



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB0206

Introduced 01/13/05, by Rep. Thomas Holbrook

SYNOPSIS AS INTRODUCED:

35 ILCS 145/6
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from Ch. 120, par. 481b.36
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Amends the Hotel Operators' Occupation Tax Act. Increases the distribution of tax to the International Tourism Fund from 4.5% to 6% beginning in FY06. Makes technical corrections. Effective immediately.

LRB094 05448 RSP 35493 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT in relation to taxes.

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

4 Section 5. The Hotel Operators' Occupation Tax Act is
5 amended by changing Section 6 as follows:

6 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

7 Sec. 6. Except as provided hereinafter in this Section, on
8 or before the last day of each calendar month, every person
9 engaged in the business of renting, leasing or letting rooms in
10 a hotel in this State during the preceding calendar month shall
11 file a return with the Department, stating:

12 1. The name of the operator;

13 2. His residence address and the address of his
14 principal place of business and the address of the
15 principal place of business (if that is a different
16 address) from which he engages in the business of renting,
17 leasing or letting rooms in a hotel in this State;

18 3. Total amount of rental receipts received by him
19 during the preceding calendar month from renting, leasing
20 or letting rooms during such preceding calendar month;

21 4. Total amount of rental receipts received by him
22 during the preceding calendar month from renting, leasing
23 or letting rooms to permanent residents during such
24 preceding calendar month;

25 5. Total amount of other exclusions from gross rental
26 receipts allowed by this Act;

27 6. Gross rental receipts which were received by him
28 during the preceding calendar month and upon the basis of
29 which the tax is imposed;

30 7. The amount of tax due;

31 8. Such other reasonable information as the Department
32 may require.

1 If the operator's average monthly tax liability to the
2 Department does not exceed \$200, the Department may authorize
3 his returns to be filed on a quarter annual basis, with the
4 return for January, February and March of a given year being
5 due by April 30 of such year; with the return for April, May
6 and June of a given year being due by July 31 of such year; with
7 the return for July, August and September of a given year being
8 due by October 31 of such year, and with the return for
9 October, November and December of a given year being due by
10 January 31 of the following year.

11 If the operator's average monthly tax liability to the
12 Department does not exceed \$50, the Department may authorize
13 his returns to be filed on an annual basis, with the return for
14 a given year being due by January 31 of the following year.

15 Such quarter annual and annual returns, as to form and
16 substance, shall be subject to the same requirements as monthly
17 returns.

18 Notwithstanding any other provision in this Act concerning
19 the time within which an operator may file his return, in the
20 case of any operator who ceases to engage in a kind of business
21 which makes him responsible for filing returns under this Act,
22 such operator shall file a final return under this Act with the
23 Department not more than 1 month after discontinuing such
24 business.

25 Where the same person has more than 1 business registered
26 with the Department under separate registrations under this
27 Act, such person shall not file each return that is due as a
28 single return covering all such registered businesses, but
29 shall file separate returns for each such registered business.

30 In his return, the operator shall determine the value of
31 any consideration other than money received by him in
32 connection with the renting, leasing or letting of rooms in the
33 course of his business and he shall include such value in his
34 return. Such determination shall be subject to review and
35 revision by the Department in the manner hereinafter provided
36 for the correction of returns.

1 Where the operator is a corporation, the return filed on
2 behalf of such corporation shall be signed by the president,
3 vice-president, secretary or treasurer or by the properly
4 accredited agent of such corporation.

5 The person filing the return herein provided for shall, at
6 the time of filing such return, pay to the Department the
7 amount of tax herein imposed. The operator filing the return
8 under this Section shall, at the time of filing such return,
9 pay to the Department the amount of tax imposed by this Act
10 less a discount of 2.1% or \$25 per calendar year, whichever is
11 greater, which is allowed to reimburse the operator for the
12 expenses incurred in keeping records, preparing and filing
13 returns, remitting the tax and supplying data to the Department
14 on request.

15 There shall be deposited in the Build Illinois Fund in the
16 State Treasury for each State fiscal year 40% of the amount of
17 total net proceeds from the tax imposed by subsection (a) of
18 Section 3. Of the remaining 60%, \$5,000,000 shall be deposited
19 in the Illinois Sports Facilities Fund and credited to the
20 Subsidy Account each fiscal year by making monthly deposits in
21 the amount of 1/8 of \$5,000,000 plus cumulative deficiencies in
22 such deposits for prior months, and an additional \$8,000,000
23 shall be deposited in the Illinois Sports Facilities Fund and
24 credited to the Advance Account each fiscal year by making
25 monthly deposits in the amount of 1/8 of \$8,000,000 plus any
26 cumulative deficiencies in such deposits for prior months;
27 provided, that for fiscal years ending after June 30, 2001, the
28 amount to be so deposited into the Illinois Sports Facilities
29 Fund and credited to the Advance Account each fiscal year shall
30 be increased from \$8,000,000 to the then applicable Advance
31 Amount and the required monthly deposits beginning with July
32 2001 shall be in the amount of 1/8 of the then applicable
33 Advance Amount plus any cumulative deficiencies in those
34 deposits for prior months. (The deposits of the additional
35 \$8,000,000 or the then applicable Advance Amount, as
36 applicable, during each fiscal year shall be treated as

1 advances of funds to the Illinois Sports Facilities Authority
2 for its corporate purposes to the extent paid to the Authority
3 or its trustee and shall be repaid into the General Revenue
4 Fund in the State Treasury by the State Treasurer on behalf of
5 the Authority pursuant to Section 19 of the Illinois Sports
6 Facilities Authority Act, as amended. If in any fiscal year the
7 full amount of the then applicable Advance Amount is not repaid
8 into the General Revenue Fund, then the deficiency shall be
9 paid from the amount in the Local Government Distributive Fund
10 that would otherwise be allocated to the City of Chicago under
11 the State Revenue Sharing Act.)

12 For purposes of the foregoing paragraph, the term "Advance
13 Amount" means, for fiscal year 2002, \$22,179,000, and for
14 subsequent fiscal years through fiscal year 2032, 105.615% of
15 the Advance Amount for the immediately preceding fiscal year,
16 rounded up to the nearest \$1,000.

17 Of the remaining 60% of the amount of total net proceeds
18 from the tax imposed by subsection (a) of Section 3 after all
19 required deposits in the Illinois Sports Facilities Fund, the
20 amount equal to 8% of the net revenue realized from the Hotel
21 Operators' Occupation Tax Act plus an amount equal to 8% of the
22 net revenue realized from any tax imposed under Section 4.05 of
23 the Chicago World's Fair-1992 Authority Act during the
24 preceding month shall be deposited in the Local Tourism Fund
25 each month for purposes authorized by Section 605-705 of the
26 Department of Commerce and Economic Opportunity Community
27 ~~Affairs~~ Law (20 ILCS 605/605-705) ~~in the Local Tourism Fund,~~
28 and from beginning August 1, 1999 through July 1, 2005, the
29 amount equal to 4.5%, and beginning August 1, 2005 the amount
30 equal to 6%, of the net revenue realized from the Hotel
31 Operators' Occupation Tax Act during the preceding month shall
32 be deposited into the International Tourism Fund for the
33 purposes authorized in Section 605-707 ~~605-725~~ of the
34 Department of Commerce and Economic Opportunity Community
35 ~~Affairs~~ Law. "Net revenue realized for a month" means the
36 revenue collected by the State under that Act during the

1 previous month less the amount paid out during that same month
2 as refunds to taxpayers for overpayment of liability under that
3 Act.

4 After making all these deposits, all other proceeds of the
5 tax imposed under subsection (a) of Section 3 shall be
6 deposited in the General Revenue Fund in the State Treasury.
7 All moneys received by the Department from the additional tax
8 imposed under subsection (b) of Section 3 shall be deposited
9 into the Build Illinois Fund in the State Treasury.

10 The Department may, upon separate written notice to a
11 taxpayer, require the taxpayer to prepare and file with the
12 Department on a form prescribed by the Department within not
13 less than 60 days after receipt of the notice an annual
14 information return for the tax year specified in the notice.
15 Such annual return to the Department shall include a statement
16 of gross receipts as shown by the operator's last State income
17 tax return. If the total receipts of the business as reported
18 in the State income tax return do not agree with the gross
19 receipts reported to the Department for the same period, the
20 operator shall attach to his annual information return a
21 schedule showing a reconciliation of the 2 amounts and the
22 reasons for the difference. The operator's annual information
23 return to the Department shall also disclose pay roll
24 information of the operator's business during the year covered
25 by such return and any additional reasonable information which
26 the Department deems would be helpful in determining the
27 accuracy of the monthly, quarterly or annual tax returns by
28 such operator as hereinbefore provided for in this Section.

29 If the annual information return required by this Section
30 is not filed when and as required the taxpayer shall be liable
31 for a penalty in an amount determined in accordance with
32 Section 3-4 of the Uniform Penalty and Interest Act until such
33 return is filed as required, the penalty to be assessed and
34 collected in the same manner as any other penalty provided for
35 in this Act.

36 The chief executive officer, proprietor, owner or highest

1 ranking manager shall sign the annual return to certify the
2 accuracy of the information contained therein. Any person who
3 willfully signs the annual return containing false or
4 inaccurate information shall be guilty of perjury and punished
5 accordingly. The annual return form prescribed by the
6 Department shall include a warning that the person signing the
7 return may be liable for perjury.

8 The foregoing portion of this Section concerning the filing
9 of an annual information return shall not apply to an operator
10 who is not required to file an income tax return with the
11 United States Government.

12 (Source: P.A. 92-16, eff. 6-28-01; 92-600, eff. 6-28-02;
13 revised 10-15-03.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.