



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB0471

Introduced 2/4/2009, by Rep. Robert W. Pritchard - Frank J. Mautino

SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-3-14

from Ch. 24, par. 8-3-14

65 ILCS 5/8-3-14a new

Amends the Illinois Municipal Code. Creates the municipal hotel use tax. Authorizes municipalities to impose a tax upon the privilege of renting or leasing rooms in a hotel within the municipality at a rate not to exceed 5% of the rental or lease payment. Requires each hotel in the municipality to collect the tax from the person making the rental or lease payment at the time that the payment is tendered to the hotel and, as trustee, to remit the tax to the municipality. Sets forth certain exemptions. Prohibits municipalities from imposing both a hotel use tax and a hotel operators' occupation tax. Effective immediately.

LRB096 03985 RLJ 14021 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 Illinois Municipal Code is amended by
5 changing Section 8-3-14 and by adding Section 8-3-14a as
6 follows:

7 (65 ILCS 5/8-3-14) (from Ch. 24, par. 8-3-14)

8 Sec. 8-3-14. Municipal hotel operators' occupation tax.

9 The corporate authorities of any municipality may impose a tax
10 upon all persons engaged in such municipality in the business
11 of renting, leasing or letting rooms in a hotel, as defined in
12 "The Hotel Operators' Occupation Tax Act," at a rate not to
13 exceed 6% in the City of East Peoria and in the Village of
14 Morton and 5% in all other municipalities of the gross rental
15 receipts from such renting, leasing or letting, excluding,
16 however, from gross rental receipts, the proceeds of such
17 renting, leasing or letting to permanent residents of that
18 hotel and proceeds from the tax imposed under subsection (c) of
19 Section 13 of the Metropolitan Pier and Exposition Authority
20 Act, and may provide for the administration and enforcement of
21 the tax, and for the collection thereof from the persons
22 subject to the tax, as the corporate authorities determine to
23 be necessary or practicable for the effective administration of

1 the tax. The municipality may not impose a tax under this
2 Section if it imposes a tax under Section 8-3-14a.

3 Persons subject to any tax imposed pursuant to authority
4 granted by this Section may reimburse themselves for their tax
5 liability for such tax by separately stating such tax as an
6 additional charge, which charge may be stated in combination,
7 in a single amount, with State tax imposed under "The Hotel
8 Operators' Occupation Tax Act".

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

13 The amounts collected by any municipality pursuant to this
14 Section shall be expended by the municipality solely to promote
15 tourism and conventions within that municipality or otherwise
16 to attract nonresident overnight visitors to the municipality.

17 No funds received pursuant to this Section shall be used to
18 advertise for or otherwise promote new competition in the hotel
19 business.

20 (Source: P.A. 95-967, eff. 9-23-08.)

21 (65 ILCS 5/8-3-14a new)

22 Sec. 8-3-14a. Municipal hotel use tax.

23 (a) The corporate authorities of any municipality may
24 impose a tax upon the privilege of renting or leasing rooms in
25 a hotel within the municipality at a rate not to exceed 5% of

1 the rental or lease payment. The corporate authorities may
2 provide for the administration and enforcement of the tax and
3 for the collection thereof from the persons subject to the tax,
4 as the corporate authorities determine to be necessary or
5 practical for the effective administration of the tax.

6 (b) Each hotel in the municipality shall collect the tax
7 from the person making the rental or lease payment at the time
8 that the payment is tendered to the hotel. The hotel shall, as
9 trustee, remit the tax to the municipality.

10 (c) The tax authorized under this Section does not apply to
11 any rental or lease payment by a permanent resident of that
12 hotel or to any payment made to any hotel that is subject to
13 the tax imposed under subsection (c) of Section 13 of the
14 Metropolitan Pier and Exposition Authority Act. A municipality
15 may not impose a tax under this Section if it imposes a tax
16 under Section 8-3-14. Nothing in this Section may be construed
17 to authorize a municipality to impose a tax upon the privilege
18 of engaging in any business that under the Constitution of the
19 United States may not be made the subject of taxation by this
20 State.

21 (d) The moneys collected by a municipality under this
22 Section may be expended solely to promote tourism and
23 conventions within that municipality or otherwise to attract
24 nonresident overnight visitors to the municipality. No moneys
25 received under this Section may be used to advertise for or
26 otherwise promote new competition in the hotel business.

1 (e) As used in this Section, "hotel" has the meaning set
2 forth in Section 2 of the Hotel Operators' Occupation Tax Act.

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.