



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB1514

Introduced 1/31/2023, by Rep. Tony M. McCombie

SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-18
30 ILCS 105/6z-20

from Ch. 127, par. 142z-18
from Ch. 127, par. 142z-20

Amends the State Finance Act. Provides that moneys in the Local Government Tax Fund and the County and Mass Transit District Fund from the tax imposed under the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Service Use Tax Act, or the Use Tax Act on a motor vehicle that is titled or registered in the State shall be distributed to the municipality where the motor vehicle is titled or registered or, if the motor vehicle is titled or registered in an unincorporated area of the county, to the county where the motor vehicle is titled or registered. Provides that, if the Illinois address for the motor vehicle for titling or registration purposes is given as being in a county with more than 3,000,000 inhabitants, then the money from the County and Mass Transit District Fund shall be distributed into the Regional Transportation Authority tax fund.

LRB103 25686 HLH 52035 b

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 State Finance Act is amended by changing
5 Sections 6z-18 and 6z-20 as follows:

6 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

7 Sec. 6z-18. Local Government Tax Fund. A portion of the
8 money paid into the Local Government Tax Fund from sales of
9 tangible personal property taxed at the 1% rate under the
10 Retailers' Occupation Tax Act and the Service Occupation Tax
11 Act, which occurred in municipalities, shall be distributed to
12 each municipality based upon the sales which occurred in that
13 municipality. The remainder shall be distributed to each
14 county based upon the sales which occurred in the
15 unincorporated area of that county.

16 Moneys transferred from the Grocery Tax Replacement Fund
17 to the Local Government Tax Fund under Section 6z-130 shall be
18 treated under this Section in the same manner as if they had
19 been remitted with the return on which they were reported.

20 A portion of the money paid into the Local Government Tax
21 Fund from the 6.25% general use tax rate on the selling price
22 of tangible personal property which is purchased outside
23 Illinois at retail from a retailer and which is titled or

1 registered by any agency of this State's government shall be
2 distributed to municipalities as provided in this paragraph.
3 Each municipality shall receive the amount attributable to
4 sales for which Illinois addresses for titling or registration
5 purposes are given as being in such municipality. The
6 remainder of the money paid into the Local Government Tax Fund
7 from such sales shall be distributed to counties. Each county
8 shall receive the amount attributable to sales for which
9 Illinois addresses for titling or registration purposes are
10 given as being located in the unincorporated area of such
11 county.

12 Notwithstanding any other provision of law, moneys paid
13 into the Local Government Tax Fund on or after July 1, 2024
14 from the 6.25% general rate under the Retailers' Occupation
15 Tax Act, the Service Occupation Tax Act, the Service Use Tax
16 Act, or the Use Tax Act imposed on the selling price of a motor
17 vehicle that is titled or registered in this State shall be
18 distributed to municipalities and counties as follows:

19 (1) a municipality shall receive the amount
20 attributable to the sale or use of a motor vehicle if the
21 Illinois address given for that motor vehicle for titling
22 or registration purposes is in that municipality; and

23 (2) a county shall receive the amount attributable to
24 the sale or use of a motor vehicle if the Illinois address
25 given for that motor vehicle for titling or registration
26 purposes is in the unincorporated area of that county.

1 A portion of the money paid into the Local Government Tax
2 Fund from the 6.25% general rate (and, beginning July 1, 2000
3 and through December 31, 2000, the 1.25% rate on motor fuel and
4 gasohol, and beginning on August 6, 2010 through August 15,
5 2010, and beginning again on August 5, 2022 through August 14,
6 2022, the 1.25% rate on sales tax holiday items) on sales
7 subject to taxation under the Retailers' Occupation Tax Act
8 and the Service Occupation Tax Act, which occurred in
9 municipalities, shall be distributed to each municipality,
10 based upon the sales which occurred in that municipality. The
11 remainder shall be distributed to each county, based upon the
12 sales which occurred in the unincorporated area of such
13 county.

14 For the purpose of determining allocation to the local
15 government unit, a retail sale by a producer of coal or other
16 mineral mined in Illinois is a sale at retail at the place
17 where the coal or other mineral mined in Illinois is extracted
18 from the earth. This paragraph does not apply to coal or other
19 mineral when it is delivered or shipped by the seller to the
20 purchaser at a point outside Illinois so that the sale is
21 exempt under the United States Constitution as a sale in
22 interstate or foreign commerce.

23 Whenever the Department determines that a refund of money
24 paid into the Local Government Tax Fund should be made to a
25 claimant instead of issuing a credit memorandum, the
26 Department shall notify the State Comptroller, who shall cause

1 the order to be drawn for the amount specified, and to the
2 person named, in such notification from the Department. Such
3 refund shall be paid by the State Treasurer out of the Local
4 Government Tax Fund.

5 As soon as possible after the first day of each month,
6 beginning January 1, 2011, upon certification of the
7 Department of Revenue, the Comptroller shall order
8 transferred, and the Treasurer shall transfer, to the STAR
9 Bonds Revenue Fund the local sales tax increment, as defined
10 in the Innovation Development and Economy Act, collected
11 during the second preceding calendar month for sales within a
12 STAR bond district and deposited into the Local Government Tax
13 Fund, less 3% of that amount, which shall be transferred into
14 the Tax Compliance and Administration Fund and shall be used
15 by the Department, subject to appropriation, to cover the
16 costs of the Department in administering the Innovation
17 Development and Economy Act.

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

1 second preceding calendar month by the Department and paid
2 into the Local Government Tax Fund, plus an amount the
3 Department determines is necessary to offset any amounts which
4 were erroneously paid to a different taxing body, and not
5 including an amount equal to the amount of refunds made during
6 the second preceding calendar month by the Department, and not
7 including any amount which the Department determines is
8 necessary to offset any amounts which are payable to a
9 different taxing body but were erroneously paid to the
10 municipality or county, and not including any amounts that are
11 transferred to the STAR Bonds Revenue Fund. Within 10 days
12 after receipt, by the Comptroller, of the disbursement
13 certification to the municipalities and counties, provided for
14 in this Section to be given to the Comptroller by the
15 Department, the Comptroller shall cause the orders to be drawn
16 for the respective amounts in accordance with the directions
17 contained in such certification.

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

24 The provisions directing the distributions from the
25 special fund in the State treasury ~~Treasury~~ provided for in
26 this Section shall constitute an irrevocable and continuing

1 appropriation of all amounts as provided herein. The State
2 Treasurer and State Comptroller are hereby authorized to make
3 distributions as provided in this Section.

4 In construing any development, redevelopment, annexation,
5 preannexation, or other lawful agreement in effect prior to
6 September 1, 1990, which describes or refers to receipts from
7 a county or municipal retailers' occupation tax, use tax or
8 service occupation tax which now cannot be imposed, such
9 description or reference shall be deemed to include the
10 replacement revenue for such abolished taxes, distributed from
11 the Local Government Tax Fund.

12 As soon as possible after March 8, 2013 (the effective
13 date of Public Act 98-3) ~~this amendatory Act of the 98th~~
14 ~~General Assembly~~, the State Comptroller shall order and the
15 State Treasurer shall transfer \$6,600,000 from the Local
16 Government Tax Fund to the Illinois State Medical Disciplinary
17 Fund.

18 (Source: P.A. 102-700, Article 60, Section 60-10, eff.
19 4-19-22; 102-700, Article 65, Section 65-15, eff. 4-19-22;
20 revised 6-2-22.)

21 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

22 Sec. 6z-20. County and Mass Transit District Fund. Of the
23 money received from the 6.25% general rate (and, beginning
24 July 1, 2000 and through December 31, 2000, the 1.25% rate on
25 motor fuel and gasohol, and beginning on August 6, 2010

1 through August 15, 2010, and beginning again on August 5, 2022
2 through August 14, 2022, the 1.25% rate on sales tax holiday
3 items) on sales subject to taxation under the Retailers'
4 Occupation Tax Act and Service Occupation Tax Act and paid
5 into the County and Mass Transit District Fund, distribution
6 to the Regional Transportation Authority tax fund, created
7 pursuant to Section 4.03 of the Regional Transportation
8 Authority Act, for deposit therein shall be made based upon
9 the retail sales occurring in a county having more than
10 3,000,000 inhabitants. The remainder shall be distributed to
11 each county having 3,000,000 or fewer inhabitants based upon
12 the retail sales occurring in each such county.

13 For the purpose of determining allocation to the local
14 government unit, a retail sale by a producer of coal or other
15 mineral mined in Illinois is a sale at retail at the place
16 where the coal or other mineral mined in Illinois is extracted
17 from the earth. This paragraph does not apply to coal or other
18 mineral when it is delivered or shipped by the seller to the
19 purchaser at a point outside Illinois so that the sale is
20 exempt under the United States Constitution as a sale in
21 interstate or foreign commerce.

22 Of the money received from the 6.25% general use tax rate
23 on tangible personal property which is purchased outside
24 Illinois at retail from a retailer and which is titled or
25 registered by any agency of this State's government and paid
26 into the County and Mass Transit District Fund, the amount for

1 which Illinois addresses for titling or registration purposes
2 are given as being in each county having more than 3,000,000
3 inhabitants shall be distributed into the Regional
4 Transportation Authority tax fund, created pursuant to Section
5 4.03 of the Regional Transportation Authority Act. The
6 remainder of the money paid from such sales shall be
7 distributed to each county based on sales for which Illinois
8 addresses for titling or registration purposes are given as
9 being located in the county. Any money paid into the Regional
10 Transportation Authority Occupation and Use Tax Replacement
11 Fund from the County and Mass Transit District Fund prior to
12 January 14, 1991, which has not been paid to the Authority
13 prior to that date, shall be transferred to the Regional
14 Transportation Authority tax fund.

15 Notwithstanding any other provision of law, moneys paid
16 into the County and Mass Transit District Fund on or after July
17 1, 2024 from the 6.25% general rate under the Retailers'
18 Occupation Tax Act, the Service Occupation Tax Act, the
19 Service Use Tax Act, or the Use Tax Act that is imposed on the
20 selling price of a motor vehicle that is titled or registered
21 in this State shall be distributed to municipalities and
22 counties as follows:

23 (1) if the Illinois address for the motor vehicle for
24 titling or registration purposes is given as being in a
25 county with more than 3,000,000 inhabitants, then the
26 money shall be distributed into the Regional

1 Transportation Authority tax fund created under Section
2 4.03 of the Regional Transportation Authority Act;

3 (2) if the Illinois address for the motor vehicle for
4 titling or registration purposes is given as being in a
5 county with 3,000,000 inhabitants or less, then the
6 municipality shall receive the amount attributable to the
7 sale or use of the motor vehicle if the Illinois address
8 given for that motor vehicle for titling or registration
9 purposes is in that municipality; and

10 (3) if the Illinois address for the motor vehicle for
11 titling or registration purposes is given as being in a
12 county with 3,000,000 inhabitants or less, then the county
13 shall receive the amount attributable to the sale or use
14 of a motor vehicle if the Illinois address given for that
15 motor vehicle for titling or registration purposes is in
16 the unincorporated area of that county.

17 Whenever the Department determines that a refund of money
18 paid into the County and Mass Transit District Fund should be
19 made to a claimant instead of issuing a credit memorandum, the
20 Department shall notify the State Comptroller, who shall cause
21 the order to be drawn for the amount specified, and to the
22 person named, in such notification from the Department. Such
23 refund shall be paid by the State Treasurer out of the County
24 and Mass Transit District Fund.

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

1 Department of Revenue, the Comptroller shall order
2 transferred, and the Treasurer shall transfer, to the STAR
3 Bonds Revenue Fund the local sales tax increment, as defined
4 in the Innovation Development and Economy Act, collected
5 during the second preceding calendar month for sales within a
6 STAR bond district and deposited into the County and Mass
7 Transit District Fund, less 3% of that amount, which shall be
8 transferred into the Tax Compliance and Administration Fund
9 and shall be used by the Department, subject to appropriation,
10 to cover the costs of the Department in administering the
11 Innovation Development and Economy Act.

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 the Regional
16 Transportation Authority and to named counties, the counties
17 to be those entitled to distribution, as hereinabove provided,
18 of taxes or penalties paid to the Department during the second
19 preceding calendar month. The amount to be paid to the
20 Regional Transportation Authority and each county having
21 3,000,000 or fewer inhabitants shall be the amount (not
22 including credit memoranda) collected during the second
23 preceding calendar month by the Department and paid into the
24 County and Mass Transit District Fund, plus an amount the
25 Department determines is necessary to offset any amounts which
26 were erroneously paid to a different taxing body, and not

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

22 When certifying the amount of a monthly disbursement to
23 the Regional Transportation Authority or to a county under
24 this Section, the Department shall increase or decrease that
25 amount by an amount necessary to offset any misallocation of
26 previous disbursements. The offset amount shall be the amount

1 erroneously disbursed within the 6 months preceding the time a
2 misallocation is discovered.

3 The provisions directing the distributions from the
4 special fund in the State Treasury provided for in this
5 Section and from the Regional Transportation Authority tax
6 fund created by Section 4.03 of the Regional Transportation
7 Authority Act shall constitute an irrevocable and continuing
8 appropriation of all amounts as provided herein. The State
9 Treasurer and State Comptroller are hereby authorized to make
10 distributions as provided in this Section.

11 In construing any development, redevelopment, annexation,
12 preannexation or other lawful agreement in effect prior to
13 September 1, 1990, which describes or refers to receipts from
14 a county or municipal retailers' occupation tax, use tax or
15 service occupation tax which now cannot be imposed, such
16 description or reference shall be deemed to include the
17 replacement revenue for such abolished taxes, distributed from
18 the County and Mass Transit District Fund or Local Government
19 Distributive Fund, as the case may be.

20 (Source: P.A. 102-700, eff. 4-19-22.)