



Sen. John J. Cullerton

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09500SB1429sam003

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1 AMENDMENT TO SENATE BILL 1429

2 AMENDMENT NO. _____. Amend Senate Bill 1429 as follows:

3 on page 3, by replacing line 11 with the following:

4 "Sections 6z-18 and 6z-20 and by adding Section 5.675 as
5 follows:

6 (30 ILCS 105/5.675 new)

7 Sec. 5.675. The Municipality and Local Government
8 Reimbursement Fund."; and

9 on page 383, line 15, after "8-11-6b,", by inserting
10 "8-11-21,"; and

11 on page 445, immediately below line 1, by inserting the
12 following:

13 "(65 ILCS 5/8-11-21)

1 Sec. 8-11-21. Agreements to share or rebate occupation
2 taxes.

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

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

1 subsection (g) of Section 6 of Article VII of the Illinois
2 Constitution.

3 (c) Beginning on July 1, 2008, the Department of Revenue
4 must deposit any revenues that are attributable to the change
5 of the definition of "soft drinks" made by this amendatory Act
6 of the 95th General Assembly in the Use Tax Act, the Service
7 Use Tax Act, the Service Occupation Tax Act, and the Retailers'
8 Occupation Tax Act into the Municipality and Local Government
9 Reimbursement Fund, which is created as a special fund in the
10 State treasury. Moneys in the Fund may be used only by the
11 Department of Revenue to reimburse municipalities that have
12 entered into agreements to share or rebate a portion of the
13 retailers' occupation tax for the revenue that the
14 municipalities would have received from those agreements but
15 have lost because of the changes made in Illinois local tax
16 sourcing, which were made in order for Illinois use and
17 occupation tax laws to comply with the Streamlined Sales and
18 Use Tax Agreement. The moneys from the Fund shall be available
19 to those municipalities to replace the lost revenue and to
20 fulfill agreements made to share or rebate a portion of the
21 retailers' occupation tax. Municipalities with incentive
22 agreements shall receive reimbursement by application to the
23 Department of Revenue in the form and manner that the
24 Department requires by rule.

25 (Source: P.A. 93-920, eff. 8-12-04.)"