



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB1843

Introduced 2/26/2021, by Sen. Mattie Hunter

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.935 new
65 ILCS 5/11-42-1.5 new

Amends the Illinois Municipal Code. Provides that, in addition to any other tax that may be imposed, a municipality may also impose, by ordinance, a tax upon all persons engaged in the municipality in the business of acting as a resale facilitator. Provides that the tax may be imposed, in one cent increments, at a rate not to exceed \$0.05 of the selling price of all tickets or other licenses resold by or through the resale facilitator for amusements taking place within the municipality. Provides that the tax does not apply to: (i) the original sale of a ticket or license by the owner, operator, or manager of an amusement, either directly or through a third party; or (ii) resales by or to ticket brokers registered with the Secretary of State under the Ticket Sale and Resale Act. Defines terms. Amends the State Finance Act to create the Municipal Ticket and License Reselling Tax Fund.

LRB102 10597 AWJ 15926 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning local government.

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

4 Section 5. The State Finance Act is amended by adding
5 Section 5.935 as follows:

6 (30 ILCS 105/5.935 new)

7 Sec. 5.935. The Municipal Ticket and License Reselling Tax
8 Fund.

9 Section 10. The Illinois Municipal Code is amended by
10 adding Section 11-42-1.5 as follows:

11 (65 ILCS 5/11-42-1.5 new)

12 Sec. 11-42-1.5. Municipal Ticket and License Reselling Tax
13 Law. This Section shall be known and may be cited as the
14 Municipal Ticket and License Reselling Tax Law.

15 (a) As used in this Section:

16 "License" means a ticket or other license granting the
17 privilege to enter, to witness, to view, or to participate in
18 an amusement or the opportunity to obtain the privilege to
19 enter, to witness, to view, or to participate in an amusement.
20 "License" includes, but is not limited to, a permanent seat
21 license.

1 "Resale" means the resale of a ticket or other license to
2 an amusement after the ticket or other license has been sold by
3 the owner, manager, or operator of the amusement, or by the
4 owner, manager, or operator of the place where the amusement
5 is being held, to an independent and unrelated third party.

6 "Resale facilitator" means a person engaged in the
7 business of resale on behalf of the owner of the ticket or
8 other license or assisting the owner in resale of the owner's
9 ticket or other license, whether or not the ticket or other
10 license is resold by bidding, consignment, or otherwise and
11 whether or not the ticket or other license is resold in person,
12 at a site on the Internet, or otherwise. "Resale facilitator"
13 includes, but is not limited to, an auctioneer, a ticket
14 broker, a seller of tickets or other licenses for amusements,
15 or an Internet auction listing service. "Resale facilitator"
16 does not include a person who advertises the availability of a
17 ticket or other license for resale without participating in
18 the resale transaction.

19 "Reseller" means a person who resells a ticket or other
20 license to an amusement for consideration, whether or not the
21 ticket or other license is resold by bidding, consignment, or
22 otherwise and whether or not the ticket or other license is
23 resold in person, at a site on the Internet, or otherwise.
24 "Reseller" includes, but is not limited to, ticket brokers.

25 "Selling price" means the total consideration received
26 from the consumer and collected by the reseller or resale

1 facilitator for the purchase of a ticket or license, including
2 any service fees or other charges. "Selling price" includes
3 any local amusement tax on the original sale of the ticket or
4 license that is included in the consideration received, but
5 excludes any federal, State, or local taxes imposed on such
6 resale and any separately stated and optional charges for
7 services or property.

8 "Ticket" means the privilege to enter, witness, view, or
9 participate in an amusement, whether or not expressed in a
10 tangible form.

11 (b) Notwithstanding any other provision of law, in
12 addition to any other tax that may be imposed, a municipality
13 may also impose, by ordinance, a tax upon all persons engaged
14 in the municipality in the business of acting as a resale
15 facilitator. The tax may be imposed, in one cent increments,
16 at a rate not to exceed \$0.05 of the selling price of all
17 tickets or other licenses resold by or through the resale
18 facilitator for amusements taking place within the
19 municipality. The tax may not be imposed under this Section
20 on: (i) the original sale of a ticket or license by the owner,
21 operator, or manager of an amusement, either directly or
22 through a third party; or (ii) resales to ticket brokers or
23 resales by ticket brokers to ticket brokers, when registered
24 with the Secretary of State under the Ticket Sale and Resale
25 Act.

26 Persons subject to any tax imposed under the authority

1 granted in this Section may reimburse themselves for their
2 seller's tax liability hereunder by separately stating that
3 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 of Revenue may prescribe.

7 A tax imposed pursuant to this Section, and all civil
8 penalties that may be assessed as an incident thereof, shall
9 be administered, collected, and enforced by the Department of
10 Revenue in the same manner as the tax imposed under the
11 Retailers' Occupation Tax Act, as now or hereafter amended,
12 insofar as may be practicable; except that in the event of a
13 conflict with the provisions of this Section, this Section
14 shall control. The Department of Revenue shall have full power
15 to: administer and enforce this Section; collect all taxes and
16 penalties due hereunder; dispose of taxes and penalties so
17 collected in the manner hereinafter provided; and determine
18 all rights to credit memoranda arising on account of the
19 erroneous payment of tax or penalty hereunder.

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

1 Ticket and License Reselling Tax Fund.

2 The Department of Revenue shall immediately pay over to
3 the State Treasurer, ex officio, as trustee, all taxes and
4 penalties collected under this Section. Those taxes and
5 penalties shall be deposited into the Municipal Ticket and
6 License Reselling Tax Fund, a trust fund created in the State
7 treasury. Moneys in the Municipal Ticket and License Reselling
8 Tax Fund shall be used to make payments to municipalities and
9 for the payment of refunds under this Section.

10 On or before the 25th day of each calendar month, the
11 Department of Revenue shall prepare and certify to the State
12 Comptroller the disbursement of stated sums of money to named
13 municipalities for which taxpayers have paid taxes or
14 penalties hereunder to the Department of Revenue during the
15 second preceding calendar month. The amount to be paid to each
16 municipality shall be the amount (not including credit
17 memoranda) collected under this Section from resellers within
18 the municipality during the second preceding calendar month by
19 the Department of Revenue, plus an amount the Department of
20 Revenue determines is necessary to offset amounts that were
21 erroneously paid to a different municipality, and not
22 including an amount equal to the amount of refunds made during
23 the second preceding calendar month by the Department of
24 Revenue on behalf of the municipality, and not including any
25 amount that the Department of Revenue determines is necessary
26 to offset any amounts that were payable to a different

1 municipality but were erroneously paid to the municipality,
2 less 1.5% of the remainder, which the Comptroller shall
3 transfer into the Tax Compliance and Administration Fund. The
4 Department of Revenue, at the time of each monthly
5 disbursement, shall prepare and certify to the State
6 Comptroller the amount to be transferred into the Tax
7 Compliance and Administration Fund under this Section. Within
8 10 days after receipt by the Comptroller of the disbursement
9 certification to the municipalities and the Tax Compliance and
10 Administration Fund provided for in this Section to be given
11 to the Comptroller by the Department of Revenue, the
12 Comptroller shall cause the orders to be drawn for the
13 respective amounts in accordance with the directions contained
14 in the certification.

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

19 An ordinance or resolution imposing or discontinuing the
20 tax under this Section or effecting a change in the rate
21 thereof shall either: (i) be adopted and a certified copy
22 thereof filed with the Department of Revenue on or before the
23 first day of April, whereupon the Department of Revenue shall
24 proceed to administer and enforce this Section as of the first
25 day of July next following the adoption and filing; or (ii) be
26 adopted and a certified copy thereof filed with the Department

1 of Revenue on or before the first day of October, whereupon the
2 Department of Revenue shall proceed to administer and enforce
3 this Section as of the first day of January next following the
4 adoption and filing.