ch. 24, par. 8-11-1.1)

8 Sec. 8-11-1.1. Non-home rule municipalities; imposition of
9 taxes.

10 (a) The corporate authorities of a non-home rule
11 municipality may, upon approval of the electors of the
12 municipality pursuant to subsection (b) of this Section,
13 impose by ordinance or resolution the tax authorized in
14 Sections 8-11-1.3, 8-11-1.4 and 8-11-1.5 of this Act.

15 (b) The corporate authorities of the municipality may by
16 ordinance or resolution call for the submission to the
17 electors of the municipality the question of whether the
18 municipality shall impose such tax or increase the rate of
19 such tax. Such question shall be certified by the municipal
20 clerk to the election authority in accordance with Section
21 28-5 of the Election Code and shall be in a form in accordance
22 with Section 16-7 of the Election Code.

23 Notwithstanding any provision of law to the contrary, if

1 the proceeds of the tax may be used for municipal operations
2 pursuant to Section 8-11-1.3, 8-11-1.4, or 8-11-1.5, then the
3 election authority must submit the question in substantially
4 the following form:

5 Shall the corporate authorities of the municipality be
6 authorized to levy a tax at a rate of (rate)% for
7 expenditures on municipal operations, expenditures on
8 public infrastructure, or property tax relief?

9 If a majority of the electors in the municipality voting
10 upon the question vote in the affirmative, such tax shall be
11 imposed.

12 Until January 1, 1992, an ordinance or resolution imposing
13 the tax of not more than 1% hereunder or discontinuing the same
14 shall be adopted and a certified copy thereof, together with a
15 certification that the ordinance or resolution received
16 referendum approval in the case of the imposition of such tax,
17 filed with the Department of Revenue, on or before the first
18 day of June, whereupon the Department shall proceed to
19 administer and enforce the additional tax or to discontinue
20 the tax, as the case may be, as of the first day of September
21 next following such adoption and filing.

22 Beginning January 1, 1992 and through December 31, 1992,
23 an ordinance or resolution imposing or discontinuing the tax
24 hereunder shall be adopted and a certified copy thereof filed
25 with the Department on or before the first day of July,
26 whereupon the Department shall proceed to administer and

1 enforce this Section as of the first day of October next
2 following such adoption and filing.

3 Beginning January 1, 1993, and through September 30, 2002,
4 an ordinance or resolution imposing or discontinuing the tax
5 hereunder shall be adopted and a certified copy thereof filed
6 with the Department on or before the first day of October,
7 whereupon the Department shall proceed to administer and
8 enforce this Section as of the first day of January next
9 following such adoption and filing.

10 Beginning October 1, 2002, and through December 31, 2013,
11 an ordinance or resolution imposing or discontinuing the tax
12 under this Section or effecting a change in the rate of tax
13 must either (i) be adopted and a certified copy of the
14 ordinance or resolution filed with the Department on or before
15 the first day of April, whereupon the Department shall proceed
16 to administer and enforce this Section as of the first day of
17 July next following the adoption and filing; or (ii) be
18 adopted and a certified copy of the ordinance or resolution
19 filed with the Department on or before the first day of
20 October, whereupon the Department shall proceed to administer
21 and enforce this Section as of the first day of January next
22 following the adoption and filing.

23 Beginning January 1, 2014, if an ordinance or resolution
24 imposing the tax under this Section, discontinuing the tax
25 under this Section, or effecting a change in the rate of tax
26 under this Section is adopted, a certified copy thereof,

1 together with a certification that the ordinance or resolution
2 received referendum approval in the case of the imposition of
3 or increase in the rate of such tax, shall be filed with the
4 Department of Revenue, either (i) on or before the first day of
5 May, whereupon the Department shall proceed to administer and
6 enforce this Section as of the first day of July next following
7 the adoption and filing; or (ii) on or before the first day of
8 October, whereupon the Department shall proceed to administer
9 and enforce this Section as of the first day of January next
10 following the adoption and filing.

11 Notwithstanding any provision in this Section to the
12 contrary, if, in a non-home rule municipality with more than
13 150,000 but fewer than 200,000 inhabitants, as determined by
14 the last preceding federal decennial census, an ordinance or
15 resolution under this Section imposes or discontinues a tax or
16 changes the tax rate as of July 1, 2007, then that ordinance or
17 resolution, together with a certification that the ordinance
18 or resolution received referendum approval in the case of the
19 imposition of the tax, must be adopted and a certified copy of
20 that ordinance or resolution must be filed with the Department
21 on or before May 15, 2007, whereupon the Department shall
22 proceed to administer and enforce this Section as of July 1,
23 2007.

24 Notwithstanding any provision in this Section to the
25 contrary, if, in a non-home rule municipality with more than
26 6,500 but fewer than 7,000 inhabitants, as determined by the

1 last preceding federal decennial census, an ordinance or
2 resolution under this Section imposes or discontinues a tax or
3 changes the tax rate on or before May 20, 2009, then that
4 ordinance or resolution, together with a certification that
5 the ordinance or resolution received referendum approval in
6 the case of the imposition of the tax, must be adopted and a
7 certified copy of that ordinance or resolution must be filed
8 with the Department on or before May 20, 2009, whereupon the
9 Department shall proceed to administer and enforce this
10 Section as of July 1, 2009.

11 A non-home rule municipality may file a certified copy of
12 an ordinance or resolution, with a certification that the
13 ordinance or resolution received referendum approval in the
14 case of the imposition of the tax, with the Department of
15 Revenue, as required under this Section, only after October 2,
16 2000.

17 The tax authorized by this Section may not be more than 2%
18 ~~1%~~ and may be imposed only in 1/4% increments. It is the intent
19 of the General Assembly that the rate of tax that may be
20 imposed for municipal operations may not exceed 1%; therefore,
21 notwithstanding any other provision of law, if the tax under
22 this Section is imposed at a rate of more than 1%, then,
23 beginning with the first disbursement to occur on or after the
24 effective date of the increase, the total amount that may be
25 used for municipal operations may not exceed the total amount
26 of the proceeds disbursed to the municipality under Sections

1 8-11-1.3, 8-11-1.4, and 8-11-1.5, multiplied by a fraction
2 having a numerator of 1 and a denominator of the rate of tax.

3 (Source: P.A. 98-584, eff. 8-27-13.)

4 (65 ILCS 5/8-11-1.2) (from Ch. 24, par. 8-11-1.2)

5 Sec. 8-11-1.2. Definition. As used in Sections 8-11-1.3,
6 8-11-1.4 and 8-11-1.5 of this Act:

7 (a) "Public infrastructure" means municipal roads and
8 streets, access roads, bridges, and sidewalks; waste disposal
9 systems; the acquisition, repair, and maintenance of public
10 safety equipment; and water and sewer line extensions, water
11 distribution and purification facilities, storm water drainage
12 and retention facilities, and sewage treatment facilities. For
13 purposes of referenda authorizing the imposition of taxes by
14 the City of DuQuoin under Sections 8-11-1.3, 8-11-1.4, and
15 8-11-1.5 of this Act that are approved in November, 2002, or
16 for purposes of referenda authorizing the imposition of taxes
17 by the Village of Forsyth under Sections 8-11-1.3, 8-11-1.4,
18 and 8-11-1.5 of this Act that are approved after the effective
19 date of this amendatory Act of the 94th General Assembly,
20 "public infrastructure" shall also include public schools.

21 (a-5) For the purposes of this Section, "public safety
22 equipment" means firefighting, police, rescue, transportation,
23 or communications equipment used by police departments, fire
24 departments, or other first responders, including, but not
25 limited to, police vehicles, fire trucks, surveillance

1 equipment, and body cameras.

2 (b) "Property tax relief" means the action of a
3 municipality to reduce the levy for real estate taxes or avoid
4 an increase in the levy for real estate taxes that would
5 otherwise have been required. Property tax relief or the
6 avoidance of property tax must uniformly apply to all classes
7 of property.

8 (Source: P.A. 94-1078, eff. 1-9-07; 95-331, eff. 8-21-07.)

9 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

10 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
11 Occupation Tax Act. The corporate authorities of a non-home
12 rule municipality may impose a tax upon all persons engaged in
13 the business of selling tangible personal property, other than
14 on an item of tangible personal property which is titled and
15 registered by an agency of this State's Government, at retail
16 in the municipality for expenditure on public infrastructure
17 or for property tax relief or both as defined in Section
18 8-11-1.2 if approved by referendum as provided in Section
19 8-11-1.1, of the gross receipts from such sales made in the
20 course of such business. If the tax is approved by referendum
21 on or after July 14, 2010 (the effective date of Public Act
22 96-1057), the corporate authorities of a non-home rule
23 municipality may, until July 1, 2030, use the proceeds of the
24 tax for expenditure on municipal operations, in addition to or
25 in lieu of any expenditure on public infrastructure or for

1 property tax relief. The tax imposed may not be more than 2% ~~1%~~
2 and may be imposed only in 1/4% increments. It is the intent of
3 the General Assembly that the rate of tax that may be imposed
4 for municipal operations may not exceed 1%; therefore,
5 notwithstanding any other provision of law, if the tax under
6 this Section is imposed at a rate of more than 1%, then,
7 beginning with the first disbursement to occur on or after the
8 effective date of the increase, the total amount that may be
9 used for municipal operations may not exceed the total amount
10 of the proceeds disbursed to the municipality under this
11 Section, Section 8-11-1.4, and Section 8-11-1.5, multiplied by
12 a fraction having a numerator of 1 and a denominator of the
13 rate of tax. The tax may not be imposed on tangible personal
14 property taxed at the 1% rate under the Retailers' Occupation
15 Tax Act. Beginning December 1, 2019, this tax is not imposed on
16 sales of aviation fuel unless the tax revenue is expended for
17 airport-related purposes. If a municipality does not have an
18 airport-related purpose to which it dedicates aviation fuel
19 tax revenue, then aviation fuel is excluded from the tax. Each
20 municipality must comply with the certification requirements
21 for airport-related purposes under Section 2-22 of the
22 Retailers' Occupation Tax Act. For purposes of this Section,
23 "airport-related purposes" has the meaning ascribed in Section
24 6z-20.2 of the State Finance Act. This exclusion for aviation
25 fuel only applies for so long as the revenue use requirements
26 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the

1 municipality. The tax imposed by a municipality pursuant to
2 this Section and all civil penalties that may be assessed as an
3 incident thereof shall be collected and enforced by the State
4 Department of Revenue. The certificate of registration which
5 is issued by the Department to a retailer under the Retailers'
6 Occupation Tax Act shall permit such retailer to engage in a
7 business which is taxable under any ordinance or resolution
8 enacted pursuant to this Section without registering
9 separately with the Department under such ordinance or
10 resolution or under this Section. The Department shall have
11 full power to administer and enforce this Section; to collect
12 all taxes and penalties due hereunder; to dispose of taxes and
13 penalties so collected in the manner hereinafter provided, and
14 to determine all rights to credit memoranda, arising on
15 account of the erroneous payment of tax or penalty hereunder.
16 In the administration of, and compliance with, this Section,
17 the Department and persons who are subject to this Section
18 shall have the same rights, remedies, privileges, immunities,
19 powers and duties, and be subject to the same conditions,
20 restrictions, limitations, penalties and definitions of terms,
21 and employ the same modes of procedure, as are prescribed in
22 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in
23 respect to all provisions therein other than the State rate of
24 tax), 2c, 3 (except as to the disposition of taxes and
25 penalties collected, and except that the retailer's discount
26 is not allowed for taxes paid on aviation fuel that are subject

1 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
2 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,
3 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the
4 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
5 Penalty and Interest Act as fully as if those provisions were
6 set forth herein.

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

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

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

26 Except as otherwise provided, the Department shall

1 forthwith pay over to the State Treasurer, ex officio, as
2 trustee, all taxes and penalties collected hereunder for
3 deposit into the Non-Home Rule Municipal Retailers' Occupation
4 Tax Fund. Taxes and penalties collected on aviation fuel sold
5 on or after December 1, 2019, shall be immediately paid over by
6 the Department to the State Treasurer, ex officio, as trustee,
7 for deposit into the Local Government Aviation Trust Fund. The
8 Department shall only pay moneys into the Local Government
9 Aviation Trust Fund under this Section for so long as the
10 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
11 47133 are binding on the municipality.

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

20 After the monthly transfer to the STAR Bonds Revenue Fund,
21 on or before the 25th day of each calendar month, the
22 Department shall prepare and certify to the Comptroller the
23 disbursement of stated sums of money to named municipalities,
24 the municipalities to be those from which retailers have paid
25 taxes or penalties hereunder to the Department during the
26 second preceding calendar month. The amount to be paid to each

1 municipality shall be the amount (not including credit
2 memoranda and not including taxes and penalties collected on
3 aviation fuel sold on or after December 1, 2019) collected
4 hereunder during the second preceding calendar month by the
5 Department plus an amount the Department determines is
6 necessary to offset any amounts which were erroneously paid to
7 a different taxing body, and not including an amount equal to
8 the amount of refunds made during the second preceding
9 calendar month by the Department on behalf of such
10 municipality, and not including any amount which the
11 Department determines is necessary to offset any amounts which
12 were payable to a different taxing body but were erroneously
13 paid to the municipality, and not including any amounts that
14 are transferred to the STAR Bonds Revenue Fund, less 1.5% of
15 the remainder, which the Department shall transfer into the
16 Tax Compliance and Administration Fund. The Department, at the
17 time 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 such certification.

1 For the purpose of determining the local governmental unit
2 whose tax is applicable, a retail sale, by a producer of coal
3 or 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
6 coal or other mineral when it is delivered or shipped by the
7 seller to the purchaser at a point outside Illinois so that the
8 sale 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 such 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
19 6 months from the time a misallocation is discovered.

20 The Department of Revenue shall implement Public Act
21 91-649 so as to collect the tax on and after January 1, 2002.

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

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

1 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
2 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-47, eff.
3 1-1-20; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

4 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

5 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation
6 Tax Act. The corporate authorities of a non-home rule
7 municipality may impose a tax upon all persons engaged, in
8 such municipality, in the business of making sales of service
9 for expenditure on public infrastructure or for property tax
10 relief or both as defined in Section 8-11-1.2 if approved by
11 referendum as provided in Section 8-11-1.1, of the selling
12 price of all tangible personal property transferred by such
13 servicemen either in the form of tangible personal property or
14 in the form of real estate as an incident to a sale of service.
15 If the tax is approved by referendum on or after July 14, 2010
16 (the effective date of Public Act 96-1057), the corporate
17 authorities of a non-home rule municipality may, until
18 December 31, 2020, use the proceeds of the tax for expenditure
19 on municipal operations, in addition to or in lieu of any
20 expenditure on public infrastructure or for property tax
21 relief. The tax imposed may not be more than 2% ~~4%~~ and may be
22 imposed only in 1/4% increments. It is the intent of the
23 General Assembly that the rate of tax that may be imposed for
24 municipal operations may not exceed 1%; therefore,
25 notwithstanding any other provision of law, if the tax under

1 this Section is imposed at a rate of more than 1%, then,
2 beginning with the first disbursement to occur on or after the
3 effective date of the increase, the total amount that may be
4 used for municipal operations may not exceed the total amount
5 of the proceeds disbursed to the municipality under this
6 Section, Section 8-11-1.3, and Section 8-11-1.5, multiplied by
7 a fraction having a numerator of 1 and a denominator of the
8 rate of tax. The tax may not be imposed on tangible personal
9 property taxed at the 1% rate under the Service Occupation Tax
10 Act. Beginning December 1, 2019, this tax is not imposed on
11 sales of aviation fuel unless the tax revenue is expended for
12 airport-related purposes. If a municipality does not have an
13 airport-related purpose to which it dedicates aviation fuel
14 tax revenue, then aviation fuel is excluded from the tax. Each
15 municipality must comply with the certification requirements
16 for airport-related purposes under Section 2-22 of the
17 Retailers' Occupation Tax Act. For purposes of this Section,
18 "airport-related purposes" has the meaning ascribed in Section
19 6z-20.2 of the State Finance Act. This exclusion for aviation
20 fuel only applies for so long as the revenue use requirements
21 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
22 municipality. The tax imposed by a municipality pursuant to
23 this Section and all civil penalties that may be assessed as an
24 incident thereof shall be collected and enforced by the State
25 Department of Revenue. The certificate of registration which
26 is issued by the Department to a retailer under the Retailers'

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

1 allowed for taxes paid on aviation fuel that are subject to the
2 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
3 47133), 10, 11, 12 (except the reference therein to Section 2b
4 of the Retailers' Occupation Tax Act), 13 (except that any
5 reference to the State shall mean the taxing municipality),
6 the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the
7 Service Occupation Tax Act and Section 3-7 of the Uniform
8 Penalty and Interest Act, as fully as if those provisions were
9 set forth herein.

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

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

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

1 the State Treasurer out of the municipal retailers' occupation
2 tax fund or the Local Government Aviation Trust Fund, as
3 appropriate.

4 Except as otherwise provided in this paragraph, the
5 Department shall forthwith pay over to the State Treasurer, ex
6 officio, as trustee, all taxes and penalties collected
7 hereunder for deposit into the municipal retailers' occupation
8 tax fund. Taxes and penalties collected on aviation fuel sold
9 on or after December 1, 2019, shall be immediately paid over by
10 the Department to the State Treasurer, ex officio, as trustee,
11 for deposit into the Local Government Aviation Trust Fund. The
12 Department shall only pay moneys into the Local Government
13 Aviation Trust Fund under this Section for so long as the
14 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
15 47133 are binding on the municipality.

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

24 After the monthly transfer to the STAR Bonds Revenue Fund,
25 on or before the 25th day of each calendar month, the
26 Department shall prepare and certify to the Comptroller the

1 disbursement of stated sums of money to named municipalities,
2 the municipalities to be those from which suppliers and
3 servicemen have paid taxes or penalties hereunder to the
4 Department during the second preceding calendar month. The
5 amount to be paid to each municipality shall be the amount (not
6 including credit memoranda and not including taxes and
7 penalties collected on aviation fuel sold on or after December
8 1, 2019) collected hereunder during the second preceding
9 calendar month by the Department, and not including an amount
10 equal to the amount of refunds made during the second
11 preceding calendar month by the Department on behalf of such
12 municipality, and not including any amounts that are
13 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
14 remainder, which the Department shall transfer into the Tax
15 Compliance and Administration Fund. The Department, at the
16 time of each monthly disbursement to the municipalities, shall
17 prepare and certify to the State Comptroller the amount to be
18 transferred into the Tax Compliance and Administration Fund
19 under this Section. Within 10 days after receipt, by the
20 Comptroller, of the disbursement certification to the
21 municipalities, the General Revenue Fund, and the Tax
22 Compliance and Administration Fund provided for in this
23 Section to be given to the Comptroller by the Department, the
24 Comptroller shall cause the orders to be drawn for the
25 respective amounts in accordance with the directions contained
26 in such certification.

1 The Department of Revenue shall implement Public Act
2 91-649 so as to collect the tax on and after January 1, 2002.

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

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

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

13 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
14 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
15 7-12-19; 101-604, eff. 12-13-19.)

16 (65 ILCS 5/8-11-1.5) (from Ch. 24, par. 8-11-1.5)

17 Sec. 8-11-1.5. Non-Home Rule Municipal Use Tax Act. The
18 corporate authorities of a non-home rule municipality may
19 impose a tax upon the privilege of using, in such
20 municipality, any item of tangible personal property which is
21 purchased at retail from a retailer, and which is titled or
22 registered with an agency of this State's government, based on
23 the selling price of such tangible personal property, as
24 "selling price" is defined in the Use Tax Act, for expenditure
25 on public infrastructure or for property tax relief or both as

1 defined in Section 8-11-1.2, if approved by referendum as
2 provided in Section 8-11-1.1. If the tax is approved by
3 referendum on or after the effective date of this amendatory
4 Act of the 96th General Assembly, the corporate authorities of
5 a non-home rule municipality may, until December 31, 2020, use
6 the proceeds of the tax for expenditure on municipal
7 operations, in addition to or in lieu of any expenditure on
8 public infrastructure or for property tax relief. The tax
9 imposed may not be more than 2% ~~1%~~ and may be imposed only in
10 1/4% increments. It is the intent of the General Assembly that
11 the rate of tax that may be imposed for municipal operations
12 may not exceed 1%; therefore, notwithstanding any other
13 provision of law, if the tax under this Section is imposed at a
14 rate of more than 1%, then, beginning with the first
15 disbursement to occur on or after the effective date of the
16 increase, the total amount that may be used for municipal
17 operations may not exceed the total amount of the proceeds
18 disbursed to the municipality under this Section, Section
19 8-11-1.3, and Section 8-11-1.4, multiplied by a fraction
20 having a numerator of 1 and a denominator of the rate of tax.
21 Such tax shall be collected from persons whose Illinois
22 address for title or registration purposes is given as being
23 in such municipality. Such tax shall be collected by the
24 municipality imposing such tax. A non-home rule municipality
25 may not impose and collect the tax prior to January 1, 2002.

26 This Section shall be known and may be cited as the

1 "Non-Home Rule Municipal Use Tax Act".

2 (Source: P.A. 96-1057, eff. 7-14-10; 97-837, eff. 7-20-12.)

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