



Sen. Dan Cronin

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1 AMENDMENT TO SENATE BILL 580

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 580, AS AMENDED,  
3 with reference to page and line numbers of Senate Amendment No.  
4 3, on page 28, by replacing line 9 with the following:  
5 "changing Section 4 and by adding Sections 0.001 and 0.001a as  
6 follows"; and

7 on page 29, immediately below line 4, by inserting the  
8 following:

9 "(70 ILCS 3720/4) (from Ch. 111 2/3, par. 254)

10 Sec. 4. Taxes.

11 (a) The board of commissioners of any county water  
12 commission may, by ordinance, impose throughout the territory  
13 of the commission any or all of the taxes provided in this  
14 Section for its corporate purposes. On and after the effective  
15 date of this amendatory Act of the 96th General Assembly, all  
16 taxes imposed pursuant to this Section shall be used

1 exclusively for capital infrastructure and related costs.

2 However, no county water commission may impose any such tax  
3 unless the commission certifies the proposition of imposing the  
4 tax to the proper election officials, who shall submit the  
5 proposition to the voters residing in the territory at an  
6 election in accordance with the general election law, and the  
7 proposition has been approved by a majority of those voting on  
8 the proposition.

9 The proposition shall be in the form provided in Section 5  
10 or shall be substantially in the following form:

11 -----

12	Shall the (insert corporate	
13	name of county water commission)	YES
14	impose (state type of tax or	-----
15	taxes to be imposed) at the	NO
16	rate of 1/4%?	

17 -----

18 Taxes imposed under this Section and civil penalties  
19 imposed incident thereto shall be collected and enforced by the  
20 State Department of Revenue. The Department shall have the  
21 power to administer and enforce the taxes and to determine all  
22 rights for refunds for erroneous payments of the taxes.

23 (b) The board of commissioners may impose a County Water  
24 Commission Retailers' Occupation Tax upon all persons engaged  
25 in the business of selling tangible personal property at retail  
26 in the territory of the commission at a rate of 1/4% of the

1 gross receipts from the sales made in the course of such  
2 business within the territory. The tax imposed under this  
3 paragraph and all civil penalties that may be assessed as an  
4 incident thereof shall be collected and enforced by the State  
5 Department of Revenue. The Department shall have full power to  
6 administer and enforce this paragraph; to collect all taxes and  
7 penalties due hereunder; to dispose of taxes and penalties so  
8 collected in the manner hereinafter provided; and to determine  
9 all rights to credit memoranda arising on account of the  
10 erroneous payment of tax or penalty hereunder. In the  
11 administration of, and compliance with, this paragraph, the  
12 Department and persons who are subject to this paragraph shall  
13 have the same rights, remedies, privileges, immunities, powers  
14 and duties, and be subject to the same conditions,  
15 restrictions, limitations, penalties, exclusions, exemptions  
16 and definitions of terms, and employ the same modes of  
17 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,  
18 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
19 therein other than the State rate of tax except that food for  
20 human consumption that is to be consumed off the premises where  
21 it is sold (other than alcoholic beverages, soft drinks, and  
22 food that has been prepared for immediate consumption) and  
23 prescription and nonprescription medicine, drugs, medical  
24 appliances and insulin, urine testing materials, syringes, and  
25 needles used by diabetics, for human use, shall not be subject  
26 to tax hereunder), 2c, 3 (except as to the disposition of taxes

1 and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h,  
2 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the  
3 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
4 Penalty and Interest Act, as fully as if those provisions were  
5 set forth herein.

6 Persons subject to any tax imposed under the authority  
7 granted in this paragraph may reimburse themselves for their  
8 seller's tax liability hereunder by separately stating the tax  
9 as an additional charge, which charge may be stated in  
10 combination, in a single amount, with State taxes that sellers  
11 are required to collect under the Use Tax Act and under  
12 subsection (e) of Section 4.03 of the Regional Transportation  
13 Authority Act, in accordance with such bracket schedules as the  
14 Department may prescribe.

15 Whenever the Department determines that a refund should be  
16 made under this paragraph to a claimant instead of issuing a  
17 credit memorandum, the Department shall notify the State  
18 Comptroller, who shall cause the warrant to be drawn for the  
19 amount specified, and to the person named, in the notification  
20 from the Department. The refund shall be paid by the State  
21 Treasurer out of a county water commission tax fund established  
22 under paragraph (g) of this Section.

23 For the purpose of determining whether a tax authorized  
24 under this paragraph is applicable, a retail sale by a producer  
25 of coal or other mineral mined in Illinois is a sale at retail  
26 at the place where the coal or other mineral mined in Illinois

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

6 If a tax is imposed under this subsection (b) a tax shall  
7 also be imposed under subsections (c) and (d) of this Section.

8 No tax shall be imposed or collected under this subsection  
9 on the sale of a motor vehicle in this State to a resident of  
10 another state if that motor vehicle will not be titled in this  
11 State.

12 Nothing in this paragraph shall be construed to authorize a  
13 county water commission to impose a tax upon the privilege of  
14 engaging in any business which under the Constitution of the  
15 United States may not be made the subject of taxation by this  
16 State.

17 (c) If a tax has been imposed under subsection (b), a  
18 County Water Commission Service Occupation Tax shall also be  
19 imposed upon all persons engaged, in the territory of the  
20 commission, in the business of making sales of service, who, as  
21 an incident to making the sales of service, transfer tangible  
22 personal property within the territory. The tax rate shall be  
23 1/4% of the selling price of tangible personal property so  
24 transferred within the territory. The tax imposed under this  
25 paragraph and all civil penalties that may be assessed as an  
26 incident thereof shall be collected and enforced by the State

1 Department of Revenue. The Department shall have full power to  
2 administer and enforce this paragraph; to collect all taxes and  
3 penalties due hereunder; to dispose of taxes and penalties so  
4 collected in the manner hereinafter provided; and to determine  
5 all rights to credit memoranda arising on account of the  
6 erroneous payment of tax or penalty hereunder. In the  
7 administration of, and compliance with, this paragraph, the  
8 Department and persons who are subject to this paragraph shall  
9 have the same rights, remedies, privileges, immunities, powers  
10 and duties, and be subject to the same conditions,  
11 restrictions, limitations, penalties, exclusions, exemptions  
12 and definitions of terms, and employ the same modes of  
13 procedure, as are prescribed in Sections 1a-1, 2 (except that  
14 the reference to State in the definition of supplier  
15 maintaining a place of business in this State shall mean the  
16 territory of the commission), 2a, 3 through 3-50 (in respect to  
17 all provisions therein other than the State rate of tax except  
18 that food for human consumption that is to be consumed off the  
19 premises where it is sold (other than alcoholic beverages, soft  
20 drinks, and food that has been prepared for immediate  
21 consumption) and prescription and nonprescription medicines,  
22 drugs, medical appliances and insulin, urine testing  
23 materials, syringes, and needles used by diabetics, for human  
24 use, shall not be subject to tax hereunder), 4 (except that the  
25 reference to the State shall be to the territory of the  
26 commission), 5, 7, 8 (except that the jurisdiction to which the

1 tax shall be a debt to the extent indicated in that Section 8  
2 shall be the commission), 9 (except as to the disposition of  
3 taxes and penalties collected and except that the returned  
4 merchandise credit for this tax may not be taken against any  
5 State tax), 10, 11, 12 (except the reference therein to Section  
6 2b of the Retailers' Occupation Tax Act), 13 (except that any  
7 reference to the State shall mean the territory of the  
8 commission), the first paragraph of Section 15, 15.5, 16, 17,  
9 18, 19 and 20 of the Service Occupation Tax Act as fully as if  
10 those provisions were set forth herein.

11 Persons subject to any tax imposed under the authority  
12 granted in this paragraph may reimburse themselves for their  
13 serviceman's tax liability hereunder by separately stating the  
14 tax as an additional charge, which charge may be stated in  
15 combination, in a single amount, with State tax that servicemen  
16 are authorized to collect under the Service Use Tax Act, and  
17 any tax for which servicemen may be liable under subsection (f)  
18 of Sec. 4.03 of the Regional Transportation Authority Act, in  
19 accordance with such bracket schedules as the Department may  
20 prescribe.

21 Whenever the Department determines that a refund should be  
22 made under this paragraph to a claimant instead of issuing a  
23 credit memorandum, the Department shall notify the State  
24 Comptroller, who shall cause the warrant to be drawn for the  
25 amount specified, and to the person named, in the notification  
26 from the Department. The refund shall be paid by the State

1 Treasurer out of a county water commission tax fund established  
2 under paragraph (g) of this Section.

3 Nothing in this paragraph shall be construed to authorize a  
4 county water commission to impose a tax upon the privilege of  
5 engaging in any business which under the Constitution of the  
6 United States may not be made the subject of taxation by the  
7 State.

8 (d) If a tax has been imposed under subsection (b), a tax  
9 shall also imposed upon the privilege of using, in the  
10 territory of the commission, any item of tangible personal  
11 property that is purchased outside the territory at retail from  
12 a retailer, and that is titled or registered with an agency of  
13 this State's government, at a rate of 1/4% of the selling price  
14 of the tangible personal property within the territory, as  
15 "selling price" is defined in the Use Tax Act. The tax shall be  
16 collected from persons whose Illinois address for titling or  
17 registration purposes is given as being in the territory. The  
18 tax shall be collected by the Department of Revenue for a  
19 county water commission. The tax must be paid to the State, or  
20 an exemption determination must be obtained from the Department  
21 of Revenue, before the title or certificate of registration for  
22 the property may be issued. The tax or proof of exemption may  
23 be transmitted to the Department by way of the State agency  
24 with which, or the State officer with whom, the tangible  
25 personal property must be titled or registered if the  
26 Department and the State agency or State officer determine that



1 this procedure will expedite the processing of applications for  
2 title or registration.

3 The Department shall have full power to administer and  
4 enforce this paragraph; to collect all taxes, penalties and  
5 interest due hereunder; to dispose of taxes, penalties and  
6 interest so collected in the manner hereinafter provided; and  
7 to determine all rights to credit memoranda or refunds arising  
8 on account of the erroneous payment of tax, penalty or interest  
9 hereunder. In the administration of, and compliance with this  
10 paragraph, the Department and persons who are subject to this  
11 paragraph shall have the same rights, remedies, privileges,  
12 immunities, powers and duties, and be subject to the same  
13 conditions, restrictions, limitations, penalties, exclusions,  
14 exemptions and definitions of terms and employ the same modes  
15 of procedure, as are prescribed in Sections 2 (except the  
16 definition of "retailer maintaining a place of business in this  
17 State"), 3 through 3-80 (except provisions pertaining to the  
18 State rate of tax, and except provisions concerning collection  
19 or refunding of the tax by retailers, and except that food for  
20 human consumption that is to be consumed off the premises where  
21 it is sold (other than alcoholic beverages, soft drinks, and  
22 food that has been prepared for immediate consumption) and  
23 prescription and nonprescription medicines, drugs, medical  
24 appliances and insulin, urine testing materials, syringes, and  
25 needles used by diabetics, for human use, shall not be subject  
26 to tax hereunder), 4, 11, 12, 12a, 14, 15, 19 (except the

1 portions pertaining to claims by retailers and except the last  
2 paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act  
3 and Section 3-7 of the Uniform Penalty and Interest Act that  
4 are not inconsistent with this paragraph, as fully as if those  
5 provisions were set forth herein.

6 Whenever the Department determines that a refund should be  
7 made under this paragraph 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 the notification  
11 from the Department. The refund shall be paid by the State  
12 Treasurer out of a county water commission tax fund established  
13 under paragraph (g) of this Section.

14 (e) A certificate of registration issued by the State  
15 Department of Revenue to a retailer under the Retailers'  
16 Occupation Tax Act or under the Service Occupation Tax Act  
17 shall permit the registrant to engage in a business that is  
18 taxed under the tax imposed under paragraphs (b), (c) or (d) of  
19 this Section and no additional registration shall be required  
20 under the tax. A certificate issued under the Use Tax Act or  
21 the Service Use Tax Act shall be applicable with regard to any  
22 tax imposed under paragraph (c) of this Section.

23 (f) Any ordinance imposing or discontinuing any tax under  
24 this Section shall be adopted and a certified copy thereof  
25 filed with the Department on or before June 1, whereupon the  
26 Department of Revenue shall proceed to administer and enforce

1 this Section on behalf of the county water commission as of  
2 September 1 next following the adoption and filing. Beginning  
3 January 1, 1992, an ordinance or resolution imposing or  
4 discontinuing the tax hereunder shall be adopted and a  
5 certified copy thereof filed with the Department on or before  
6 the first day of July, whereupon the Department shall proceed  
7 to administer and enforce this Section as of the first day of  
8 October next following such adoption and filing. Beginning  
9 January 1, 1993, an ordinance or resolution imposing or  
10 discontinuing the tax hereunder shall be adopted and a  
11 certified copy thereof filed with the Department on or before  
12 the first day of October, whereupon the Department shall  
13 proceed to administer and enforce this Section as of the first  
14 day of January next following such adoption and filing.

15 (g) The State Department of Revenue shall, upon collecting  
16 any taxes as provided in this Section, pay the taxes over to  
17 the State Treasurer as trustee for the commission. The taxes  
18 shall be held in a trust fund outside the State Treasury. On or  
19 before the 25th day of each calendar month, the State  
20 Department of Revenue shall prepare and certify to the  
21 Comptroller of the State of Illinois the amount to be paid to  
22 the commission, which shall be the then balance in the fund,  
23 less any amount determined by the Department to be necessary  
24 for the payment of refunds. Within 10 days after receipt by the  
25 Comptroller of the certification of the amount to be paid to  
26 the commission, the Comptroller shall cause an order to be

1 drawn for the payment for the amount in accordance with the  
2 direction in the certification.

3 (h) If, on or after January 1, 2014, the proceeds from a  
4 tax imposed pursuant to this Section are not fully used for  
5 capital infrastructure and related costs, then the county may  
6 no longer impose or collect that tax.

7 (Source: P.A. 92-221, eff. 8-2-01; 93-1068, eff. 1-15-05.)".