



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4018

Introduced 3/15/2023, by Rep. Mary Beth Canty

SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
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 5/8-11-1.6	
65 ILCS 5/8-11-1.7	
65 ILCS 5/8-11-16	from Ch. 24, par. 8-11-16
65 ILCS 5/8-11-21	
65 ILCS 5/8-11-24 new	

Amends the Illinois Municipal Code. Provides that a municipality may commence an action in the circuit court against another municipality to recover sales tax revenues generated by a business in the plaintiff municipality but mistakenly paid to the defendant municipality. Provides that the action must be commenced no later than 20 years after a payment is mistakenly paid to a municipality. Provides that a municipality may recover both the municipality's share of the moneys from the Local Government Tax Fund and the municipality's own local sales taxes that were mistakenly paid. Provides that actions of the Department of Revenue to offset amounts erroneously disbursed within the 6 months preceding the time a misallocation is discovered is not the exclusive remedy of a municipality and does not limit the rights of a municipality to pursue an action against another municipality. Provides that the changes made by the amendatory Act are declarative of existing law and shall be applied retroactively when substantively applicable, including all pending and previously pending actions without regard to when the cause of action accrued. Further amends the Illinois Municipal Code and amends the State Finance Act making conforming changes.

LRB103 31206 AWJ 58106 b

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 changing
5 Section 6z-18 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 A portion of the money paid into the Local Government Tax
13 Fund from the 6.25% general rate (and, beginning July 1, 2000
14 and through December 31, 2000, the 1.25% rate on motor fuel and
15 gasohol, and beginning on August 6, 2010 through August 15,
16 2010, and beginning again on August 5, 2022 through August 14,
17 2022, the 1.25% rate on sales tax holiday items) on sales
18 subject to taxation under the Retailers' Occupation Tax Act
19 and the Service Occupation Tax Act, which occurred in
20 municipalities, shall be distributed to each municipality,
21 based upon the sales which occurred in that municipality. The
22 remainder shall be distributed to each county, based upon the
23 sales which occurred in the unincorporated area of such
24 county.

25 For the purpose of determining allocation to the local
26 government unit, a retail sale by a producer of coal or other

1 mineral mined in Illinois is a sale at retail at the place
2 where the coal or other mineral mined in Illinois is extracted
3 from the earth. This paragraph does not apply to coal or other
4 mineral when it is delivered or shipped by the seller to the
5 purchaser at a point outside Illinois so that the sale is
6 exempt under the United States Constitution as a sale in
7 interstate or foreign commerce.

8 Whenever the Department determines that a refund of money
9 paid into the Local Government Tax Fund should be made to a
10 claimant instead of issuing a credit memorandum, the
11 Department shall notify the State Comptroller, who shall cause
12 the order to be drawn for the amount specified, and to the
13 person named, in such notification from the Department. Such
14 refund shall be paid by the State Treasurer out of the Local
15 Government Tax Fund.

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
22 during the second preceding calendar month for sales within a
23 STAR bond district and deposited into the Local Government Tax
24 Fund, less 3% of that amount, which shall be transferred into
25 the Tax Compliance and Administration Fund and shall be used
26 by the Department, subject to appropriation, to cover the

1 costs of the Department in administering the Innovation
2 Development and Economy Act.

3 After the monthly transfer to the STAR Bonds Revenue Fund,
4 on or before the 25th day of each calendar month, the
5 Department shall prepare and certify to the Comptroller the
6 disbursement of stated sums of money to named municipalities
7 and counties, the municipalities and counties to be those
8 entitled to distribution of taxes or penalties paid to the
9 Department during the second preceding calendar month. The
10 amount to be paid to each municipality or county shall be the
11 amount (not including credit memoranda) collected during the
12 second preceding calendar month by the Department and paid
13 into the Local Government Tax Fund, plus an amount the
14 Department determines is necessary to offset any amounts which
15 were erroneously paid to a different taxing body, and not
16 including an amount equal to the amount of refunds made during
17 the second preceding calendar month by the Department, and not
18 including any amount which the Department determines is
19 necessary to offset any amounts which are payable to a
20 different taxing body but were erroneously paid to the
21 municipality or county, and not including any amounts that are
22 transferred to the STAR Bonds Revenue Fund. Within 10 days
23 after receipt, by the Comptroller, of the disbursement
24 certification to the municipalities and counties, provided for
25 in this Section to be given to the Comptroller by the
26 Department, the Comptroller shall cause the orders to be drawn

1 for the respective amounts in accordance with the directions
2 contained in such certification.

3 When certifying the amount of monthly disbursement to a
4 municipality or county under this Section, the Department
5 shall increase or decrease that amount by an amount necessary
6 to offset any misallocation of previous disbursements. The
7 offset amount shall be the amount erroneously disbursed within
8 the 6 months preceding the time a misallocation is discovered.
9 The offset under this paragraph is not the exclusive remedy a
10 municipality has for misallocation of previous disbursements.
11 This paragraph does not limit the rights of a municipality to
12 pursue an action under Section 8-11-24 of the Illinois
13 Municipal Code.

14 The provisions directing the distributions from the
15 special fund in the State treasury ~~Treasury~~ provided for in
16 this Section shall constitute an irrevocable and continuing
17 appropriation of all amounts as provided herein. The State
18 Treasurer and State Comptroller are hereby authorized to make
19 distributions as provided in this Section.

20 In construing any development, redevelopment, annexation,
21 preannexation, or other lawful agreement in effect prior to
22 September 1, 1990, which describes or refers to receipts from
23 a county or municipal retailers' occupation tax, use tax or
24 service occupation tax which now cannot be imposed, such
25 description or reference shall be deemed to include the
26 replacement revenue for such abolished taxes, distributed from

1 the Local Government Tax Fund.

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

8 (Source: P.A. 102-700, Article 60, Section 60-10, eff.
9 4-19-22; 102-700, Article 65, Section 65-15, eff. 4-19-22;
10 revised 6-2-22.)

11 Section 10. The Illinois Municipal Code is amended by
12 changing Sections 8-11-1, 8-11-1.3, 8-11-1.6, 8-11-1.7,
13 8-11-16, and 8-11-21 and by adding Section 8-11-24 as follows:

14 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

15 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax
16 Act. The corporate authorities of a home rule municipality may
17 impose a tax upon all persons engaged in the business of
18 selling tangible personal property, other than an item of
19 tangible personal property titled or registered with an agency
20 of this State's government, at retail in the municipality on
21 the gross receipts from these sales made in the course of such
22 business. If imposed, the tax shall only be imposed in 1/4%
23 increments. On and after September 1, 1991, this additional
24 tax may not be imposed on tangible personal property taxed at

1 the 1% rate under the Retailers' Occupation Tax Act (or at the
2 0% rate imposed under this amendatory Act of the 102nd General
3 Assembly). Beginning December 1, 2019, this tax is not imposed
4 on sales of aviation fuel unless the tax revenue is expended
5 for airport-related purposes. If a municipality does not have
6 an airport-related purpose to which it dedicates aviation fuel
7 tax revenue, then aviation fuel is excluded from the tax. Each
8 municipality must comply with the certification requirements
9 for airport-related purposes under Section 2-22 of the
10 Retailers' Occupation Tax Act. For purposes of this Section,
11 "airport-related purposes" has the meaning ascribed in Section
12 6z-20.2 of the State Finance Act. This exclusion for aviation
13 fuel only applies for so long as the revenue use requirements
14 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
15 municipality. The changes made to this Section by this
16 amendatory Act of the 101st General Assembly are a denial and
17 limitation of home rule powers and functions under subsection
18 (g) of Section 6 of Article VII of the Illinois Constitution.
19 The tax imposed by a home rule municipality under this Section
20 and all civil penalties that may be assessed as an incident of
21 the tax shall be collected and enforced by the State
22 Department of Revenue. The certificate of registration that is
23 issued by the Department to a retailer under the Retailers'
24 Occupation Tax Act shall permit the retailer to engage in a
25 business that is taxable under any ordinance or resolution
26 enacted pursuant to this Section without registering

1 separately with the Department under such ordinance or
2 resolution or under this Section. The Department shall have
3 full power to administer and enforce this Section; to collect
4 all taxes and penalties due hereunder; to dispose of taxes and
5 penalties so collected in the manner hereinafter provided; and
6 to determine all rights to credit memoranda arising on account
7 of the erroneous payment of tax or penalty hereunder. In the
8 administration of, and compliance with, this Section the
9 Department and persons who are subject to this Section shall
10 have the same rights, remedies, privileges, immunities, powers
11 and duties, and be subject to the same conditions,
12 restrictions, limitations, penalties and definitions of terms,
13 and employ the same modes of procedure, as are prescribed in
14 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65
15 (in respect to all provisions therein other than the State
16 rate of tax), 2c, 3 (except as to the disposition of taxes and
17 penalties collected, and except that the retailer's discount
18 is not allowed for taxes paid on aviation fuel that are subject
19 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
20 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,
21 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the
22 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
23 Penalty and Interest Act, as fully as if those provisions were
24 set forth herein.

25 No tax may be imposed by a home rule municipality under
26 this Section unless the municipality also imposes a tax at the

1 same rate under Section 8-11-5 of this Act.

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

9 Whenever the Department determines that a refund should be
10 made under this Section to a claimant instead of issuing a
11 credit memorandum, the Department shall notify the State
12 Comptroller, who shall cause the order to be drawn for the
13 amount specified and to the person named in the notification
14 from the Department. The refund shall be paid by the State
15 Treasurer out of the home rule municipal retailers' occupation
16 tax fund or the Local Government Aviation Trust Fund, as
17 appropriate.

18 Except as otherwise provided in this paragraph, the
19 Department shall immediately pay over to the State Treasurer,
20 ex officio, as trustee, all taxes and penalties collected
21 hereunder for deposit into the Home Rule Municipal Retailers'
22 Occupation Tax Fund. Taxes and penalties collected on aviation
23 fuel sold on or after December 1, 2019, shall be immediately
24 paid over by the Department to the State Treasurer, ex
25 officio, as trustee, for deposit into the Local Government
26 Aviation Trust Fund. The Department shall only pay moneys into

1 the Local Government Aviation Trust Fund under this Section
2 for so long as the revenue use requirements of 49 U.S.C.
3 47107(b) and 49 U.S.C. 47133 are binding on the State.

4 As soon as possible after the first day of each month,
5 beginning January 1, 2011, upon certification of the
6 Department of Revenue, the Comptroller shall order
7 transferred, and the Treasurer shall transfer, to the STAR
8 Bonds Revenue Fund the local sales tax increment, as defined
9 in the Innovation Development and Economy Act, collected under
10 this Section during the second preceding calendar month for
11 sales within a 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 retailers have paid
17 taxes or penalties hereunder to the Department during the
18 second preceding calendar month. The amount to be paid to each
19 municipality shall be the amount (not including credit
20 memoranda and not including taxes and penalties collected on
21 aviation fuel sold on or after December 1, 2019) collected
22 hereunder during the second preceding calendar month by the
23 Department plus an amount the Department determines is
24 necessary to offset any amounts that were erroneously paid to
25 a different taxing body, and not including an amount equal to
26 the amount of refunds made during the second preceding

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

19 In addition to the disbursement required by the preceding
20 paragraph and in order to mitigate delays caused by
21 distribution procedures, an allocation shall, if requested, be
22 made within 10 days after January 14, 1991, and in November of
23 1991 and each year thereafter, to each municipality that
24 received more than \$500,000 during the preceding fiscal year,
25 (July 1 through June 30) whether collected by the municipality
26 or disbursed by the Department as required by this Section.

1 Within 10 days after January 14, 1991, participating
2 municipalities shall notify the Department in writing of their
3 intent to participate. In addition, for the initial
4 distribution, participating municipalities shall certify to
5 the Department the amounts collected by the municipality for
6 each month under its home rule occupation and service
7 occupation tax during the period July 1, 1989 through June 30,
8 1990. The allocation within 10 days after January 14, 1991,
9 shall be in an amount equal to the monthly average of these
10 amounts, excluding the 2 months of highest receipts. The
11 monthly average for the period of July 1, 1990 through June 30,
12 1991 will be determined as follows: the amounts collected by
13 the municipality under its home rule occupation and service
14 occupation tax during the period of July 1, 1990 through
15 September 30, 1990, plus amounts collected by the Department
16 and paid to such municipality through June 30, 1991, excluding
17 the 2 months of highest receipts. The monthly average for each
18 subsequent period of July 1 through June 30 shall be an amount
19 equal to the monthly distribution made to each such
20 municipality under the preceding paragraph during this period,
21 excluding the 2 months of highest receipts. The distribution
22 made in November 1991 and each year thereafter under this
23 paragraph and the preceding paragraph shall be reduced by the
24 amount allocated and disbursed under this paragraph in the
25 preceding period of July 1 through June 30. The Department
26 shall prepare and certify to the Comptroller for disbursement

1 the allocations made in accordance with this paragraph.

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

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

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

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

1 When certifying the amount of a monthly disbursement to a
2 municipality under this Section, the Department shall increase
3 or decrease the amount by an amount necessary to offset any
4 misallocation of previous disbursements. The offset amount
5 shall be the amount erroneously disbursed within the previous
6 6 months from the time a misallocation is discovered. The
7 offset under this paragraph is not the exclusive remedy a
8 municipality has for misallocation of previous disbursements.
9 This paragraph does not limit the rights of a municipality to
10 pursue an action under Section 8-11-24 of the Illinois
11 Municipal Code.

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

26 As used in this Section, "municipal" and "municipality"

1 means a city, village or incorporated town, including an
2 incorporated town that has superseded a civil township.

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

5 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
6 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

7 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

8 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
9 Occupation Tax Act. The corporate authorities of a non-home
10 rule municipality may impose a tax upon all persons engaged in
11 the business of selling tangible personal property, other than
12 on an item of tangible personal property which is titled and
13 registered by an agency of this State's Government, at retail
14 in the municipality for expenditure on public infrastructure
15 or for property tax relief or both as defined in Section
16 8-11-1.2 if approved by referendum as provided in Section
17 8-11-1.1, of the gross receipts from such sales made in the
18 course of such business. If the tax is approved by referendum
19 on or after July 14, 2010 (the effective date of Public Act
20 96-1057), the corporate authorities of a non-home rule
21 municipality may, until July 1, 2030, use the proceeds of the
22 tax for expenditure on municipal operations, in addition to or
23 in lieu of any expenditure on public infrastructure or for
24 property tax relief. The tax imposed may not be more than 1%
25 and may be imposed only in 1/4% increments. The tax may not be

1 imposed on tangible personal property taxed at the 1% rate
2 under the Retailers' Occupation Tax Act (or at the 0% rate
3 imposed under this amendatory Act of the 102nd General
4 Assembly). Beginning December 1, 2019, this tax is not imposed
5 on sales of aviation fuel unless the tax revenue is expended
6 for airport-related purposes. If a municipality does not have
7 an airport-related purpose to which it dedicates aviation fuel
8 tax revenue, then aviation fuel is excluded from the tax. Each
9 municipality must comply with the certification requirements
10 for airport-related purposes under Section 2-22 of the
11 Retailers' Occupation Tax Act. For purposes of this Section,
12 "airport-related purposes" has the meaning ascribed in Section
13 6z-20.2 of the State Finance Act. This exclusion for aviation
14 fuel only applies for so long as the revenue use requirements
15 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
16 municipality. The tax imposed by a municipality pursuant to
17 this Section and all civil penalties that may be assessed as an
18 incident thereof shall be collected and enforced by the State
19 Department of Revenue. The certificate of registration which
20 is issued by the Department to a retailer under the Retailers'
21 Occupation Tax Act shall permit such retailer to engage in a
22 business which is taxable under any ordinance or resolution
23 enacted pursuant to this Section without registering
24 separately with the Department under such ordinance or
25 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
4 account of the erroneous payment of tax or penalty hereunder.
5 In the administration of, and compliance with, this Section,
6 the Department and persons who are subject to this Section
7 shall 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 terms,
10 and employ the same modes of procedure, as are prescribed in
11 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in
12 respect to all provisions therein other than the State rate of
13 tax), 2c, 3 (except as to the disposition of taxes and
14 penalties collected, and except that the retailer's discount
15 is not allowed for taxes paid on aviation fuel that are subject
16 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
17 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,
18 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the
19 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
20 Penalty and Interest Act as fully as if those provisions were
21 set forth herein.

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

25 Persons subject to any tax imposed pursuant to the
26 authority granted in this Section may reimburse themselves for

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

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

15 Except as otherwise provided, the Department shall
16 forthwith pay over to the State Treasurer, ex officio, as
17 trustee, all taxes and penalties collected hereunder for
18 deposit into the Non-Home Rule Municipal Retailers' Occupation
19 Tax Fund. Taxes and penalties collected on aviation fuel sold
20 on or after December 1, 2019, shall be immediately paid over by
21 the Department to the State Treasurer, ex officio, as trustee,
22 for deposit into the Local Government Aviation Trust Fund. The
23 Department shall only pay moneys into the Local Government
24 Aviation Trust Fund under this Section for so long as the
25 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
26 47133 are binding on the municipality.

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

9 After the monthly transfer to the STAR Bonds Revenue Fund,
10 on or before the 25th day of each calendar month, the
11 Department shall prepare and certify to the Comptroller the
12 disbursement of stated sums of money to named municipalities,
13 the municipalities to be those from which retailers have paid
14 taxes or penalties hereunder to the Department 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 and not including taxes and penalties collected on
18 aviation fuel sold on or after December 1, 2019) collected
19 hereunder during the second preceding calendar month by the
20 Department plus an amount the Department determines is
21 necessary to offset any amounts which were erroneously paid to
22 a different taxing body, and not including an amount equal to
23 the amount of refunds made during the second preceding
24 calendar month by the Department on behalf of such
25 municipality, and not including any amount which the
26 Department determines is necessary to offset any amounts which

1 were payable to a different taxing body but were erroneously
2 paid to the municipality, and not including any amounts that
3 are transferred to the STAR Bonds Revenue Fund, less 1.5% of
4 the remainder, which the Department shall transfer into the
5 Tax Compliance and Administration Fund. The Department, at the
6 time of each monthly disbursement to the municipalities, shall
7 prepare and certify to the State Comptroller the amount to be
8 transferred into the Tax Compliance and Administration Fund
9 under this Section. Within 10 days after receipt, by the
10 Comptroller, of the disbursement certification to the
11 municipalities and the Tax Compliance and Administration Fund
12 provided for in this Section to be given to the Comptroller by
13 the Department, the Comptroller shall cause the orders to be
14 drawn for the respective amounts in accordance with the
15 directions contained in such certification.

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

25 Nothing in this Section shall be construed to authorize a
26 municipality to impose a tax upon the privilege of engaging in

1 any business which under the constitution of the United States
2 may not be made the subject of taxation by this State.

3 When certifying the amount of a monthly disbursement to a
4 municipality under this Section, the Department shall increase
5 or decrease such amount by an amount necessary to offset any
6 misallocation of previous disbursements. The offset amount
7 shall be the amount erroneously disbursed within the previous
8 6 months from the time a misallocation is discovered. The
9 offset under this paragraph is not the exclusive remedy a
10 municipality has for misallocation of previous disbursements.
11 This paragraph does not limit the rights of a municipality to
12 pursue an action under Section 8-11-24 of the Illinois
13 Municipal Code.

14 The Department of Revenue shall implement Public Act
15 91-649 so as to collect the tax on and after January 1, 2002.

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

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

21 (Source: P.A. 101-10, eff. 6-5-19; 101-47, eff. 1-1-20;
22 101-81, eff. 7-12-19; 101-604, eff. 12-13-19; 102-700, eff.
23 4-19-22.)

24 (65 ILCS 5/8-11-1.6)

25 Sec. 8-11-1.6. Non-home rule municipal retailers'

1 occupation tax; municipalities between 20,000 and 25,000. The
2 corporate authorities of a non-home rule municipality with a
3 population of more than 20,000 but less than 25,000 that has,
4 prior to January 1, 1987, established a Redevelopment Project
5 Area that has been certified as a State Sales Tax Boundary and
6 has issued bonds or otherwise incurred indebtedness to pay for
7 costs in excess of \$5,000,000, which is secured in part by a
8 tax increment allocation fund, in accordance with the
9 provisions of Division 11-74.4 of this Code may, by passage of
10 an ordinance, impose a tax upon all persons engaged in the
11 business of selling tangible personal property, other than on
12 an item of tangible personal property that is titled and
13 registered by an agency of this State's Government, at retail
14 in the municipality. This tax may not be imposed on tangible
15 personal property taxed at the 1% rate under the Retailers'
16 Occupation Tax Act (or at the 0% rate imposed under this
17 amendatory Act of the 102nd General Assembly). Beginning
18 December 1, 2019, this tax is not imposed on sales of aviation
19 fuel unless the tax revenue is expended for airport-related
20 purposes. If a municipality does not have an airport-related
21 purpose to which it dedicates aviation fuel tax revenue, then
22 aviation fuel is excluded from the tax. Each municipality must
23 comply with the certification requirements for airport-related
24 purposes under Section 2-22 of the Retailers' Occupation Tax
25 Act. For purposes of this Section, "airport-related purposes"
26 has the meaning ascribed in Section 6z-20.2 of the State

1 Finance Act. This exclusion for aviation fuel only applies for
2 so long as the revenue use requirements of 49 U.S.C. 47107(b)
3 and 49 U.S.C. 47133 are binding on the municipality. If
4 imposed, the tax shall only be imposed in .25% increments of
5 the gross receipts from such sales made in the course of
6 business. Any tax imposed by a municipality under this Section
7 and all civil penalties that may be assessed as an incident
8 thereof shall be collected and enforced by the State
9 Department of Revenue. An ordinance imposing a tax hereunder
10 or effecting a change in the rate thereof shall be adopted and
11 a certified copy thereof filed with the Department on or
12 before the first day of October, whereupon the Department
13 shall proceed to administer and enforce this Section as of the
14 first day of January next following such adoption and filing.
15 The certificate of registration that is issued by the
16 Department to a retailer under the Retailers' Occupation Tax
17 Act shall permit the retailer to engage in a business that is
18 taxable under any ordinance or resolution enacted under this
19 Section without registering separately with the Department
20 under the ordinance or resolution or under this Section. The
21 Department shall have full power to administer and enforce
22 this Section, to collect all taxes and penalties due
23 hereunder, to dispose of taxes and penalties so collected in
24 the manner hereinafter provided, and to determine all rights
25 to credit memoranda, arising on account of the erroneous
26 payment of tax or penalty hereunder. In the administration of,

1 and compliance with this Section, the Department and persons
2 who are subject to this Section shall have the same rights,
3 remedies, privileges, immunities, powers, and duties, and be
4 subject to the same conditions, restrictions, limitations,
5 penalties, and definitions of terms, and employ the same modes
6 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,
7 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
8 therein other than the State rate of tax), 2c, 3 (except as to
9 the disposition of taxes and penalties collected, and except
10 that the retailer's discount is not allowed for taxes paid on
11 aviation fuel that are subject to the revenue use requirements
12 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
13 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
14 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
15 Section 3-7 of the Uniform Penalty and Interest Act as fully as
16 if those provisions were set forth herein.

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

20 Persons subject to any tax imposed under the authority
21 granted in this Section may reimburse themselves for their
22 seller's tax liability hereunder by separately stating the tax
23 as an additional charge, which charge may be stated in
24 combination, in a single amount, with State tax which sellers
25 are required to collect under the Use Tax Act, pursuant to such
26 bracket schedules as the Department may prescribe.

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

10 Except as otherwise provided in this paragraph, the
11 Department shall forthwith pay over to the State Treasurer, ex
12 officio, as trustee, all taxes and penalties collected
13 hereunder for deposit into the Non-Home Rule Municipal
14 Retailers' Occupation Tax Fund. Taxes and penalties collected
15 on aviation fuel sold on or after December 1, 2019, shall be
16 immediately paid over by the Department to the State
17 Treasurer, ex officio, as trustee, for deposit into the Local
18 Government Aviation Trust Fund. The Department shall only pay
19 moneys into the Local Government Aviation Trust Fund under
20 this Section for so long as the revenue use requirements of 49
21 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
22 municipality.

23 As soon as possible after the first day of each month,
24 beginning January 1, 2011, upon certification of the
25 Department of Revenue, the Comptroller shall order
26 transferred, and the Treasurer shall transfer, to the STAR

1 Bonds Revenue Fund the local sales tax increment, as defined
2 in the Innovation Development and Economy Act, collected under
3 this Section during the second preceding calendar month for
4 sales within a STAR bond district.

5 After the monthly transfer to the STAR Bonds Revenue Fund,
6 on or before the 25th day of each calendar month, the
7 Department shall prepare and certify to the Comptroller the
8 disbursement of stated sums of money to named municipalities,
9 the municipalities to be those from which retailers have paid
10 taxes or penalties hereunder to the Department during the
11 second preceding calendar month. The amount to be paid to each
12 municipality shall be the amount (not including credit
13 memoranda and not including taxes and penalties collected on
14 aviation fuel sold on or after December 1, 2019) collected
15 hereunder during the second preceding calendar month by the
16 Department plus an amount the Department determines is
17 necessary to offset any amounts that were erroneously paid to
18 a different taxing body, and not including an amount equal to
19 the amount of refunds made during the second preceding
20 calendar month by the Department on behalf of the
21 municipality, and not including any amount that the Department
22 determines is necessary to offset any amounts that were
23 payable to a different taxing body but were erroneously paid
24 to the 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
2 time 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 For the purpose of determining the local governmental unit
13 whose tax is applicable, a retail sale by a producer of coal or
14 other mineral mined in Illinois is a sale at retail at the
15 place where the coal or other mineral mined in Illinois is
16 extracted from the earth. This paragraph does not apply to
17 coal or other mineral when it is delivered or shipped by the
18 seller to the purchaser at a point outside Illinois so that the
19 sale is exempt under the federal Constitution as a sale in
20 interstate or foreign commerce.

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 When certifying the amount of a monthly disbursement to a
26 municipality under this Section, the Department shall increase

1 or decrease the amount by an amount necessary to offset any
2 misallocation of previous disbursements. The offset amount
3 shall be the amount erroneously disbursed within the previous
4 6 months from the time a misallocation is discovered. The
5 offset under this paragraph is not the exclusive remedy a
6 municipality has for misallocation of previous disbursements.
7 This paragraph does not limit the rights of a municipality to
8 pursue an action under Section 8-11-24 of the Illinois
9 Municipal Code.

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

13 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
14 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

15 (65 ILCS 5/8-11-1.7)

16 Sec. 8-11-1.7. Non-home rule municipal service occupation
17 tax; municipalities between 20,000 and 25,000. The corporate
18 authorities of a non-home rule municipality with a population
19 of more than 20,000 but less than 25,000 as determined by the
20 last preceding decennial census that has, prior to January 1,
21 1987, established a Redevelopment Project Area that has been
22 certified as a State Sales Tax Boundary and has issued bonds or
23 otherwise incurred indebtedness to pay for costs in excess of
24 \$5,000,000, which is secured in part by a tax increment
25 allocation fund, in accordance with the provisions of Division

1 11-74.4 of this Code may, by passage of an ordinance, impose a
2 tax upon all persons engaged in the municipality in the
3 business of making sales of service. If imposed, the tax shall
4 only be imposed in .25% increments of the selling price of all
5 tangible personal property transferred by such servicemen
6 either in the form of tangible personal property or in the form
7 of real estate as an incident to a sale of service. This tax
8 may not be imposed on tangible personal property taxed at the
9 1% rate under the Service Occupation Tax Act (or at the 0% rate
10 imposed under this amendatory Act of the 102nd General
11 Assembly). Beginning December 1, 2019, this tax is not imposed
12 on sales of aviation fuel unless the tax revenue is expended
13 for airport-related purposes. If a municipality does not have
14 an airport-related purpose to which it dedicates aviation fuel
15 tax revenue, then aviation fuel is excluded from the tax. Each
16 municipality must comply with the certification requirements
17 for airport-related purposes under Section 2-22 of the
18 Retailers' Occupation Tax Act. For purposes of this Section,
19 "airport-related purposes" has the meaning ascribed in Section
20 6z-20.2 of the State Finance Act. This exclusion for aviation
21 fuel only applies for so long as the revenue use requirements
22 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
23 municipality. The tax imposed by a municipality under this
24 Section and all civil penalties that may be assessed as an
25 incident thereof shall be collected and enforced by the State
26 Department of Revenue. An ordinance imposing a tax hereunder

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

1 municipality), 5, 7, 8 (except that the jurisdiction to which
2 the tax shall be a debt to the extent indicated in that Section
3 8 shall be the taxing municipality), 9 (except as to the
4 disposition of taxes and penalties collected, and except that
5 the returned merchandise credit for this municipal tax may not
6 be taken against any State tax, and except that the retailer's
7 discount is not allowed for taxes paid on aviation fuel that
8 are subject to the revenue use requirements of 49 U.S.C.
9 47107(b) and 49 U.S.C. 47133), 10, 11, 12, (except the
10 reference therein to Section 2b of the Retailers' Occupation
11 Tax Act), 13 (except that any reference to the State shall mean
12 the taxing municipality), the first paragraph of Sections 15,
13 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and
14 Section 3-7 of the Uniform Penalty and Interest Act, as fully
15 as if those provisions were set forth herein.

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

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

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

10 Except as otherwise provided in this paragraph, the
11 Department shall forthwith pay over to the State Treasurer, ex
12 officio, as trustee, all taxes and penalties collected
13 hereunder for deposit into the Non-Home Rule Municipal
14 Retailers' Occupation Tax Fund. Taxes and penalties collected
15 on aviation fuel sold on or after December 1, 2019, shall be
16 immediately paid over by the Department to the State
17 Treasurer, ex officio, as trustee, for deposit into the Local
18 Government Aviation Trust Fund. The Department shall only pay
19 moneys into the Local Government Aviation Trust Fund under
20 this Section for so long as the revenue use requirements of 49
21 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
22 Municipality.

23 As soon as possible after the first day of each month,
24 beginning January 1, 2011, upon certification of the
25 Department of Revenue, the Comptroller shall order
26 transferred, and the Treasurer shall transfer, to the STAR

1 Bonds Revenue Fund the local sales tax increment, as defined
2 in the Innovation Development and Economy Act, collected under
3 this Section during the second preceding calendar month for
4 sales within a STAR bond district.

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

1 Comptroller of the disbursement certification to the
2 municipalities, the Tax Compliance and Administration Fund,
3 and the General Revenue Fund, provided for in this Section to
4 be given to the Comptroller by the Department, the Comptroller
5 shall cause the orders to be drawn for the respective amounts
6 in accordance with the directions contained in the
7 certification.

8 When certifying the amount of a monthly disbursement to a
9 municipality under this Section, the Department shall increase
10 or decrease the amount by an amount necessary to offset any
11 misallocation of previous disbursements. The offset amount
12 shall be the amount erroneously disbursed within the previous
13 6 months from the time a misallocation is discovered. The
14 offset under this paragraph is not the exclusive remedy a
15 municipality has for misallocation of previous disbursements.
16 This paragraph does not limit the rights of a municipality to
17 pursue an action under Section 8-11-24 of the Illinois
18 Municipal Code.

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

23 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
24 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

1 Sec. 8-11-16. The Department of Revenue shall submit to
2 each municipality each year a list of those persons within
3 that municipality who are registered with the Department under
4 the Retailers' Occupation Tax Act.

5 The list shall indicate the street address of each retail
6 outlet operated in the municipality by the persons so
7 registered and the name under which the retailer conducts
8 business, if different from the corporate name. The municipal
9 clerk shall forward any changes or corrections to the list to
10 the Department within 6 months. The Department shall update
11 and correct its records to reflect such changes, or notify the
12 municipality in writing that the suggested changes are
13 erroneous, within 90 days. The Department shall also provide
14 monthly updates to each municipality showing additions or
15 deletions to the list of retail outlets within the
16 municipality. The Department shall provide a copy of the
17 annual listing herein provided for contiguous jurisdictions
18 when a municipality so requests. The list required by this
19 Section shall contain only the names and street addresses of
20 persons who are registered with the Department and shall not
21 include the amount of tax paid by such persons. The list
22 required by this Section shall be provided to each
23 municipality no later than September 1 annually.

24 When certifying the amount of a monthly disbursement to a
25 municipality under Section 8-11-1, 8-11-5, 8-11-6 of this Act
26 or Section 6z-18 of "An Act in relation to State finance", the

1 Department shall increase or decrease such amount by an amount
2 necessary to offset any misallocation of previous
3 disbursements. The offset amount shall be the amount
4 erroneously disbursed within the previous 6 months from the
5 time a misallocation is discovered. The offset under this
6 paragraph is not the exclusive remedy a municipality has for
7 misallocation of previous disbursements. This paragraph does
8 not limit the rights of a municipality to pursue an action
9 under Section 8-11-24 of the Illinois Municipal Code.

10 The Department of Revenue must upon the request of any
11 municipality received pursuant to the provisions of this
12 paragraph furnish to such municipality data setting forth the
13 aggregate amount of retailers' occupation tax collected on
14 behalf of such municipality from any shopping center
15 identified in such request and located within such
16 municipality for each month beginning with the first month
17 following the month within which such a request is received by
18 the Department, provided that such data may be provided only
19 with respect to shopping centers (1) which consist of 50 or
20 more persons registered with the Department to pay Retailers'
21 Occupation Tax, and (2) where the developers or owners thereof
22 or their predecessors in interest have entered into written
23 agreements with the municipality to transfer property to or
24 perform services for or on behalf of such municipality in
25 exchange for payments based solely or in part on the amount of
26 retailers' occupation tax collected on behalf of the

1 municipality from persons within such shopping centers. Data
2 given pursuant to this paragraph shall not identify by amounts
3 the individual sources of such taxes. A request for data
4 pursuant to this paragraph shall first be submitted to the
5 Department of Revenue by the Municipal Clerk, City Council or
6 Village Board of Trustees. The Department of Revenue shall
7 review each such request to determine whether the requirements
8 of item (2) of the first sentence of this paragraph have been
9 met and, within 30 days following its receipt of such a
10 request, shall either certify that the request meets such
11 requirements, or notify the person submitting the request that
12 the request does not meet such requirements.

13 As used in this Section, "Municipal" or "Municipality"
14 means or refers to a city, village or incorporated town,
15 including an incorporated town which has superseded a civil
16 township, and "shopping center" means a group of retail stores
17 and other business and service establishments in an integrated
18 building arrangement operated under common ownership or
19 diverse ownership under unified control involving common
20 parking areas and mutual easements.

21 (Source: P.A. 91-51, eff. 6-30-99.)

22 (65 ILCS 5/8-11-21)

23 Sec. 8-11-21. Agreements to share or rebate occupation
24 taxes.

25 (a) On and after June 1, 2004, the corporate authorities

1 of a municipality shall not enter into any agreement to share
2 or rebate any portion of retailers' occupation taxes generated
3 by retail sales of tangible personal property if: (1) the tax
4 on those retail sales, absent the agreement, would have been
5 paid to another unit of local government; and (2) the retailer
6 maintains, within that other unit of local government, a
7 retail location from which the tangible personal property is
8 delivered to purchasers, or a warehouse from which the
9 tangible personal property is delivered to purchasers. Any
10 unit of local government denied retailers' occupation tax
11 revenue because of an agreement that violates this Section may
12 file an action in circuit court against only the municipality.
13 Any agreement entered into prior to June 1, 2004 is not
14 affected by this amendatory Act of the 93rd General Assembly.
15 Any unit of local government that prevails in the circuit
16 court action is entitled to damages in the amount of the tax
17 revenue it was denied as a result of the agreement, statutory
18 interest, costs, reasonable attorney's fees, and an amount
19 equal to 50% of the tax.

20 This subsection is not the exclusive remedy of the
21 municipality and does not limit the rights of a municipality
22 to pursue an action under Section 8-11-24 of the Illinois
23 Municipal Code.

24 (b) On and after the effective date of this amendatory Act
25 of the 93rd General Assembly, a home rule unit shall not enter
26 into any agreement prohibited by this Section. This Section is

1 a denial and limitation of home rule powers and functions
2 under subsection (g) of Section 6 of Article VII of the
3 Illinois Constitution.

4 (c) Any municipality that enters into an agreement to
5 share or rebate any portion of retailers' occupation taxes
6 generated by retail sales of tangible personal property must
7 complete and submit a report by electronic filing to the
8 Department of Revenue within 30 days after the execution of
9 the agreement. Any municipality that has entered into such an
10 agreement before the effective date of this amendatory Act of
11 the 97th General Assembly that has not been terminated or
12 expired as of the effective date of this amendatory Act of the
13 97th General Assembly shall submit a report with respect to
14 the agreements within 90 days after the effective date of this
15 amendatory Act of the 97th General Assembly.

16 Any agreement entered into on or after the effective date
17 of this amendatory Act of the 98th General Assembly is not
18 valid until the municipality entering into the agreement
19 complies with the requirements set forth in this subsection.
20 Any municipality that fails to comply with the requirements
21 set forth in this subsection within the 30 days after the
22 execution of the agreement shall be responsible for paying to
23 the Department of Revenue a delinquency penalty of \$20 per day
24 for each day the municipality fails to submit a report by
25 electronic filing to the Department of Revenue. A municipality
26 that has previously failed to report an agreement in effect on

1 the effective date of this subsection will begin to accrue a
2 delinquency penalty for each day the agreement remains
3 unreported beginning on the effective date of this subsection.
4 The Department of Revenue may adopt rules to implement and
5 administer these penalties.

6 (d) The report described in this Section shall be made on a
7 form to be supplied by the Department of Revenue and shall
8 contain the following:

9 (1) the names of the municipality and the business
10 entering into the agreement;

11 (2) the location or locations of the business within
12 the municipality;

13 (3) a statement, to be answered in the affirmative or
14 negative, as to whether or not the company maintains
15 additional places of business in the State other than
16 those described pursuant to paragraph (2);

17 (4) the terms of the agreement, including (i) the
18 manner in which the amount of any retailers' occupation
19 tax to be shared, rebated, or refunded is to be determined
20 each year for the duration of the agreement, (ii) the
21 duration of the agreement, and (iii) the name of any
22 business who is not a party to the agreement but who
23 directly or indirectly receives a share, refund, or rebate
24 of the retailers' occupation tax; and

25 (5) a copy of the agreement to share or rebate any
26 portion of retailers' occupation taxes generated by retail

1 sales of tangible personal property.

2 An updated report must be filed by the municipality within
3 30 days after the execution of any amendment made to an
4 agreement.

5 Reports filed with the Department pursuant to this Section
6 shall not constitute tax returns.

7 (e) The Department and the municipality shall redact the
8 sales figures, the amount of sales tax collected, and the
9 amount of sales tax rebated prior to disclosure of information
10 contained in a report required by this Section or the Freedom
11 of Information Act. The information redacted shall be exempt
12 from the provisions of the Freedom of Information Act.

13 (f) All reports, except the copy of the agreement,
14 required to be filed with the Department of Revenue pursuant
15 to this Section shall be posted on the Department's website
16 within 6 months after the effective date of this amendatory
17 Act of the 97th General Assembly. The website shall be updated
18 on a monthly basis to include newly received reports.

19 (Source: P.A. 97-976, eff. 1-1-13; 98-463, eff. 8-16-13;
20 98-1098, eff. 8-26-14.)

21 (65 ILCS 5/8-11-24 new)

22 Sec. 8-11-24. Recovery of sales tax revenues.

23 (a) A municipality may commence an action in the circuit
24 court against another municipality to recover sales tax
25 revenues generated by a business in the plaintiff municipality

1 but mistakenly paid to the defendant municipality. The action
2 must be commenced no later than 20 years after a payment is
3 mistakenly paid to a municipality.

4 (b) In an action under this Section, a municipality may
5 recover both the municipality's share of the moneys
6 distributed under Section 6z-18 of the State Finance Act and
7 the municipality's own local sales taxes that were mistakenly
8 paid to another municipality.

9 (c) The changes made by this amendatory Act of the 103rd
10 General Assembly, including this Section, are declarative of
11 existing law and shall be applied retroactively when
12 substantively applicable, including all pending and previously
13 pending actions without regard to when the cause of action
14 accrued.