

1 AN ACT concerning State government.

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

4 Section 1. Short title. This Act may be cited as the
5 Innovation Development and Economy Act.

6 Section 5. Purpose. It is hereby found and declared that
7 the purpose of this Act is to promote, stimulate, and develop
8 the general and economic welfare of the State of Illinois and
9 its communities and to assist in the development and
10 redevelopment of major tourism, entertainment, retail, and
11 related destination projects within eligible areas of the
12 State, thereby creating new jobs, stimulating significant
13 capital investment, and promoting the general welfare of the
14 citizens of this State, by authorizing municipalities and
15 counties to issue sales tax and revenue (STAR) bonds for the
16 financing of STAR bond projects as defined in Section 10, and
17 to otherwise exercise the powers and authorities granted to
18 municipalities. It is further found and declared to be the
19 policy of the State, in the interest of promoting the health,
20 safety, morals, and general welfare of all the people of the
21 State, to provide incentives to create new job opportunities
22 and to promote major tourism, entertainment, retail, and
23 related destination projects within the State. It is further

1 found and declared:

2 (a) that it is in the public interest to limit the
3 portion of the aggregate proceeds of STAR bonds issued that
4 are derived from the State sales tax increment pledged to
5 pay STAR bonds in any STAR bond district to not more than
6 50% of the total development costs in the STAR bond
7 district as set forth in subsection (f) of Section 30;

8 (b) that as a result of the costs of land assemblage,
9 financing, infrastructure, and other project costs, the
10 private sector, without the assistance contemplated in
11 this Act, is unable to develop major tourism,
12 entertainment, retail, and related destination projects in
13 the State;

14 (c) that the type of projects for which this Act is
15 intended must be of a certain size, scope, and acreage and
16 have direct access to major highways, and must be developed
17 in a cohesive and comprehensive manner;

18 (d) that the eligible tracts of land, portions of which
19 have previously been surface or strip mined, present unique
20 development obstacles and are more likely to remain
21 underutilized and undeveloped, or developed in a piecemeal
22 manner resulting in inefficient and poorly planned
23 developments that do not maximize job creation, job
24 retention, tourism, and tax revenue generation within the
25 State;

26 (e) that there are multiple eligible areas in the State

1 that could benefit from this Act;

2 (f) that investment in major tourism, entertainment,
3 retail, and related destination projects within the State
4 would stimulate economic activity in the State, including
5 the creation and maintenance of jobs, the creation of new
6 and lasting infrastructure and other improvements, and the
7 attraction and retention of interstate tourists and
8 entertainment events that generate significant economic
9 activity;

10 (g) that this Act shall enhance and promote tourism in
11 Southern Illinois, including without limitation the
12 Southern Illinois Wine Trail;

13 (h) that the continual encouragement, development,
14 growth, and expansion of major tourism, entertainment,
15 retail, and related destination projects within the State
16 requires a cooperative and continuous partnership between
17 government and the public sector;

18 (i) that the State has a responsibility to help create
19 a favorable climate for new and improved job opportunities
20 for its citizens and to increase the tax base of the State
21 and its political subdivisions by encouraging development
22 by the private sector of major tourism, entertainment,
23 retail, and related destination projects within the State;

24 (j) that the stagnation of local tax bases and the loss
25 of job opportunities within the State has persisted despite
26 efforts of State and local authorities and private

1 organizations to create major tourism, entertainment,
2 retail, and related destination projects within the State;

3 (k) that the stagnation of local tax bases and the
4 persistent loss of job opportunities in the State may
5 continue and worsen if the State and its political
6 subdivisions are not able to provide additional incentives
7 to developers of major tourism, entertainment, retail, and
8 related destination projects;

9 (l) that the provision of additional incentives by the
10 State and its political subdivisions will relieve
11 conditions of unemployment, maintain existing levels of
12 employment, create new job opportunities, retain jobs
13 within the State, increase tourism and commerce within the
14 State, and increase the tax base of the State and its
15 political subdivisions;

16 (m) that the powers conferred by this Act promote and
17 protect the health, safety, morals, and welfare of the
18 State, and are for a public purpose and public use for
19 which public money and resources may be expended; and

20 (n) that the necessity in the public interest for the
21 provisions of this Act is hereby declared as a matter of
22 legislative determination.

23 Section 10. Definitions. As used in this Act, the following
24 words and phrases shall have the following meanings unless a
25 different meaning clearly appears from the context:

1 "Base year" means the calendar year immediately prior to
2 the calendar year in which the STAR bond district is
3 established.

4 "Commence work" means the manifest commencement of actual
5 operations on the development site, such as, erecting a
6 building, general on-site and off-site grading and utility
7 installations, commencing design and construction
8 documentation, ordering lead-time materials, excavating the
9 ground to lay a foundation or a basement, or work of like
10 description which a reasonable person would recognize as being
11 done with the intention and purpose to continue work until the
12 project is completed.

13 "County" means the county in which a proposed STAR bond
14 district is located.

15 "De minimus" means an amount less than 15% of the land area
16 within a STAR bond district.

17 "Department of Revenue" means the Department of Revenue of
18 the State of Illinois.

19 "Destination user" means an owner, operator, licensee,
20 co-developer, subdeveloper, or tenant (i) that operates a
21 business within a STAR bond district that is a retail store
22 having at least 150,000 square feet of sales floor area; (ii)
23 that at the time of opening does not have another Illinois
24 location within a 70 mile radius; (iii) that has an annual
25 average of not less than 30% of customers who travel from at
26 least 75 miles away or from out-of-state, as demonstrated by

1 data from a comparable existing store or stores, or, if there
2 is no comparable existing store, as demonstrated by an economic
3 analysis that shows that the proposed retailer will have an
4 annual average of not less than 30% of customers who travel
5 from at least 75 miles away or from out-of-state; and (iv) that
6 makes an initial capital investment, including project costs
7 and other direct costs, of not less than \$30,000,000 for such
8 retail store.

9 "Destination hotel" means a hotel (as that term is defined
10 in Section 2 of the Hotel Operators' Occupation Tax Act)
11 complex having at least 150 guest rooms and which also includes
12 a venue for entertainment attractions, rides, or other
13 activities oriented toward the entertainment and amusement of
14 its guests and other patrons.

15 "Developer" means any individual, corporation, trust,
16 estate, partnership, limited liability partnership, limited
17 liability company, or other entity. The term does not include a
18 not-for-profit entity, political subdivision, or other agency
19 or instrumentality of the State.

20 "Director" means the Director of Revenue, who shall consult
21 with the Director of Commerce and Economic Opportunity in any
22 approvals or decisions required by the Director under this Act.

23 "Economic impact study" means a study conducted by an
24 independent economist to project the financial benefit of the
25 proposed STAR bond project to the local, regional, and State
26 economies, consider the proposed adverse impacts on similar

1 projects and businesses, as well as municipalities within the
2 projected market area, and draw conclusions about the net
3 effect of the proposed STAR bond project on the local,
4 regional, and State economies. A copy of the economic impact
5 study shall be provided to the Director for review.

6 "Eligible area" means any improved or vacant area that (i)
7 is contiguous and is not, in the aggregate, less than 250 acres
8 nor more than 500 acres which must include only parcels of real
9 property directly and substantially benefited by the proposed
10 STAR bond district plan, (ii) is adjacent to a federal
11 interstate highway, (iii) is within one mile of 2 State
12 highways, (iv) is within one mile of an entertainment user, or
13 a major or minor league sports stadium or other similar
14 entertainment venue that had an initial capital investment of
15 at least \$20,000,000, and (v) includes land that was previously
16 surface or strip mined. The area may be bisected by streets,
17 highways, roads, alleys, railways, bike paths, streams,
18 rivers, and other waterways and still be deemed contiguous. In
19 addition, in order to constitute an eligible area one of the
20 following requirements must be satisfied and all of which are
21 subject to the review and approval of the Director as provided
22 in subsection (d) of Section 15:

23 (a) the governing body of the political subdivision
24 shall have determined that the area meets the requirements
25 of a "blighted area" as defined under the Tax Increment
26 Allocation Redevelopment Act; or

1 (b) the governing body of the political subdivision
2 shall have determined that the area is a blighted area as
3 determined under the provisions of Section 11-74.3-5 of the
4 Illinois Municipal Code; or

5 (c) the governing body of the political subdivision
6 shall make the following findings:

7 (i) that the vacant portions of the area have
8 remained vacant for at least one year, or that any
9 building located on a vacant portion of the property
10 was demolished within the last year and that the
11 building would have qualified under item (ii) of this
12 subsection;

13 (ii) if portions of the area are currently
14 developed, that the use, condition, and character of
15 the buildings on the property are not consistent with
16 the purposes set forth in Section 5;

17 (iii) that the STAR bond district is expected to
18 create or retain job opportunities within the
19 political subdivision;

20 (iv) that the STAR bond district will serve to
21 further the development of adjacent areas;

22 (v) that without the availability of STAR bonds,
23 the projects described in the STAR bond district plan
24 would not be possible;

25 (vi) that the master developer meets high
26 standards of creditworthiness and financial strength

1 as demonstrated by one or more of the following: (i)
2 corporate debenture ratings of BBB or higher by
3 Standard & Poor's Corporation or Baa or higher by
4 Moody's Investors Service, Inc.; (ii) a letter from a
5 financial institution with assets of \$10,000,000 or
6 more attesting to the financial strength of the master
7 developer; or (iii) specific evidence of equity
8 financing for not less than 10% of the estimated total
9 STAR bond project costs;

10 (vii) that the STAR bond district will strengthen
11 the commercial sector of the political subdivision;

12 (viii) that the STAR bond district will enhance the
13 tax base of the political subdivision; and

14 (ix) that the formation of a STAR bond district is
15 in the best interest of the political subdivision.

16 "Entertainment user" means an owner, operator, licensee,
17 co-developer, subdeveloper, or tenant that operates a business
18 within a STAR bond district that has a primary use of providing
19 a venue for entertainment attractions, rides, or other
20 activities oriented toward the entertainment and amusement of
21 its patrons, occupies at least 20 acres of land in the STAR
22 bond district, and makes an initial capital investment,
23 including project costs and other direct and indirect costs, of
24 not less than \$25,000,000 for that venue.

25 "Feasibility study" means a feasibility study as defined in
26 subsection (b) of Section 20.

1 "Infrastructure" means the public improvements and private
2 improvements that serve the public purposes set forth in
3 Section 5 of this Act and that benefit the STAR bond district
4 or any STAR bond projects, including, but not limited to,
5 streets, drives and driveways, traffic and directional signs
6 and signals, parking lots and parking facilities,
7 interchanges, highways, sidewalks, bridges, underpasses and
8 overpasses, bike and walking trails, sanitary storm sewers and
9 lift stations, drainage conduits, channels, levees, canals,
10 storm water detention and retention facilities, utilities and
11 utility connections, water mains and extensions, and street and
12 parking lot lighting and connections.

13 "Local sales taxes" means any locally imposed taxes
14 received by a municipality, county, or other local governmental
15 entity arising from sales by retailers and servicemen within a
16 STAR bond district, including business district sales taxes and
17 STAR bond occupation taxes, and that portion of the net revenue
18 realized under the Retailers' Occupation Tax Act, the Use Tax
19 Act, the Service Use Tax Act, and the Service Occupation Tax
20 Act from transactions at places of business located within a
21 STAR bond district that is deposited into the Local Government
22 Tax Fund and the County and Mass Transit District Fund. For the
23 purpose of this Act, "local sales taxes" does not include (i)
24 any taxes authorized pursuant to the Local Mass Transit
25 District Act, the Metro-East Park and Recreation District Act,
26 or the Flood Prevention District Act for so long as the

1 applicable taxing district does not impose a tax on real
2 property or (ii) county school facility occupation taxes
3 imposed pursuant to Section 5-1006.7 of the Counties Code.

4 "Local sales tax increment" means, with respect to local
5 sales taxes administered by the Illinois Department of Revenue,
6 (i) all of the local sales tax paid by destination users,
7 destination hotels, and entertainment users that is in excess
8 of the local sales tax paid by destination users, destination
9 hotels, and entertainment users for the same month in the base
10 year, as determined by the Illinois Department of Revenue, (ii)
11 in the case of a municipality forming a STAR bond district that
12 is wholly within the corporate boundaries of the municipality
13 and in the case of a municipality and county forming a STAR
14 bond district that is only partially within such municipality,
15 that portion of the local sales tax paid by taxpayers that are
16 not destination users, destination hotels, or entertainment
17 users that is in excess of the local sales tax paid by
18 taxpayers that are not destination users, destination hotels,
19 or entertainment users for the same month in the base year, as
20 determined by the Illinois Department of Revenue, and (iii) in
21 the case of a county in which a STAR bond district is formed
22 that is wholly within a municipality, that portion of the local
23 sales tax paid by taxpayers that are not destination users,
24 destination hotels, or entertainment users that is in excess of
25 the local sales tax paid by taxpayers that are not destination
26 users, destination hotels, or entertainment users for the same

1 month in the base year, as determined by the Illinois
2 Department of Revenue, but only if the corporate authorities of
3 the county adopts an ordinance, and files a copy with the
4 Department within the same time frames as required for STAR
5 bond occupation taxes under Section 31, that designates the
6 taxes referenced in this clause (iii) as part of the local
7 sales tax increment under this Act. "Local sales tax increment"
8 means, with respect to local sales taxes administered by a
9 municipality, county, or other unit of local government, that
10 portion of the local sales tax that is in excess of the local
11 sales tax for the same month in the base year, as determined by
12 the respective municipality, county, or other unit of local
13 government. If any portion of local sales taxes are, at the
14 time of formation of a STAR bond district, already subject to
15 tax increment financing under the Tax Increment Allocation
16 Redevelopment Act, then the local sales tax increment for such
17 portion shall be frozen at the base year established in
18 accordance with this Act, and all future incremental increases
19 shall be included in the "local sales tax increment" under this
20 Act. Any party otherwise entitled to receipt of incremental
21 local sales tax revenues through an existing tax increment
22 financing district shall be entitled to continue to receive
23 such revenues up to the amount frozen in the base year. Nothing
24 in this Act shall affect the prior qualification of existing
25 redevelopment project costs incurred that are eligible for
26 reimbursement under the Tax Increment Allocation Redevelopment

1 Act. In such event, prior to approving a STAR bond district,
2 the political subdivision forming the STAR bond district shall
3 take such action as is necessary, including amending the
4 existing tax increment financing district redevelopment plan,
5 to carry out the provisions of this Act. The Illinois
6 Department of Revenue shall allocate the local sales tax
7 increment only if the local sales tax is administered by the
8 Department.

9 "Market study" means a study to determine the ability of
10 the proposed STAR bond project to gain market share locally and
11 regionally and to remain profitable past the term of repayment
12 of STAR bonds.

13 "Master developer" means a developer cooperating with a
14 political subdivision to plan, develop, and implement a STAR
15 bond project plan for a STAR bond district. Subject to the
16 limitations of Section 25, the master developer may work with
17 and transfer certain development rights to other developers for
18 the purpose of implementing STAR bond project plans and
19 achieving the purposes of this Act. A master developer for a
20 STAR bond district shall be appointed by a political
21 subdivision in the resolution establishing the STAR bond
22 district, and the master developer must, at the time of
23 appointment, own or have control of, through purchase
24 agreements, option contracts, or other means, not less than 50%
25 of the acreage within the STAR bond district and the master
26 developer or its affiliate must have ownership or control on

1 June 1, 2010.

2 "Master development agreement" means an agreement between
3 the master developer and the political subdivision to govern a
4 STAR bond district and any STAR bond projects.

5 "Municipality" means the city, village, or incorporated
6 town in which a proposed STAR bond district is located.

7 "Pledged STAR revenues" means those sales tax and revenues
8 and other sources of funds pledged to pay debt service on STAR
9 bonds or to pay project costs pursuant to Section 30.
10 Notwithstanding any provision to the contrary, the following
11 revenues shall not constitute pledged STAR revenues or be
12 available to pay principal and interest on STAR bonds: any
13 State sales tax increment or local sales tax increment from a
14 retail entity initiating operations in a STAR bond district
15 while terminating operations at another Illinois location
16 within 25 miles of the STAR bond district. For purposes of this
17 paragraph, "terminating operations" means a closing of a retail
18 operation that is directly related to the opening of the same
19 operation or like retail entity owned or operated by more than
20 50% of the original ownership in a STAR bond district within
21 one year before or after initiating operations in the STAR bond
22 district, but it does not mean closing an operation for reasons
23 beyond the control of the retail entity, as documented by the
24 retail entity, subject to a reasonable finding by the
25 municipality (or county if such retail operation is not located
26 within a municipality) in which the terminated operations were

1 located that the closed location contained inadequate space,
2 had become economically obsolete, or was no longer a viable
3 location for the retailer or serviceman.

4 "Political subdivision" means a municipality or county
5 which undertakes to establish a STAR bond district pursuant to
6 the provisions of this Act.

7 "Project costs" means and includes the sum total of all
8 costs incurred or estimated to be incurred on or following the
9 date of establishment of a STAR bond district that are
10 reasonable or necessary to implement a STAR bond district plan
11 or any STAR bond project plans, or both, including costs
12 incurred for public improvements and private improvements that
13 serve the public purposes set forth in Section 5 of this Act.
14 Such costs include without limitation the following:

15 (a) costs of studies, surveys, development of plans and
16 specifications, formation, implementation, and
17 administration of a STAR bond district, STAR bond district
18 plan, any STAR bond projects, or any STAR bond project
19 plans, including, but not limited to, staff and
20 professional service costs for architectural, engineering,
21 legal, financial, planning, or other services, provided
22 however that no charges for professional services may be
23 based on a percentage of the tax increment collected and no
24 contracts for professional services, excluding
25 architectural and engineering services, may be entered
26 into if the terms of the contract extend beyond a period of

1 3 years;

2 (b) property assembly costs, including, but not
3 limited to, acquisition of land and other real property or
4 rights or interests therein, located within the boundaries
5 of a STAR bond district, demolition of buildings, site
6 preparation, site improvements that serve as an engineered
7 barrier addressing ground level or below ground
8 environmental contamination, including, but not limited
9 to, parking lots and other concrete or asphalt barriers,
10 the clearing and grading of land, and importing additional
11 soil and fill materials, or removal of soil and fill
12 materials from the site;

13 (c) subject to paragraph (d), costs of buildings and
14 other vertical improvements that are located within the
15 boundaries of a STAR bond district and owned by a political
16 subdivision or other public entity, including without
17 limitation police and fire stations, educational
18 facilities, and public restrooms and rest areas;

19 (c-1) costs of buildings and other vertical
20 improvements that are located within the boundaries of a
21 STAR bond district and owned by a destination user or
22 destination hotel; except that only 2 destination users in
23 a STAR bond district and one destination hotel are eligible
24 to include the cost of those vertical improvements as
25 project costs;

26 (c-5) costs of buildings; rides and attractions, which

1 include carousels, slides, roller coasters, displays,
2 models, towers, works of art, and similar theme and
3 amusement park improvements; and other vertical
4 improvements that are located within the boundaries of a
5 STAR bond district and owned by an entertainment user;
6 except that only one entertainment user in a STAR bond
7 district is eligible to include the cost of those vertical
8 improvements as project costs;

9 (d) costs of the design and construction of
10 infrastructure and public works located within the
11 boundaries of a STAR bond district that are reasonable or
12 necessary to implement a STAR bond district plan or any
13 STAR bond project plans, or both, except that project costs
14 shall not include the cost of constructing a new municipal
15 public building principally used to provide offices,
16 storage space, or conference facilities or vehicle
17 storage, maintenance, or repair for administrative, public
18 safety, or public works personnel and that is not intended
19 to replace an existing public building unless the political
20 subdivision makes a reasonable determination in a STAR bond
21 district plan or any STAR bond project plans, supported by
22 information that provides the basis for that
23 determination, that the new municipal building is required
24 to meet an increase in the need for public safety purposes
25 anticipated to result from the implementation of the STAR
26 bond district plan or any STAR bond project plans;

1 (e) costs of the design and construction of the
2 following improvements located outside the boundaries of a
3 STAR bond district, provided that the costs are essential
4 to further the purpose and development of a STAR bond
5 district plan and either (i) part of and connected to
6 sewer, water, or utility service lines that physically
7 connect to the STAR bond district or (ii) significant
8 improvements for adjacent offsite highways, streets,
9 roadways, and interchanges that are approved by the
10 Illinois Department of Transportation. No other cost of
11 infrastructure and public works improvements located
12 outside the boundaries of a STAR bond district may be
13 deemed project costs;

14 (f) costs of job training and retraining projects,
15 including the cost of "welfare to work" programs
16 implemented by businesses located within a STAR bond
17 district;

18 (g) financing costs, including, but not limited to, all
19 necessary and incidental expenses related to the issuance
20 of obligations and which may include payment of interest on
21 any obligations issued hereunder including interest
22 accruing during the estimated period of construction of any
23 improvements in a STAR bond district or any STAR bond
24 projects for which such obligations are issued and for not
25 exceeding 36 months thereafter and including reasonable
26 reserves related thereto;

1 (h) to the extent the political subdivision by written
2 agreement accepts and approves the same, all or a portion
3 of a taxing district's capital costs resulting from a STAR
4 bond district or STAR bond projects necessarily incurred or
5 to be incurred within a taxing district in furtherance of
6 the objectives of a STAR bond district plan or STAR bond
7 project plans;

8 (i) interest cost incurred by a developer for project
9 costs related to the acquisition, formation,
10 implementation, development, construction, and
11 administration of a STAR bond district, STAR bond district
12 plan, STAR bond projects, or any STAR bond project plans
13 provided that:

14 (i) payment of such costs in any one year may not
15 exceed 30% of the annual interest costs incurred by the
16 developer with regard to the STAR bond district or any
17 STAR bond projects during that year; and

18 (ii) the total of such interest payments paid
19 pursuant to this Act may not exceed 30% of the total
20 cost paid or incurred by the developer for a STAR bond
21 district or STAR bond projects, plus project costs,
22 excluding any property assembly costs incurred by a
23 political subdivision pursuant to this Act;

24 (j) costs of common areas located within the boundaries
25 of a STAR bond district;

26 (k) costs of landscaping and plantings, retaining

1 walls and fences, man-made lakes and ponds, shelters,
2 benches, lighting, and similar amenities located within
3 the boundaries of a STAR bond district;

4 (l) costs of mounted building signs, site monument, and
5 pylon signs located within the boundaries of a STAR bond
6 district; or

7 (m) if included in the STAR bond district plan and
8 approved in writing by the Director, salaries or a portion
9 of salaries for local government employees to the extent
10 the same are directly attributable to the work of such
11 employees on the establishment and management of a STAR
12 bond district or any STAR bond projects.

13 Except as specified in items (a) through (m), "project
14 costs" shall not include:

15 (i) the cost of construction of buildings that are
16 privately owned or owned by a municipality and leased to a
17 developer or retail user for non-entertainment retail
18 uses;

19 (ii) moving expenses for employees of the businesses
20 locating within the STAR bond district;

21 (iii) property taxes for property located in the STAR
22 bond district;

23 (iv) lobbying costs; and

24 (v) general overhead or administrative costs of the
25 political subdivision that would still have been incurred
26 by the political subdivision if the political subdivision

1 had not established a STAR bond district.

2 "Project development agreement" means any one or more
3 agreements, including any amendments thereto, between a master
4 developer and any co-developer or subdeveloper in connection
5 with a STAR bond project, which project development agreement
6 may include the political subdivision as a party.

7 "Projected market area" means any area within the State in
8 which a STAR bond district or STAR bond project is projected to
9 have a significant fiscal or market impact as determined by the
10 Director.

11 "Resolution" means a resolution, order, ordinance, or
12 other appropriate form of legislative action of a political
13 subdivision or other applicable public entity approved by a
14 vote of a majority of a quorum at a meeting of the governing
15 body of the political subdivision or applicable public entity.

16 "STAR bond" means a sales tax and revenue bond, note, or
17 other obligation payable from pledged STAR revenues and issued
18 by a political subdivision, the proceeds of which shall be used
19 only to pay project costs as defined in this Act.

20 "STAR bond district" means the specific area declared to be
21 an eligible area as determined by the political subdivision,
22 and approved by the Director, in which the political
23 subdivision may develop one or more STAR bond projects.

24 "STAR bond district plan" means the preliminary or
25 conceptual plan that generally identifies the proposed STAR
26 bond project areas and identifies in a general manner the

1 buildings, facilities, and improvements to be constructed or
2 improved in each STAR bond project area.

3 "STAR bond project" means a project within a STAR bond
4 district which is approved pursuant to Section 20.

5 "STAR bond project area" means the geographic area within a
6 STAR bond district in which there may be one or more STAR bond
7 projects.

8 "STAR bond project plan" means the written plan adopted by
9 a political subdivision for the development of a STAR bond
10 project in a STAR bond district; the plan may include, but is
11 not limited to, (i) project costs incurred prior to the date of
12 the STAR bond project plan and estimated future STAR bond
13 project costs, (ii) proposed sources of funds to pay those
14 costs, (iii) the nature and estimated term of any obligations
15 to be issued by the political subdivision to pay those costs,
16 (iv) the most recent equalized assessed valuation of the STAR
17 bond project area, (v) an estimate of the equalized assessed
18 valuation of the STAR bond district or applicable project area
19 after completion of a STAR bond project, (vi) a general
20 description of the types of any known or proposed developers,
21 users, or tenants of the STAR bond project or projects included
22 in the plan, (vii) a general description of the type,
23 structure, and character of the property or facilities to be
24 developed or improved, (viii) a description of the general land
25 uses to apply to the STAR bond project, and (ix) a general
26 description or an estimate of the type, class, and number of

1 employees to be employed in the operation of the STAR bond
2 project.

3 "State sales tax" means all of the net revenue realized
4 under the Retailers' Occupation Tax Act, the Use Tax Act, the
5 Service Use Tax Act, and the Service Occupation Tax Act from
6 transactions at places of business located within a STAR bond
7 district, excluding that portion of the net revenue realized
8 under the Retailers' Occupation Tax Act, the Use Tax Act, the
9 Service Use Tax Act, and the Service Occupation Tax Act from
10 transactions at places of business located within a STAR bond
11 district that is deposited into the Local Government Tax Fund
12 and the County and Mass Transit District Fund.

13 "State sales tax increment" means (i) 100% of that portion
14 of the State sales tax that is in excess of the State sales tax
15 for the same month in the base year, as determined by the
16 Department of Revenue, from transactions at up to 2 destination
17 users, one destination hotel, and one entertainment user
18 located within a STAR bond district, which destination users,
19 destination hotel, and entertainment user shall be designated
20 by the master developer and approved by the political
21 subdivision and the Director in conjunction with the applicable
22 STAR bond project approval, and (ii) 25% of that portion of the
23 State sales tax that is in excess of the State sales tax for
24 the same month in the base year, as determined by the
25 Department of Revenue, from all other transactions within a
26 STAR bond district. If any portion of State sales taxes are, at

1 the time of formation of a STAR bond district, already subject
2 to tax increment financing under the Tax Increment Allocation
3 Redevelopment Act, then the State sales tax increment for such
4 portion shall be frozen at the base year established in
5 accordance with this Act, and all future incremental increases
6 shall be included in the State sales tax increment under this
7 Act. Any party otherwise entitled to receipt of incremental
8 State sales tax revenues through an existing tax increment
9 financing district shall be entitled to continue to receive
10 such revenues up to the amount frozen in the base year. Nothing
11 in this Act shall affect the prior qualification of existing
12 redevelopment project costs incurred that are eligible for
13 reimbursement under the Tax Increment Allocation Redevelopment
14 Act. In such event, prior to approving a STAR bond district,
15 the political subdivision forming the STAR bond district shall
16 take such action as is necessary, including amending the
17 existing tax increment financing district redevelopment plan,
18 to carry out the provisions of this Act.

19 "Substantial change" means a change wherein the proposed
20 STAR bond project plan differs substantially in size, scope, or
21 use from the approved STAR bond district plan or STAR bond
22 project plan.

23 "Taxpayer" means an individual, partnership, corporation,
24 limited liability company, trust, estate, or other entity that
25 is subject to the Illinois Income Tax Act.

26 "Total development costs" means the aggregate public and

1 private investment in a STAR bond district, including project
2 costs and other direct and indirect costs related to the
3 development of the STAR bond district.

4 "Traditional retail use" means the operation of a business
5 that derives at least 90% of its annual gross revenue from
6 sales at retail, as that phrase is defined by Section 1 of the
7 Retailers' Occupation Tax Act, but does not include the
8 operations of destination users, entertainment users,
9 restaurants, hotels, retail uses within hotels, or any other
10 non-retail uses.

11 "Vacant" means that portion of the land in a proposed STAR
12 bond district that is not occupied by a building, facility, or
13 other vertical improvement.

14 Section 15. Establishment of STAR bond district. The
15 governing body of a municipality may establish a STAR bond
16 district within an eligible area within the municipality or
17 partially outside the boundaries of the municipality in an
18 unincorporated area of the county. A STAR bond district which
19 is partially outside the boundaries of the municipality must
20 also be approved by the governing body of the county by the
21 passage of a resolution. The governing body of a county may
22 establish a STAR bond district in an eligible area in any
23 unincorporated area of the county.

24 (a) When a political subdivision proposes to establish a
25 STAR bond district, the political subdivision shall adopt a

1 resolution stating that the political subdivision is
2 considering the establishment of a STAR bond district. The
3 resolution shall:

4 (1) give notice, in the same manner as set forth in
5 item (2) of subsection (e) of Section 20, that a public
6 hearing will be held to consider the establishment of a
7 STAR bond district and fix the date, hour, and place of the
8 public hearing, which shall be at a location that is within
9 20 miles of the STAR bond district, in a facility that can
10 accommodate a large crowd, and in a facility that is
11 accessible to persons with disabilities;

12 (2) describe the proposed general boundaries of the
13 STAR bond district;

14 (3) describe the STAR bond district plan;

15 (4) require that a description and map of the proposed
16 STAR bond district are available for inspection at a time
17 and place designated;

18 (5) identify the master developer for the STAR bond
19 district; and

20 (6) require that the governing body consider findings
21 necessary for the establishment of a STAR bond district.

22 (b) Upon the conclusion of the public hearing the governing
23 body of the political subdivision may consider a resolution to
24 establish the STAR bond district.

25 (1) A resolution to establish a STAR bond district
26 shall:

1 (A) make findings that the proposed STAR bond
2 district is to be developed with one or more STAR bond
3 projects;

4 (B) make findings that the STAR bond district is an
5 eligible area;

6 (C) contain a STAR bond district plan that
7 identifies in a general manner the buildings and
8 facilities that are proposed to be constructed or
9 improved in subsequent STAR bond projects and that
10 includes plans for at least one destination user;

11 (D) contain the legal description of the STAR bond
12 district;

13 (E) appoint the master developer for the STAR bond
14 district; and

15 (F) establish the STAR bonds district, contingent
16 upon approval of the Director as set forth in
17 subsection (d).

18 (2) If the resolution is not adopted by the political
19 subdivision within 60 days from the conclusion of the
20 public hearing, then the STAR bond district shall not be
21 established.

22 (3) Upon adoption of a resolution establishing a STAR
23 bond district, the political subdivision shall send a
24 certified copy of such resolution to the Department of
25 Revenue.

26 (c) Upon the establishment of a STAR bond district, the

1 STAR bond district and any STAR bond projects shall be governed
2 by a master development agreement between the political
3 subdivision and the master developer. A STAR bond district that
4 is partially outside the boundaries of a municipality shall
5 only require one master development agreement; the agreement
6 shall be between the municipality and the master developer. In
7 no event shall there be more than one master development
8 agreement governing the terms and conditions of a STAR bond
9 district. The master development agreement shall require the
10 master developer to ensure compliance with the following
11 requirements to reduce the ecological impact of the STAR bond
12 district development: (i) inclusion of pollution prevention,
13 erosion, and sedimentation control plans during construction;
14 (ii) protection of endangered species' habitat and wetlands
15 mitigation; (iii) preservation of at least 20% of the STAR bond
16 district as green space, including lawns, parks, landscaped
17 areas, paths, lakes, ponds, and other water features; (iv)
18 promotion of the use of renewable energy to the extent
19 commercially feasible; (v) promotion of access to mass transit
20 and bicycle transportation; (vi) implementation of recycling
21 programs during construction and at completed STAR bond
22 projects; (vii) preservation of water quality and promotion of
23 water conservation through the use of techniques such as
24 reusing storm water and landscaping with native and
25 low-maintenance vegetation to reduce the need for irrigation
26 and fertilization; (viii) inclusion of comprehensive lighting

1 programs that reduce light pollution within the STAR bond
2 district; and (ix) promotion of shared parking between
3 different users to reduce the impact on project sites.

4 (d) Upon adoption of the resolution to establish a STAR
5 bond district, the political subdivision shall submit the
6 proposed STAR bond district to the Director for consideration.
7 The Director may only approve a STAR bond district if the
8 Director finds that: (i) the proposed STAR bond district is an
9 eligible area, (ii) the STAR bond district plan includes a
10 projected capital investment of at least \$100,000,000, (iii)
11 the STAR bond district plan is reasonably projected to produce
12 at least \$100,000,000 of annual gross sales revenues and 500
13 new jobs, (iv) the STAR bond district plan includes potential
14 destination users and a potential entertainment user, (v) the
15 creation of the STAR bond district and STAR bond district plan
16 are in accordance with the purpose of this Act and the public
17 interest, and (vi) the STAR bond district and STAR bond
18 district plan meet any other requirement that the Director
19 deems appropriate. If a proposed STAR bond district meets all
20 of the foregoing criteria, the Director shall not unreasonably
21 withhold its approval of the proposed STAR bond district. The
22 Director may only approve one STAR bond district within any
23 projected market area. However, the Director may approve
24 additional STAR bond districts in a single projected market
25 area provided that the Director finds that the additional STAR
26 bond district will not thwart the purposes of this Act. The

1 Director shall promptly send a copy of its written findings and
2 approval or denial of a STAR bond district to the requesting
3 political subdivision.

4 (e) Starting on the fifth anniversary of the first date of
5 distribution of State sales tax revenues from the first STAR
6 bond project in the STAR bond district and continuing each
7 anniversary thereafter, the Director shall, in consultation
8 with the political subdivision and the master developer,
9 determine the total number of new jobs created within the STAR
10 bond district, the total development cost to date, and the
11 master developer's compliance with its obligations under any
12 written agreements with the State. If, on the fifth anniversary
13 of the first date of distribution of State sales tax revenues
14 from the first STAR bond project in the STAR bond district, the
15 Director determines that the total development cost to date is
16 not equal to or greater than \$100,000,000, or that the master
17 developer is in breach of any written agreement with the State,
18 then no new STAR bonds may be issued in the STAR bond district
19 until the total development cost exceeds \$100,000,000 or the
20 breach of agreement is cured, or both. If, on the fifth
21 anniversary of the first date of distribution of State sales
22 tax revenues from the first STAR bond project in the STAR bond
23 district, there are not at least 500 jobs existing in the STAR
24 bond district, the State may require the master developer to
25 pay the State a penalty of \$1,500 per job under 500 each year
26 until the earlier of (i) the twenty-third anniversary of the

1 first date of distribution of State sales tax revenues from the
2 first STAR bond project in the STAR bond district, (ii) the
3 date that all STAR bonds issued in the STAR bond district have
4 been paid off, or (iii) the date that at least 500 jobs have
5 been created in the STAR bond district. Upon creation of 500
6 jobs in the STAR bond district, there shall not be an ongoing
7 obligation to maintain those jobs after the fifth anniversary
8 of the first date of distribution of State sales tax revenues
9 from the first STAR bond project in the STAR bond district, and
10 the master developer shall be relieved of any liability with
11 respect to job creation under this subsection. Notwithstanding
12 anything to the contrary in this subsection, the master
13 developer shall not be liable for the penalties set forth under
14 this subsection if the breach of agreement, failure to reach at
15 least \$100,000,000 in total development costs, or failure to
16 create 500 jobs is due to delays caused by force majeure, as
17 that term shall be defined in the master development agreement.

18 Section 20. Approval of STAR bond projects. The governing
19 body of a political subdivision may establish one or more STAR
20 bond projects in any STAR bond district. A STAR bond project
21 which is partially outside the boundaries of a municipality
22 must also be approved by the governing body of the county by
23 resolution.

24 (a) After the establishment of a STAR bond district, the
25 master developer may propose one or more STAR bond projects to

1 a political subdivision and the master developer shall, in
2 cooperation with the political subdivision, prepare a STAR bond
3 project plan in consultation with the planning commission of
4 the political subdivision, if any. The STAR bond project plan
5 may be implemented in separate development stages.

6 (b) Any political subdivision considering a STAR bond
7 project within a STAR bond district shall notify the
8 Department, which shall cause to be prepared an independent
9 feasibility study by a feasibility consultant with certified
10 copies provided to the political subdivision, the Director, and
11 the Department of Commerce and Economic Opportunity. The
12 feasibility study shall include the following:

13 (1) the estimated amount of pledged STAR revenues
14 expected to be collected in each year through the maturity
15 date of the proposed STAR bonds;

16 (2) a statement of how the jobs and taxes obtained from
17 the STAR bond project will contribute significantly to the
18 economic development of the State and region;

19 (3) visitation expectations;

20 (4) the unique quality of the project;

21 (5) an economic impact study;

22 (6) a market study;

23 (7) integration and collaboration with other resources
24 or businesses;

25 (8) the quality of service and experience provided, as
26 measured against national consumer standards for the

1 specific target market;

2 (9) project accountability, measured according to best
3 industry practices;

4 (10) the expected return on State and local investment
5 that the STAR bond project is anticipated to produce; and

6 (11) an anticipated principal and interest payment
7 schedule on the STAR bonds.

8 The feasibility consultant, along with the independent
9 economist and any other consultants commissioned to perform the
10 studies and other analysis required by the feasibility study,
11 shall be selected by the Director with the approval of the
12 political subdivision. The consultants shall be retained by the
13 Director and the Department shall be reimbursed by the master
14 developer for the costs to retain the consultants.

15 The failure to include all information enumerated in this
16 subsection in the feasibility study for a STAR bond project
17 shall not affect the validity of STAR bonds issued pursuant to
18 this Act.

19 (c) If the political subdivision determines the STAR bond
20 project is feasible, the STAR bond project plan shall include:

21 (1) a summary of the feasibility study;

22 (2) a reference to the STAR bond district plan that
23 identifies the STAR bond project area that is set forth in
24 the STAR bond project plan that is being considered;

25 (3) a legal description and map of the STAR bond
26 project area to be developed or redeveloped;

1 (4) a description of the buildings and facilities
2 proposed to be constructed or improved in such STAR bond
3 project area, including destination users and an
4 entertainment user, as applicable;

5 (5) a copy of letters of intent to locate within the
6 STAR bond district signed by both the master developer and
7 the appropriate corporate officer of at least one
8 destination user for the first STAR bond project proposed
9 within the district; and

10 (6) any other information the governing body of the
11 political subdivision deems reasonable and necessary to
12 advise the public of the intent of the STAR bond project
13 plan.

14 (d) Before a political subdivision may hold a public
15 hearing to consider a STAR bond project plan, the political
16 subdivision must apply to the Department for approval of the
17 STAR bond project plan. An application for approval of a STAR
18 bond project plan must not be approved unless all of the
19 components of the feasibility study set forth in items (1)
20 through (11) of subsection (b) have been completed and
21 submitted to the Department for review. In addition to
22 reviewing all of the other elements of the STAR bond project
23 plan required under subsection (c), which must be included in
24 the application (which plan must include a letter or letters of
25 intent as required under subdivision (c) (5) in order to receive
26 Director approval), the Director must review the feasibility

1 study and consider all of the components of the feasibility
2 study set forth in items (1) through (11) of subsection (b) of
3 Section 20, including without limitation the economic impact
4 study and the financial benefit of the proposed STAR bond
5 project to the local, regional, and State economies, the
6 proposed adverse impacts on similar businesses and projects as
7 well as municipalities within the market area, and the net
8 effect of the proposed STAR bond project on the local,
9 regional, and State economies. In addition to the economic
10 impact study, the political subdivision must also submit to the
11 Department, as part of its application, the financial and other
12 information that substantiates the basis for the conclusion of
13 the economic impact study, in the form and manner as required
14 by the Department, so that the Department can verify the
15 results of the study. In addition to any other criteria in this
16 subsection, to approve the STAR bond project plan, the Director
17 must be satisfied that the proposed destination user is in fact
18 a true destination user and also find that the STAR bond
19 project plan is in accordance with the purpose of this Act and
20 the public interest. The Director shall either approve or deny
21 the STAR bond project plan based on the criteria in this
22 subsection.

23 (e) Upon a finding by the planning and zoning commission of
24 the political subdivision that the STAR bond project plan is
25 consistent with the intent of the comprehensive plan for the
26 development of the political subdivision and upon issuance of

1 written approval of the STAR bond project plan from the
2 Director pursuant to subsection (d) of Section 20, the
3 governing body of the political subdivision shall adopt a
4 resolution stating that the political subdivision is
5 considering the adoption of the STAR bond project plan. The
6 resolution shall:

7 (1) give notice that a public hearing will be held to
8 consider the adoption of the STAR bond project plan and fix
9 the date, hour, and place of the public hearing;

10 (2) describe the general boundaries of the STAR bond
11 district within which the STAR bond project will be located
12 and the date of establishment of the STAR bond district;

13 (3) describe the general boundaries of the area
14 proposed to be included within the STAR bond project area;

15 (4) provide that the STAR bond project plan and map of
16 the area to be redeveloped or developed are available for
17 inspection during regular office hours in the offices of
18 the political subdivision; and

19 (5) contain a summary of the terms and conditions of
20 any proposed project development agreement with the
21 political subdivision.

22 (f) A public hearing shall be conducted to consider the
23 adoption of any STAR bond project plan.

24 (1) The date fixed for the public hearing to consider
25 the adoption of the STAR bond project plan shall be not
26 less than 20 nor more than 90 days following the date of

1 the adoption of the resolution fixing the date of the
2 hearing.

3 (2) A copy of the political subdivision's resolution
4 providing for the public hearing shall be sent by certified
5 mail, return receipt requested, to the governing body of
6 the county. A copy of the political subdivision's
7 resolution providing for the public hearing shall be sent
8 by certified mail, return receipt requested, to each person
9 or persons in whose name the general taxes for the last
10 preceding year were paid on each parcel of land lying
11 within the proposed STAR bond project area within 10 days
12 following the date of the adoption of the resolution. The
13 resolution shall be published once in a newspaper of
14 general circulation in the political subdivision not less
15 than one week nor more than 3 weeks preceding the date
16 fixed for the public hearing. A map or aerial photo clearly
17 delineating the area of land proposed to be included within
18 the STAR bond project area shall be published with the
19 resolution.

20 (3) The hearing shall be held at a location that is
21 within 20 miles of the STAR bond district, in a facility
22 that can accommodate a large crowd, and in a facility that
23 is accessible to persons with disabilities.

24 (4) At the public hearing, a representative of the
25 political subdivision or master developer shall present
26 the STAR bond project plan. Following the presentation of

1 the STAR bond project plan, all interested persons shall be
2 given an opportunity to be heard. The governing body may
3 continue the date and time of the public hearing.

4 (g) Upon conclusion of the public hearing, the governing
5 body of the political subdivision may adopt the STAR bond
6 project plan by a resolution approving the STAR bond project
7 plan.

8 (h) After the adoption by the corporate authorities of the
9 political subdivision of a STAR bond project plan, the
10 political subdivision may enter into a project development
11 agreement if the master developer has requested the political
12 subdivision to be a party to the project development agreement
13 pursuant to subsection (b) of Section 25.

14 (i) Within 30 days after the adoption by the political
15 subdivision of a STAR bond project plan, the clerk of the
16 political subdivision shall transmit a copy of the legal
17 description of the land and a list of all new and existing
18 mailing addresses within the STAR bond district, a copy of the
19 resolution adopting the STAR bond project plan, and a map or
20 plat indicating the boundaries of the STAR bond project area to
21 the clerk, treasurer, and governing body of the county and to
22 the Department of Revenue. Within 30 days of creation of any
23 new mailing addresses within a STAR bond district, the clerk of
24 the political subdivision shall provide written notice of such
25 new addresses to the Department of Revenue.

26 If a certified copy of the resolution adopting the STAR

1 bond project plan is filed with the Department on or before the
2 first day of April, the Department, if all other requirements
3 of this subsection are met, shall proceed to collect and
4 allocate any local sales tax increment and any State sales tax
5 increment in accordance with the provisions of this Act as of
6 the first day of July next following the adoption and filing.
7 If a certified copy of the resolution adopting the STAR bond
8 project plan is filed with the Department after April 1 but on
9 or before the first day of October, the Department, if all
10 other requirements of this subsection are met, shall proceed to
11 collect and allocate any local sales tax increment and any
12 State sales tax increment in accordance with the provisions of
13 this Act as of the first day of January next following the
14 adoption and filing.

15 Any substantial changes to a STAR bond project plan as
16 adopted shall be subject to a public hearing following
17 publication of notice thereof in a newspaper of general
18 circulation in the political subdivision and approval by
19 resolution of the governing body of the political subdivision.

20 The Department of Revenue shall not collect or allocate any
21 local sales tax increment or State sales tax increment until
22 the political subdivision also provides, in the manner
23 prescribed by the Department, the boundaries of the STAR bond
24 project area and each address in the STAR bond project area in
25 such a way that the Department can determine by its address
26 whether a business is located in the STAR bond project area.

1 The political subdivision must provide this boundary and
2 address information to the Department on or before April 1 for
3 administration and enforcement under this Act by the Department
4 beginning on the following July 1 and on or before October 1
5 for administration and enforcement under this Act by the
6 Department beginning on the following January 1. The Department
7 of Revenue shall not administer or enforce any change made to
8 the boundaries of a STAR bond project or any address change,
9 addition, or deletion until the political subdivision reports
10 the boundary change or address change, addition, or deletion to
11 the Department in the manner prescribed by the Department. The
12 political subdivision must provide this boundary change or
13 address change, addition, or deletion information to the
14 Department on or before April 1 for administration and
15 enforcement by the Department of the change, addition, or
16 deletion beginning on the following July 1 and on or before
17 October 1 for administration and enforcement by the Department
18 of the change, addition, or deletion beginning on the following
19 January 1. If a retailer is incorrectly included or excluded
20 from the list of those located in the STAR bond project, the
21 Department of Revenue shall be held harmless if it reasonably
22 relied on information provided by the political subdivision.

23 (j) Any STAR bond project must be approved by the political
24 subdivision prior to that date which is 23 years from the date
25 of the approval of the STAR bond district, provided however
26 that any amendments to such STAR bond project may occur

1 following such date.

2 (k) Any developer of a STAR bond project shall commence
3 work on the STAR bond project within 3 years from the date of
4 adoption of the STAR bond project plan. If the developer fails
5 to commence work on the STAR bond project within the 3-year
6 period, funding for the project shall cease and the developer
7 of the project or complex shall have one year to appeal to the
8 political subdivision for reapproval of the project and
9 funding. If the project is reapproved, the 3-year period for
10 commencement shall begin again on the date of the reapproval.

11 (l) After the adoption by the corporate authorities of the
12 political subdivision of a STAR bond project plan and approval
13 of the Director pursuant to subsection (d) of Section 20, the
14 political subdivision may authorize the issuance of the STAR
15 bonds in one or more series to finance the STAR bond project in
16 accordance with the provisions of this Act.

17 (m) The maximum maturity of STAR bonds issued to finance a
18 STAR bond project shall not exceed 23 years from the first date
19 of distribution of State sales tax revenues from such STAR bond
20 project to the political subdivision unless the political
21 subdivision extends such maturity by resolution up to a maximum
22 of 35 years from such first distribution date. Any such
23 extension shall require the approval of the Director. In no
24 event shall the maximum maturity date for any STAR bonds exceed
25 that date which is 35 years from the first distribution date of
26 the first STAR bonds issued in a STAR bond district.

1 Section 25. Co-developers and subdevelopers. Upon approval
2 of a STAR bond project by the political subdivision, the master
3 developer may, subject to the approval of the Director and the
4 political subdivision, develop the STAR bond project on its own
5 or it may develop the STAR bond project with another developer,
6 which may include an assignment or transfer of development
7 rights.

8 (a) A master developer may sell, lease, or otherwise convey
9 its property interest in the STAR bond project area to a
10 co-developer or subdeveloper.

11 (b) A master developer may enter into one or more
12 agreements with a co-developer or subdeveloper in connection
13 with a STAR bond project, and the master developer may request
14 that the political subdivision become a party to the project
15 development agreement, or the master developer may request that
16 the political subdivision amend its master development
17 agreement to provide for certain terms and conditions that may
18 be related to the co-developer or subdeveloper and the STAR
19 bond project. For any project development agreement which the
20 political subdivision would be a party or for any amendments to
21 the master development agreement, the terms and conditions must
22 be acceptable to both the master developer and the political
23 subdivision.

24 Section 30. STAR bonds; source of payment. Any political

1 subdivision shall have the power to issue STAR bonds in one or
2 more series to finance the undertaking of any STAR bond project
3 in accordance with the provisions of this Act and the Omnibus
4 Bond Acts. STAR bonds may be issued as revenue bonds, alternate
5 bonds, or general obligation bonds as defined in and subject to
6 the procedures provided in the Local Government Debt Reform
7 Act.

8 (a) STAR bonds may be made payable, both as to principal
9 and interest, from the following revenues, which to the extent
10 pledged by each respective political subdivision or other
11 public entity for such purpose shall constitute pledged STAR
12 revenues:

13 (1) revenues of the political subdivision derived from
14 or held in connection with the undertaking and carrying out
15 of any STAR bond project or projects under this Act;

16 (2) available private funds and contributions, grants,
17 tax credits, or other financial assistance from the State
18 or federal government;

19 (3) STAR bond occupation taxes created pursuant to
20 Section 31 and designated as pledged STAR revenues by the
21 political subdivision;

22 (4) all of the local sales tax increment of a
23 municipality, county, or other unit of local government;

24 (5) any special service area taxes collected within the
25 STAR bond district under the Special Service Area Tax Act,
26 may be used for the purposes of funding project costs or

1 paying debt service on STAR bonds in addition to the
2 purposes contained in the special service area plan;

3 (6) all of the State sales tax increment;

4 (7) any other revenues appropriated by the political
5 subdivision; and

6 (8) any combination of these methods.

7 (b) The political subdivision may pledge the pledged STAR
8 revenues to the repayment of STAR bonds prior to,
9 simultaneously with, or subsequent to the issuance of the STAR
10 bonds.

11 (c) Bonds issued as revenue bonds shall not be general
12 obligations of the political subdivision, nor in any event
13 shall they give rise to a charge against its general credit or
14 taxing powers, or be payable out of any funds or properties
15 other than those set forth in subsection (a) and the bonds
16 shall so state on their face.

17 (d) For each STAR bond project financed with STAR bonds
18 payable from the pledged STAR revenues, the political
19 subdivision shall prepare and submit to the Department of
20 Revenue by June 1 of each year a report describing the status
21 of the STAR bond project, any expenditures of the proceeds of
22 STAR bonds that have occurred for the preceding calendar year,
23 and any expenditures of the proceeds of the bonds expected to
24 occur in the future, including the amount of pledged STAR
25 revenue, the amount of revenue that has been spent, the
26 projected amount of the revenue, and the anticipated use of the

1 revenue. Each annual report shall be accompanied by an
2 affidavit of the master developer certifying the contents of
3 the report as true to the best of the master developer's
4 knowledge. The Department of Revenue shall have the right, but
5 not the obligation, to request the Illinois Auditor General to
6 review the annual report and the political subdivision's
7 records containing the source information for the report for
8 the purpose of verifying the report's contents. If the Illinois
9 Auditor General declines the request for review, the Department
10 of Revenue shall have the right to select an independent
11 third-party auditor to conduct an audit of the annual report
12 and the political subdivision's records containing the source
13 information for the report. The reasonable cost of the audit
14 shall be paid by the master developer. The master development
15 agreement shall grant the Department of Revenue and the
16 Illinois Auditor General the right to review the records of the
17 political subdivision containing the source information for
18 the report.

19 (e) There is created in the State treasury a special fund
20 to be known as the STAR Bonds Revenue Fund. As soon as possible
21 after the first day of each month, beginning January 1, 2011,
22 upon certification of the Department of Revenue, the
23 Comptroller shall order transferred, and the Treasurer shall
24 transfer, from the General Revenue Fund to the STAR Bonds
25 Revenue Fund the State sales tax increment for the second
26 preceding month, less 3% of that amount, which shall be

1 transferred into the Tax Compliance and Administration Fund and
2 shall be used by the Department, subject to appropriation, to
3 cover the costs of the Department in administering the
4 Innovation Development and Economy Act. As soon as possible
5 after the first day of each month, beginning January 1, 2011,
6 upon certification of the Department of Revenue, the
7 Comptroller shall order transferred, and the Treasurer shall
8 transfer, from the Local Government Tax Fund to the STAR Bonds
9 Revenue Fund the local sales tax increment for the second
10 preceding month, as provided in Section 6z-18 of the State
11 Finance Act and from the County and Mass Transit District Fund
12 to the STAR Bonds Revenue Fund the local sales tax increment
13 for the second preceding month, as provided in Section 6z-20 of
14 the State Finance Act.

15 On or before the 25th day of each calendar month, beginning
16 on January 1, 2011, the Department shall prepare and certify to
17 the Comptroller the disbursement of stated sums of money out of
18 the STAR Bonds Revenue Fund to named municipalities and
19 counties, the municipalities and counties to be those entitled
20 to distribution of taxes or penalties paid to the Department
21 during the second preceding calendar month. The amount to be
22 paid to each municipality or county shall be the amount of the
23 State sales tax increment and the local sales tax increment
24 (not including credit memoranda or the amount transferred into
25 the Tax Compliance and Administration Fund) collected during
26 the second preceding calendar month by the Department from

1 retailers and servicemen on transactions at places of business
2 located within a STAR bond district in that municipality or
3 county, plus an amount the Department determines is necessary
4 to offset any amounts which were erroneously paid to a
5 different taxing body, and not including an amount equal to the
6 amount of refunds made during the second preceding calendar
7 month by the Department, and not including any amount which the
8 Department determines is necessary to offset any amounts which
9 are payable to a different taxing body but were erroneously
10 paid to the municipality or county. Within 10 days after
11 receipt, by the Comptroller, of the disbursement certification
12 to the municipalities and counties, provided for in this
13 Section to be given to the Comptroller by the Department, the
14 Comptroller shall cause the orders to be drawn for the
15 respective amounts in accordance with the directions contained
16 in such certification.

17 When certifying the amount of monthly disbursement to a
18 municipality or county under this subsection, the Department
19 shall increase or decrease that amount by an amount necessary
20 to offset any misallocation of previous disbursements. The
21 offset amount shall be the amount erroneously disbursed within
22 the 6 months preceding the time a misallocation is discovered.

23 (f) As of the seventh anniversary of the first date of
24 distribution of State sales tax revenues from the first STAR
25 bond project in the STAR bond district, and as of every fifth
26 anniversary thereafter until final maturity of all STAR bonds

1 issued in a STAR bond district, the portion of the aggregate
2 proceeds of STAR bonds issued to date that is derived from the
3 State sales tax increment pledged to pay STAR bonds in any STAR
4 bond district shall not exceed 50% of the total development
5 costs in the STAR bond district to date. The Illinois Auditor
6 General shall make the foregoing determination on said seventh
7 anniversary and every 5 years thereafter until final maturity
8 of all STAR bonds issued in a STAR bond district. If at any
9 time after the seventh anniversary of the first date of
10 distribution of State sales tax revenues from the first STAR
11 bond project in the STAR bond district the Illinois Auditor
12 General determines that the portion of the aggregate proceeds
13 of STAR bonds issued to date that is derived from the State
14 sales tax increment pledged to pay STAR bonds in any STAR bond
15 district has exceeded 50% of the total development costs in the
16 STAR bond district, no additional STAR bonds may be issued in
17 the STAR bond district until the percentage is reduced to 50%
18 or below. When the percentage has been reduced to 50% or below,
19 the master developer shall have the right, at its own cost, to
20 obtain a new audit prepared by an independent third-party
21 auditor verifying compliance and shall provide such audit to
22 the Illinois Auditor General for review and approval. Upon the
23 Illinois Auditor General's determination from the audit that
24 the percentage has been reduced to 50% or below, STAR bonds may
25 again be issued in the STAR bond district.

26 (g) Notwithstanding the provisions of the Tax Increment

1 Allocation Redevelopment Act, if any portion of property taxes
2 attributable to the increase in equalized assessed value within
3 a STAR bond district are, at the time of formation of the STAR
4 bond district, already subject to tax increment financing under
5 the Tax Increment Allocation Redevelopment Act, then the tax
6 increment for such portion shall be frozen at the base year
7 established in accordance with this Act, and all future
8 incremental increases over the base year shall not be subject
9 to tax increment financing under the Tax Increment Allocation
10 Redevelopment Act. Any party otherwise entitled to receipt of
11 incremental tax revenues through an existing tax increment
12 financing district shall be entitled to continue to receive
13 such revenues up to the amount frozen in the base year. Nothing
14 in this Act shall affect the prior qualification of existing
15 redevelopment project costs incurred that are eligible for
16 reimbursement under the Tax Increment Allocation Redevelopment
17 Act. In such event, prior to approving a STAR bond district,
18 the political subdivision forming the STAR bond district shall
19 take such action as is necessary, including amending the
20 existing tax increment financing district redevelopment plan,
21 to carry out the provisions of this Act.

22 Section 31. STAR bond occupation taxes.

23 (a) If the corporate authorities of a political subdivision
24 have established a STAR bond district and have elected to
25 impose a tax by ordinance pursuant to subsection (b) or (c) of

1 this Section, each year after the date of the adoption of the
2 ordinance and until all STAR bond project costs and all
3 political subdivision obligations financing the STAR bond
4 project costs, if any, have been paid in accordance with the
5 STAR bond project plans, but in no event longer than the
6 maximum maturity date of the last of the STAR bonds issued for
7 projects in the STAR bond district, all amounts generated by
8 the retailers' occupation tax and service occupation tax shall
9 be collected and the tax shall be enforced by the Department of
10 Revenue in the same manner as all retailers' occupation taxes
11 and service occupation taxes imposed in the political
12 subdivision imposing the tax. The corporate authorities of the
13 political subdivision shall deposit the proceeds of the taxes
14 imposed under subsections (b) and (c) into either (i) a special
15 fund held by the corporate authorities of the political
16 subdivision called the STAR Bonds Tax Allocation Fund for the
17 purpose of paying STAR bond project costs and obligations
18 incurred in the payment of those costs if such taxes are
19 designated as pledged STAR revenues by resolution or ordinance
20 of the political subdivision or (ii) the political
21 subdivision's general corporate fund if such taxes are not
22 designated as pledged STAR revenues by resolution or ordinance.

23 The tax imposed under this Section by a municipality may be
24 imposed only on the portion of a STAR bond district that is
25 within the boundaries of the municipality. For any part of a
26 STAR bond district that lies outside of the boundaries of that

1 municipality, the municipality in which the other part of the
2 STAR bond district lies (or the county, in cases where a
3 portion of the STAR bond district lies in the unincorporated
4 area of a county) is authorized to impose the tax under this
5 Section on that part of the STAR bond district.

6 (b) The corporate authorities of a political subdivision
7 that has established a STAR bond district under this Act may,
8 by ordinance or resolution, impose a STAR Bond Retailers'
9 Occupation Tax upon all persons engaged in the business of
10 selling tangible personal property, other than an item of
11 tangible personal property titled or registered with an agency
12 of this State's government, at retail in the STAR bond district
13 at a rate not to exceed 1% of the gross receipts from the sales
14 made in the course of that business, to be imposed only in
15 0.25% increments. The tax may not be imposed on food for human
16 consumption that is to be consumed off the premises where it is
17 sold (other than alcoholic beverages, soft drinks, and food
18 that has been prepared for immediate consumption),
19 prescription and nonprescription medicines, drugs, medical
20 appliances, modifications to a motor vehicle for the purpose of
21 rendering it usable by a disabled person, and insulin, urine
22 testing materials, syringes, and needles used by diabetics, for
23 human use.

24 The tax imposed under this subsection and all civil
25 penalties that may be assessed as an incident thereof shall be
26 collected and enforced by the Department of Revenue. The

1 certificate of registration that is issued by the Department to
2 a retailer under the Retailers' Occupation Tax Act shall permit
3 the retailer to engage in a business that is taxable under any
4 ordinance or resolution enacted pursuant to this subsection
5 without registering separately with the Department under such
6 ordinance or resolution or under this subsection. The
7 Department of Revenue shall have full power to administer and
8 enforce this subsection, to collect all taxes and penalties due
9 under this subsection in the manner hereinafter provided, and
10 to determine all rights to credit memoranda arising on account
11 of the erroneous payment of tax or penalty under this
12 subsection. In the administration of, and compliance with, this
13 subsection, the Department and persons who are subject to this
14 subsection shall have the same rights, remedies, privileges,
15 immunities, powers, and duties, and be subject to the same
16 conditions, restrictions, limitations, penalties, exclusions,
17 exemptions, and definitions of terms and employ the same modes
18 of procedure, as are prescribed in Sections 1, 1a through 1o, 2
19 through 2-65 (in respect to all provisions therein other than
20 the State rate of tax), 2c through 2h, 3 (except as to the
21 disposition of taxes and penalties collected), 4, 5, 5a, 5b,
22 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10,
23 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all
24 provisions of the Uniform Penalty and Interest Act, as fully as
25 if those provisions were set forth herein.

26 If a tax is imposed under this subsection (b), a tax shall

1 also be imposed under subsection (c) of this Section.

2 (c) If a tax has been imposed under subsection (b), a STAR
3 Bond Service Occupation Tax shall also be imposed upon all
4 persons engaged, in the STAR bond district, in the business of
5 making sales of service, who, as an incident to making those
6 sales of service, transfer tangible personal property within
7 the STAR bond district, either in the form of tangible personal
8 property or in the form of real estate as an incident to a sale
9 of service. The tax shall be imposed at the same rate as the
10 tax imposed in subsection (b) and shall not exceed 1% of the
11 selling price of tangible personal property so transferred
12 within the STAR bond district, to be imposed only in 0.25%
13 increments. The tax may not be imposed on food for human
14 consumption that is to be consumed off the premises where it is
15 sold (other than alcoholic beverages, soft drinks, and food
16 that has been prepared for immediate consumption),
17 prescription and nonprescription medicines, drugs, medical
18 appliances, modifications to a motor vehicle for the purpose of
19 rendering it usable by a disabled person, and insulin, urine
20 testing materials, syringes, and needles used by diabetics, for
21 human use.

22 The tax imposed under this subsection and all civil
23 penalties that may be assessed as an incident thereof shall be
24 collected and enforced by the Department of Revenue. The
25 certificate of registration that is issued by the Department to
26 a retailer under the Retailers' Occupation Tax Act or under the

1 Service Occupation Tax Act shall permit the registrant to
2 engage in a business that is taxable under any ordinance or
3 resolution enacted pursuant to this subsection without
4 registering separately with the Department under that
5 ordinance or resolution or under this subsection. The
6 Department of Revenue shall have full power to administer and
7 enforce this subsection, to collect all taxes and penalties due
8 under this subsection, to dispose of taxes and penalties so
9 collected in the manner hereinafter provided, and to determine
10 all rights to credit memoranda arising on account of the
11 erroneous payment of tax or penalty under this subsection. In
12 the administration of, and compliance with this subsection, the
13 Department and persons who are subject to this subsection shall
14 have the same rights, remedies, privileges, immunities,
15 powers, and duties, and be subject to the same conditions,
16 restrictions, limitations, penalties, exclusions, exemptions,
17 and definitions of terms and employ the same modes of procedure
18 as are prescribed in Sections 2, 2a through 2d, 3 through 3-50
19 (in respect to all provisions therein other than the State rate
20 of tax), 4 (except that the reference to the State shall be to
21 the STAR bond district), 5, 7, 8 (except that the jurisdiction
22 to which the tax shall be a debt to the extent indicated in
23 that Section 8 shall be the political subdivision), 9 (except
24 as to the disposition of taxes and penalties collected, and
25 except that the returned merchandise credit for this tax may
26 not be taken against any State tax), 10, 11, 12 (except the

1 reference therein to Section 2b of the Retailers' Occupation
2 Tax Act), 13 (except that any reference to the State shall mean
3 the political subdivision), the first paragraph of Section 15,
4 and Sections 16, 17, 18, 19 and 20 of the Service Occupation
5 Tax Act and all provisions of the Uniform Penalty and Interest
6 Act, as fully as if those provisions were set forth herein.

7 If a tax is imposed under this subsection (c), a tax shall
8 also be imposed under subsection (b) of this Section.

9 (d) Persons subject to any tax imposed under this Section
10 may reimburse themselves for their seller's tax liability under
11 this Section by separately stating the tax as an additional
12 charge, which charge may be stated in combination, in a single
13 amount, with State taxes that sellers are required to collect
14 under the Use Tax Act, in accordance with such bracket
15 schedules as the Department may prescribe.

16 Whenever the Department determines that a refund should be
17 made under this Section to a claimant instead of issuing a
18 credit memorandum, the Department shall notify the State
19 Comptroller, who shall cause the order to be drawn for the
20 amount specified and to the person named in the notification
21 from the Department. The refund shall be paid by the State
22 Treasurer out of the STAR Bond Retailers' Occupation Tax Fund.

23 The Department shall immediately pay over to the State
24 Treasurer, ex officio, as trustee, all taxes, penalties, and
25 interest collected under this Section for deposit into the STAR
26 Bond Retailers' Occupation Tax Fund. On or before the 25th day

1 of each calendar month, the Department shall prepare and
2 certify to the Comptroller the disbursement of stated sums of
3 money to named political subdivisions from the STAR Bond
4 Retailers' Occupation Tax Fund, the political subdivisions to
5 be those from which retailers have paid taxes or penalties
6 under this Section to the Department during the second
7 preceding calendar month. The amount to be paid to each
8 political subdivision shall be the amount (not including credit
9 memoranda) collected under this Section during the second
10 preceding calendar month by the Department plus an amount the
11 Department determines is necessary to offset any amounts that
12 were erroneously paid to a different taxing body, and not
13 including an amount equal to the amount of refunds made during
14 the second preceding calendar month by the Department, less 3%
15 of that amount, which shall be deposited into the Tax
16 Compliance and Administration Fund and shall be used by the
17 Department, subject to appropriation, to cover the costs of the
18 Department in administering and enforcing the provisions of
19 this Section, on behalf of such political subdivision, and not
20 including any amount that the Department determines is
21 necessary to offset any amounts that were payable to a
22 different taxing body but were erroneously paid to the
23 political subdivision. Within 10 days after receipt by the
24 Comptroller of the disbursement certification to the political
25 subdivisions provided for in this Section to be given to the
26 Comptroller by the Department, the Comptroller shall cause the

1 orders to be drawn for the respective amounts in accordance
2 with the directions contained in the certification. The
3 proceeds of the tax paid to political subdivisions under this
4 Section shall be deposited into either (i) the STAR Bonds Tax
5 Allocation Fund by the political subdivision if the political
6 subdivision has designated them as pledged STAR revenues by
7 resolution or ordinance or (ii) the political subdivision's
8 general corporate fund if the political subdivision has not
9 designated them as pledged STAR revenues.

10 An ordinance or resolution imposing or discontinuing the
11 tax under this Section or effecting a change in the rate
12 thereof shall either (i) be adopted and a certified copy
13 thereof filed with the Department on or before the first day of
14 April, whereupon the Department, if all other requirements of
15 this Section are met, shall proceed to administer and enforce
16 this Section as of the first day of July next following the
17 adoption and filing; or (ii) be adopted and a certified copy
18 thereof filed with the Department on or before the first day of
19 October, whereupon, if all other requirements of this Section
20 are met, the Department shall proceed to administer and enforce
21 this Section as of the first day of January next following the
22 adoption and filing.

23 The Department of Revenue shall not administer or enforce
24 an ordinance imposing, discontinuing, or changing the rate of
25 the tax under this Section until the political subdivision also
26 provides, in the manner prescribed by the Department, the

1 boundaries of the STAR bond district and each address in the
2 STAR bond district in such a way that the Department can
3 determine by its address whether a business is located in the
4 STAR bond district. The political subdivision must provide this
5 boundary and address information to the Department on or before
6 April 1 for administration and enforcement of the tax under
7 this Section by the Department beginning on the following July
8 1 and on or before October 1 for administration and enforcement
9 of the tax under this Section by the Department beginning on
10 the following January 1. The Department of Revenue shall not
11 administer or enforce any change made to the boundaries of a
12 STAR bond district or any address change, addition, or deletion
13 until the political subdivision reports the boundary change or
14 address change, addition, or deletion to the Department in the
15 manner prescribed by the Department. The political subdivision
16 must provide this boundary change or address change, addition,
17 or deletion information to the Department on or before April 1
18 for administration and enforcement by the Department of the
19 change, addition, or deletion beginning on the following July 1
20 and on or before October 1 for administration and enforcement
21 by the Department of the change, addition, or deletion
22 beginning on the following January 1. The retailers in the STAR
23 bond district shall be responsible for charging the tax imposed
24 under this Section. If a retailer is incorrectly included or
25 excluded from the list of those required to collect the tax
26 under this Section, both the Department of Revenue and the

1 retailer shall be held harmless if they reasonably relied on
2 information provided by the political subdivision.

3 A political subdivision that imposes the tax under this
4 Section must submit to the Department of Revenue any other
5 information as the Department may require that is necessary for
6 the administration and enforcement of the tax.

7 When certifying the amount of a monthly disbursement to a
8 political subdivision under this Section, the Department shall
9 increase or decrease the amount by an amount necessary to
10 offset any misallocation of previous disbursements. The offset
11 amount shall be the amount erroneously disbursed within the
12 previous 6 months from the time a misallocation is discovered.

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

18 (e) When STAR bond project costs, including, without
19 limitation, all political subdivision obligations financing
20 STAR bond project costs, have been paid, any surplus funds then
21 remaining in the STAR Bonds Tax Allocation Fund shall be
22 distributed to the treasurer of the political subdivision for
23 deposit into the political subdivision's general corporate
24 fund. Upon payment of all STAR bond project costs and
25 retirement of obligations, but in no event later than the
26 maximum maturity date of the last of the STAR bonds issued in

1 the STAR bond district, the political subdivision shall adopt
2 an ordinance immediately rescinding the taxes imposed pursuant
3 to this Section and file a certified copy of the ordinance with
4 the Department in the form and manner as described in this
5 Section.

6 Section 33. STAR Bonds School Improvement and Operations
7 Trust Fund.

8 (a) The STAR Bonds School Improvement and Operations Trust
9 Fund is created as a trust fund in the State treasury. Deposits
10 into the Trust Fund shall be made as provided under this
11 Section. Moneys in the Trust Fund shall be used by the
12 Department of Revenue only for the purpose of making payments
13 to school districts in educational service regions that include
14 or are adjacent to the STAR bond district. Moneys in the Trust
15 Fund are not subject to appropriation and shall be used solely
16 as provided in this Section. All deposits into the Trust Fund
17 shall be held in the Trust Fund by the State Treasurer as ex
18 officio custodian separate and apart from all public moneys or
19 funds of this State and shall be administered by the Department
20 exclusively for the purposes set forth in this Section. All
21 moneys in the Trust Fund shall be invested and reinvested by
22 the State Treasurer. All interest accruing from these
23 investments shall be deposited in the Trust Fund.

24 (b) Upon approval of a STAR bond district, the political
25 subdivision shall immediately transmit to the county clerk of

1 the county in which the district is located a certified copy of
2 the ordinance creating the district, a legal description of the
3 district, a map of the district, identification of the year
4 that the county clerk shall use for determining the total
5 initial equalized assessed value of the district consistent
6 with subsection (c), and a list of the parcel or tax
7 identification number of each parcel of property included in
8 the district.

9 (c) Upon approval of a STAR bond district, the county clerk
10 immediately thereafter shall determine (i) the most recently
11 ascertained equalized assessed value of each lot, block, tract,
12 or parcel of real property within the STAR bond district, from
13 which shall be deducted the homestead exemptions under Article
14 15 of the Property Tax Code, which value shall be the initial
15 equalized assessed value of each such piece of property, and
16 (ii) the total equalized assessed value of all taxable real
17 property within the district by adding together the most
18 recently ascertained equalized assessed value of each taxable
19 lot, block, tract, or parcel of real property within the
20 district, from which shall be deducted the homestead exemptions
21 under Article 15 of the Property Tax Code, and shall certify
22 that amount as the total initial equalized assessed value of
23 the taxable real property within the STAR bond district.

24 (d) In reference to any STAR bond district created within
25 any political subdivision, and in respect to which the county
26 clerk has certified the total initial equalized assessed value

1 of the property in the area, the political subdivision may
2 thereafter request the clerk in writing to adjust the initial
3 equalized value of all taxable real property within the STAR
4 bond district by deducting therefrom the exemptions under
5 Article 15 of the Property Tax Code applicable to each lot,
6 block, tract, or parcel of real property within the STAR bond
7 district. The county clerk shall immediately, after the written
8 request to adjust the total initial equalized value is
9 received, determine the total homestead exemptions in the STAR
10 bond district as provided under Article 15 of the Property Tax
11 Code by adding together the homestead exemptions provided by
12 said Article on each lot, block, tract, or parcel of real
13 property within the STAR bond district and then shall deduct
14 the total of said exemptions from the total initial equalized
15 assessed value. The county clerk shall then promptly certify
16 that amount as the total initial equalized assessed value as
17 adjusted of the taxable real property within the STAR bond
18 district.

19 (e) The county clerk or other person authorized by law
20 shall compute the tax rates for each taxing district with all
21 or a portion of its equalized assessed value located in the
22 STAR bond district. The rate per cent of tax determined shall
23 be extended to the current equalized assessed value of all
24 property in the district in the same manner as the rate per
25 cent of tax is extended to all other taxable property in the
26 taxing district.

1 (f) Beginning with the assessment year in which the first
2 destination user in the first STAR bond project in a STAR bond
3 district makes its first retail sales and for each assessment
4 year thereafter until final maturity of the last STAR bonds
5 issued in the district, the county clerk or other person
6 authorized by law shall determine the increase in equalized
7 assessed value of all real property within the STAR bond
8 district by subtracting the initial equalized assessed value of
9 all property in the district certified under subsection (c)
10 from the current equalized assessed value of all property in
11 the district. Each year, the property taxes arising from the
12 increase in equalized assessed value in the STAR bond district
13 shall be determined for each taxing district and shall be
14 certified to the county collector.

15 (g) Beginning with the year in which taxes are collected
16 based on the assessment year in which the first destination
17 user in the first STAR bond project in a STAR bond district
18 makes its first retail sales and for each year thereafter until
19 final maturity of the last STAR bonds issued in the district,
20 the county collector shall, within 30 days after receipt of
21 property taxes, transmit to the Department to be deposited into
22 the STAR Bonds School Improvement and Operations Trust Fund 15%
23 of property taxes attributable to the increase in equalized
24 assessed value within the STAR bond district from each taxing
25 district as certified in subsection (f).

26 (h) The Department shall pay to the regional superintendent

1 of schools whose educational service region includes Franklin
2 and Williamson Counties, for each year for which money is
3 remitted to the Department and paid into the STAR Bonds School
4 Improvement and Operations Trust Fund, the money in the Fund as
5 provided in this Section. The amount paid to each school
6 district shall be allocated proportionately, based on each
7 qualifying school district's fall enrollment for the
8 then-current school year, such that the school district with
9 the largest fall enrollment receives the largest proportionate
10 share of money paid out of the Fund or by any other method or
11 formula that the regional superintendent of schools deems fit,
12 equitable, and in the public interest. The regional
13 superintendent may allocate moneys to school districts that are
14 outside of his or her educational service region or to other
15 regional superintendents.

16 The Department shall determine the distributions under
17 this Section using its best judgment and information. The
18 Department shall be held harmless for the distributions made
19 under this Section and all distributions shall be final.

20 (i) In any year that an assessment appeal is filed, the
21 extension of taxes on any assessment so appealed shall not be
22 delayed. In the case of an assessment that is altered, any
23 taxes extended upon the unauthorized assessment or part thereof
24 shall be abated, or, if already paid, shall be refunded with
25 interest as provided in Section 23-20 of the Property Tax Code.
26 In the case of an assessment appeal, the county collector shall

1 notify the Department that an assessment appeal has been filed
2 and the amount of the tax that would have been deposited in the
3 STAR Bonds School Improvement and Operations Trust Fund. The
4 county collector shall hold that amount in a separate fund
5 until the appeal process is final. After the appeal process is
6 finalized, the county collector shall transmit to the
7 Department the amount of tax that remains, if any, after all
8 required refunds are made. The Department shall pay any amount
9 deposited into the Trust Fund under this Section in the same
10 proportion as determined for payments for that taxable year
11 under subsection (h).

12 (j) In any year that ad valorem taxes are allocated to the
13 STAR Bonds School Improvement and Operations Trust Fund, that
14 allocation shall not reduce or otherwise impact the school aid
15 provided to any school district under the general State school
16 aid formula provided for in Section 18-8.05 of the School Code.

17 Section 35. Alternate bonds and general obligation bonds. A
18 political subdivision shall have the power to issue alternate
19 revenue and other general obligation bonds to finance the
20 undertaking, establishment, or redevelopment of any STAR bond
21 project as provided and pursuant to the procedures set forth in
22 the Local Government Debt Reform Act. A political subdivision
23 shall have the power to issue general obligation bonds to
24 finance the undertaking, establishment, or redevelopment of
25 any STAR bond project on approval by the voters of the

1 political subdivision of a proposition authorizing the issue of
2 such bonds.

3 The full faith and credit of the State, any department,
4 authority, public corporation or quasi-public corporation of
5 the State, any State college or university, or any other public
6 agency created by the State shall not be pledged for any
7 payment under any obligation authorized by this Act.

8 Section 40. Amendments to STAR bond district. Any addition
9 of real property to a STAR bond district or any substantial
10 change to a STAR bond district plan shall be subject to the
11 same procedure for public notice, hearing, and approval as is
12 required for the establishment of the STAR bond district
13 pursuant to this Act.

14 (a) The addition or removal of land to or from a STAR bond
15 district shall require the consent of the master developer of
16 the STAR bond district.

17 (b) Any land that is outside of, but is contiguous to an
18 established STAR bond district and is subsequently owned,
19 leased, or controlled by the master developer shall be added to
20 a STAR bond district at the request of the master developer and
21 by approval of the political subdivision, provided that the
22 land becomes a part of a STAR bond project area.

23 (c) If a political subdivision has undertaken a STAR bond
24 project within a STAR bond district, and the political
25 subdivision desires to subsequently remove more than a de

1 minimus amount of real property from the STAR bond district,
2 then prior to any removal of property the political subdivision
3 must provide a revised feasibility study showing that the
4 pledged STAR revenues from the resulting STAR bond district
5 within which the STAR bond project is located are estimated to
6 be sufficient to pay the project costs. If the revenue from the
7 resulting STAR bond district is insufficient to pay the project
8 costs, then the property may not be removed from the STAR bond
9 district. Any removal of real property from a STAR bond
10 district shall be approved by a resolution of the governing
11 body of the political subdivision.

12 Section 45. Restrictions. STAR bond districts may lie
13 within an enterprise zone, but no portion of a STAR bond
14 project shall be financed with funds allocated pursuant to the
15 Illinois Enterprise Zone Act. STAR bond districts may overlay
16 and benefit from existing tax increment financing districts
17 created pursuant to the Tax Increment Allocation Redevelopment
18 Act, but no portion of a STAR bond project shall be financed
19 with tax increment financing under said Act. During any period
20 of time that STAR bonds are outstanding for a STAR bond
21 district, a developer may not use any land located in the STAR
22 bond district for any (i) retail store whose primary business
23 is the sale of automobiles, including trucks and other
24 automotive vehicles with 4 wheels designed for passenger
25 transportation on public streets and thoroughfares or (ii)

1 multi-screen motion picture theater complexes containing more
2 than 12 auditoriums for viewing motion pictures. No STAR bond
3 district may contain more than 900,000 square feet of floor
4 space devoted to traditional retail use.

5 Section 50. Reporting taxes. Notwithstanding any other
6 provisions of law to the contrary, the Department of Revenue
7 shall provide a certified report of the State sales tax
8 increment and local sales tax increment from all taxpayers
9 within a STAR bond district to the bond trustee, escrow agent,
10 or paying agent for such bonds upon the written request of the
11 political subdivision on or before the 25th day of each month.
12 Such report shall provide a detailed allocation of State sales
13 tax increment and local sales tax increment from each local
14 sales tax and State sales tax reported to the Department of
15 Revenue.

16 (a) The bond trustee, escrow agent, or paying agent shall
17 keep such sales and use tax reports and the information
18 contained therein confidential, but may use such information
19 for purposes of allocating and depositing the sales and use tax
20 revenues in connection with the bonds used to finance project
21 costs in such STAR bond district. Except as otherwise provided
22 herein, the sales and use tax reports received by the bond
23 trustee, escrow agent, or paying agent shall be subject to the
24 provisions of Chapter 35 of the Illinois Compiled Statutes,
25 including Section 3 of the Retailers' Occupation Tax Act and

1 Section 9 of the Use Tax Act.

2 (b) The political subdivision shall determine when the
3 amount of sales tax and other revenues that have been collected
4 and distributed to the bond debt service or reserve fund is
5 sufficient to satisfy all principal and interest costs to the
6 maturity date or dates of any STAR bond issued by a political
7 subdivision to finance a STAR bond project and shall give the
8 Department of Revenue written notice of such determination. The
9 notice shall include a date certain on which deposits into the
10 STAR Bonds Revenue Fund for that STAR bond project shall
11 terminate and shall be provided to the Department of Revenue at
12 least 60 days prior to that date. Thereafter, all sales tax and
13 other revenues shall be collected and distributed in accordance
14 with applicable law.

15 Section 52. Review committee. Upon the seventh anniversary
16 of the first date of distribution of State sales tax revenues
17 from the first STAR bond project in the State, a 6-member STAR
18 bonds review committee shall be formed consisting of one
19 appointee of each of the Director, the Director of the
20 Department of Commerce and Economic Opportunity, the President
21 of the Senate, the Senate Minority Leader, the Speaker of the
22 House, and the House Minority Leader. The review committee
23 shall evaluate the success of all STAR bond districts then
24 existing in the State and make a determination of the
25 comprehensive economic benefits and detriments of STAR bonds in

1 the State as a whole. In making its determination, the review
2 committee shall examine available data regarding job creation,
3 sales revenues, and capital investment in STAR bond districts;
4 development that has occurred and is planned in areas adjacent
5 to STAR bond districts that will not be directly financed with
6 STAR bonds; effects of market conditions on STAR bond districts
7 and the likelihood of future successes based on improving or
8 declining market conditions; retail sales migration and
9 cannibalization of retail sales due to STAR bond districts; and
10 other relevant economic factors. The review committee shall
11 provide the Director, the General Assembly, and the Governor
12 with a written report detailing its findings and shall make a
13 final determination of whether STAR bonds have had, and are
14 likely to continue having, a negative or positive economic
15 impact on the State as a whole. Upon completing and filing its
16 written report, the review committee shall be dissolved. If the
17 review committee's report makes a final determination that STAR
18 bonds have had and are likely to continue having a negative
19 economic impact on the State as a whole, then no new STAR bond
20 districts may thereafter be formed in the State until further
21 action by the General Assembly.

22 Section 55. Severability. If any provision of this Act or
23 the application thereof to any persons or circumstances is held
24 invalid, such invalidity shall not affect other provisions or
25 application of the Act that can be given effect without the

1 invalid provisions or application and to this end the
2 provisions of this Act are declared to be severable.

3 Section 57. Rules. The Department of Revenue shall have the
4 authority to adopt such rules as are reasonable and necessary
5 to implement the provisions of this Act. Notwithstanding the
6 foregoing, the Department of Revenue shall have the authority,
7 prior to adoption and approval of those rules, to approve a
8 STAR bond district in accordance with subsection (d) of Section
9 20 and to otherwise administer the Act while those rules are
10 pending adoption and approval.

11 Section 60. Open meetings and freedom of information. All
12 public hearings related to the administration, formation,
13 implementation, development, or construction of a STAR bond
14 district, STAR bond district plan, STAR bond project, or STAR
15 bond project plan, including but not limited to the public
16 hearings required by Sections 15, 20, and 40 of this Act, shall
17 be held in compliance with the Open Meetings Act. The public
18 hearing records, feasibility study, and other documents that do
19 not otherwise meet a confidentiality exemption shall be subject
20 to the Freedom of Information Act.

21 Section 62. Powers of political subdivisions. The
22 provisions of this Act are intended to be supplemental and in
23 addition to all other power or authority granted to political

1 subdivisions, shall be construed liberally, and shall not be
2 construed as a limitation of any power or authority otherwise
3 granted. In addition to the powers a political subdivision may
4 have under other provisions of law, a political subdivision
5 shall have all of the following powers in connection with a
6 STAR bond district:

7 (a) To make and enter into all contracts necessary or
8 incidental to the implementation and furtherance of a STAR
9 bond district plan.

10 (b) Within a STAR bond district, to acquire by
11 purchase, donation, or lease, and to own, convey, lease,
12 mortgage, or dispose of land and other real or personal
13 property or rights or interests in property and to grant or
14 acquire licenses, easements, and options with respect to
15 property, all in the manner and at a price the political
16 subdivision determines is reasonably necessary to achieve
17 the objectives of the STAR bond project.

18 (c) To clear any area within a STAR bond district by
19 demolition or removal of any existing buildings,
20 structures, fixtures, utilities, or improvements and to
21 clear and grade land.

22 (d) To install, repair, construct, reconstruct, extend
23 or relocate public streets, public utilities, and other
24 public site improvements located both within and outside
25 the boundaries of a STAR bond district that are essential
26 to the preparation of a STAR bond district for use in

1 accordance with a STAR bond district plan.

2 (e) To renovate, rehabilitate, reconstruct, relocate,
3 repair, or remodel any existing buildings, improvements,
4 and fixtures within a STAR bond district.

5 (f) To install or construct any public buildings,
6 structures, works, streets, improvements, utilities, or
7 fixtures within a STAR bond district.

8 (g) To issue STAR bonds as provided in this Act.

9 (h) Subject to the limitations set forth in the
10 definition of "project costs" in Section 10 of this Act, to
11 fix, charge, and collect fees, rents, and charges for the
12 use of any building, facility, or property or any portion
13 of a building, facility, or property owned or leased by the
14 political subdivision in furtherance of a STAR bond project
15 under this Act within a STAR bond district.

16 (i) To accept grants, guarantees, donations of
17 property or labor, or any other thing of value for use in
18 connection with a STAR bond project.

19 (j) To pay or cause to be paid STAR bond project costs,
20 including, specifically, to reimburse any developer or
21 nongovernmental person for STAR bond project costs
22 incurred by that person. A political subdivision is not
23 required to obtain any right, title, or interest in any
24 real or personal property in order to pay STAR bond project
25 costs associated with the property. The political
26 subdivision shall adopt accounting procedures necessary to

1 determine that the STAR bond project costs are properly
2 paid.

3 (k) To exercise any and all other powers necessary to
4 effectuate the purposes of this Act.

5 Section 63. The New Markets Development Program Act is
6 amended by changing Sections 20 and 25 as follows:

7 (20 ILCS 663/20)

8 Sec. 20. Annual cap on credits. The Department shall limit
9 the monetary amount of qualified equity investments permitted
10 under this Act to a level necessary to limit tax credit use at
11 no more than \$20,000,000 ~~\$10,000,000~~ of tax credits in any
12 fiscal year. This limitation on qualified equity investments
13 shall be based on the anticipated use of credits without regard
14 to the potential for taxpayers to carry forward tax credits to
15 later tax years.

16 (Source: P.A. 95-1024, eff. 12-31-08.)

17 (20 ILCS 663/25)

18 Sec. 25. Certification of qualified equity investments.

19 (a) A qualified community development entity that seeks to
20 have an equity investment or long-term debt security designated
21 as a qualified equity investment and eligible for tax credits
22 under this Section shall apply to the Department. The qualified
23 community development entity must submit an application on a

1 form that the Department provides that includes:

2 (1) The name, address, tax identification number of the
3 entity, and evidence of the entity's certification as a
4 qualified community development entity.

5 (2) A copy of the allocation agreement executed by the
6 entity, or its controlling entity, and the Community
7 Development Financial Institutions Fund.

8 (3) A certificate executed by an executive officer of
9 the entity attesting that the allocation agreement remains
10 in effect and has not been revoked or cancelled by the
11 Community Development Financial Institutions Fund.

12 (4) A description of the proposed amount, structure,
13 and purchaser of the equity investment or long-term debt
14 security.

15 (5) The name and tax identification number of any
16 taxpayer eligible to utilize tax credits earned as a result
17 of the issuance of the qualified equity investment.

18 (6) Information regarding the proposed use of proceeds
19 from the issuance of the qualified equity investment.

20 (7) A nonrefundable application fee of \$5,000. This fee
21 shall be paid to the Department and shall be required of
22 each application submitted.

23 (b) Within 30 days after receipt of a completed application
24 containing the information necessary for the Department to
25 certify a potential qualified equity investment, including the
26 payment of the application fee, the Department shall grant or

1 deny the application in full or in part. If the Department
2 denies any part of the application, it shall inform the
3 qualified community development entity of the grounds for the
4 denial. If the qualified community development entity provides
5 any additional information required by the Department or
6 otherwise completes its application within 15 days of the
7 notice of denial, the application shall be considered completed
8 as of the original date of submission. If the qualified
9 community development entity fails to provide the information
10 or complete its application within the 15-day period, the
11 application remains denied and must be resubmitted in full with
12 a new submission date.

13 (c) If the application is deemed complete, the Department
14 shall certify the proposed equity investment or long-term debt
15 security as a qualified equity investment that is eligible for
16 tax credits under this Section, subject to the limitations
17 contained in Section 20. The Department shall provide written
18 notice of the certification to the qualified community
19 development entity. The notice shall include the names of those
20 taxpayers who are eligible to utilize the credits and their
21 respective credit amounts. If the names of the taxpayers who
22 are eligible to utilize the credits change due to a transfer of
23 a qualified equity investment or a change in an allocation
24 pursuant to Section 15, the qualified community development
25 entity shall notify the Department of such change.

26 (d) The Department shall certify qualified equity

1 investments in the order applications are received by the
2 Department. Applications received on the same day shall be
3 deemed to have been received simultaneously. For applications
4 received on the same day and deemed complete, the Department
5 shall certify, consistent with remaining tax credit capacity,
6 qualified equity investments in proportionate percentages
7 based upon the ratio of the amount of qualified equity
8 investment requested in an application to the total amount of
9 qualified equity investments requested in all applications
10 received on the same day.

11 (e) Once the Department has certified qualified equity
12 investments that, on a cumulative basis, are eligible for
13 \$20,000,000 ~~\$10,000,000~~ in tax credits, the Department may not
14 certify any more qualified equity investments. If a pending
15 request cannot be fully certified, the Department shall certify
16 the portion that may be certified unless the qualified
17 community development entity elects to withdraw its request
18 rather than receive partial credit.

19 (f) Within 30 days after receiving notice of certification,
20 the qualified community development entity shall issue the
21 qualified equity investment and receive cash in the amount of
22 the certified amount. The qualified community development
23 entity must provide the Department with evidence of the receipt
24 of the cash investment within 10 business days after receipt.
25 If the qualified community development entity does not receive
26 the cash investment and issue the qualified equity investment

1 within 30 days following receipt of the certification notice,
2 the certification shall lapse and the entity may not issue the
3 qualified equity investment without reapplying to the
4 Department for certification. A certification that lapses
5 reverts back to the Department and may be reissued only in
6 accordance with the application process outline in this Section
7 25.

8 (Source: P.A. 95-1024, eff. 12-31-08.)

9 Section 64. The Illinois State Auditing Act is amended by
10 changing Section 3-1 as follows:

11 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

12 Sec. 3-1. Jurisdiction of Auditor General. The Auditor
13 General has jurisdiction over all State agencies to make post
14 audits and investigations authorized by or under this Act or
15 the Constitution.

16 The Auditor General has jurisdiction over local government
17 agencies and private agencies only:

18 (a) to make such post audits authorized by or under
19 this Act as are necessary and incidental to a post audit of
20 a State agency or of a program administered by a State
21 agency involving public funds of the State, but this
22 jurisdiction does not include any authority to review local
23 governmental agencies in the obligation, receipt,
24 expenditure or use of public funds of the State that are

1 granted without limitation or condition imposed by law,
2 other than the general limitation that such funds be used
3 for public purposes;

4 (b) to make investigations authorized by or under this
5 Act or the Constitution; and

6 (c) to make audits of the records of local government
7 agencies to verify actual costs of state-mandated programs
8 when directed to do so by the Legislative Audit Commission
9 at the request of the State Board of Appeals under the
10 State Mandates Act.

11 In addition to the foregoing, the Auditor General may
12 conduct an audit of the Metropolitan Pier and Exposition
13 Authority, the Regional Transportation Authority, the Suburban
14 Bus Division, the Commuter Rail Division and the Chicago
15 Transit Authority and any other subsidized carrier when
16 authorized by the Legislative Audit Commission. Such audit may
17 be a financial, management or program audit, or any combination
18 thereof.

19 The audit shall determine whether they are operating in
20 accordance with all applicable laws and regulations. Subject to
21 the limitations of this Act, the Legislative Audit Commission
22 may by resolution specify additional determinations to be
23 included in the scope of the audit.

24 In addition to the foregoing, the Auditor General must also
25 conduct a financial audit of the Illinois Sports Facilities
26 Authority's expenditures of public funds in connection with the

1 reconstruction, renovation, remodeling, extension, or
2 improvement of all or substantially all of any existing
3 "facility", as that term is defined in the Illinois Sports
4 Facilities Authority Act.

5 The Auditor General may also conduct an audit, when
6 authorized by the Legislative Audit Commission, of any hospital
7 which receives 10% or more of its gross revenues from payments
8 from the State of Illinois, Department of Healthcare and Family
9 Services (formerly Department of Public Aid), Medical
10 Assistance Program.

11 The Auditor General is authorized to conduct financial and
12 compliance audits of the Illinois Distance Learning Foundation
13 and the Illinois Conservation Foundation.

14 As soon as practical after the effective date of this
15 amendatory Act of 1995, the Auditor General shall conduct a
16 compliance and management audit of the City of Chicago and any
17 other entity with regard to the operation of Chicago O'Hare
18 International Airport, Chicago Midway Airport and Merrill C.
19 Meigs Field. The audit shall include, but not be limited to, an
20 examination of revenues, expenses, and transfers of funds;
21 purchasing and contracting policies and practices; staffing
22 levels; and hiring practices and procedures. When completed,
23 the audit required by this paragraph shall be distributed in
24 accordance with Section 3-14.

25 The Auditor General shall conduct a financial and
26 compliance and program audit of distributions from the

1 Municipal Economic Development Fund during the immediately
2 preceding calendar year pursuant to Section 8-403.1 of the
3 Public Utilities Act at no cost to the city, village, or
4 incorporated town that received the distributions.

5 The Auditor General must conduct an audit of the Health
6 Facilities and Services Review Board pursuant to Section 19.5
7 of the Illinois Health Facilities Planning Act.

8 The Auditor General of the State of Illinois shall annually
9 conduct or cause to be conducted a financial and compliance
10 audit of the books and records of any county water commission
11 organized pursuant to the Water Commission Act of 1985 and
12 shall file a copy of the report of that audit with the Governor
13 and the Legislative Audit Commission. The filed audit shall be
14 open to the public for inspection. The cost of the audit shall
15 be charged to the county water commission in accordance with
16 Section 6z-27 of the State Finance Act. The county water
17 commission shall make available to the Auditor General its
18 books and records and any other documentation, whether in the
19 possession of its trustees or other parties, necessary to
20 conduct the audit required. These audit requirements apply only
21 through July 1, 2007.

22 The Auditor General must conduct audits of the Rend Lake
23 Conservancy District as provided in Section 25.5 of the River
24 Conservancy Districts Act.

25 The Auditor General must conduct financial audits of the
26 Southeastern Illinois Economic Development Authority as

1 provided in Section 70 of the Southeastern Illinois Economic
2 Development Authority Act.

3 The Auditor General shall conduct a compliance audit in
4 accordance with subsections (d) and (f) of Section 30 of the
5 Innovation Development and Economy Act.

6 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09.)

7 Section 65. The State Finance Act is amended by changing
8 Sections 6z-18 and 6z-20 and by adding Sections 5.756 and 5.758
9 as follows:

10 (30 ILCS 105/5.756 new)

11 Sec. 5.756. The STAR Bonds Revenue Fund.

12 (30 ILCS 105/5.758 new)

13 Sec. 5.758. STAR Bonds School Improvement and Operations
14 Trust Fund.

15 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

16 Sec. 6z-18. A portion of the money paid into the Local
17 Government Tax Fund from sales of food for human consumption
18 which is to be consumed off the premises where it is sold
19 (other than alcoholic beverages, soft drinks and food which has
20 been prepared for immediate consumption) and prescription and
21 nonprescription medicines, drugs, medical appliances and
22 insulin, urine testing materials, syringes and needles used by

1 diabetics, which occurred in municipalities, shall be
2 distributed to each municipality based upon the sales which
3 occurred in that municipality. The remainder shall be
4 distributed to each county based upon the sales which occurred
5 in the unincorporated area of that county.

6 A portion of the money paid into the Local Government Tax
7 Fund from the 6.25% general use tax rate on the selling price
8 of tangible personal property which is purchased outside
9 Illinois at retail from a retailer and which is titled or
10 registered by any agency of this State's government shall be
11 distributed to municipalities as provided in this paragraph.
12 Each municipality shall receive the amount attributable to
13 sales for which Illinois addresses for titling or registration
14 purposes are given as being in such municipality. The remainder
15 of the money paid into the Local Government Tax Fund from such
16 sales shall be distributed to counties. Each county shall
17 receive the amount attributable to sales for which Illinois
18 addresses for titling or registration purposes are given as
19 being located in the unincorporated area of such county.

20 A portion of the money paid into the Local Government Tax
21 Fund from the 6.25% general rate (and, beginning July 1, 2000
22 and through December 31, 2000, the 1.25% rate on motor fuel and
23 gasohol) on sales subject to taxation under the Retailers'
24 Occupation Tax Act and the Service Occupation Tax Act, which
25 occurred in municipalities, shall be distributed to each
26 municipality, based upon the sales which occurred in that

1 municipality. The remainder shall be distributed to each
2 county, based upon the sales which occurred in the
3 unincorporated area of such county.

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

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

21 As soon as possible after the first day of each month,
22 beginning January 1, 2011, upon certification of the Department
23 of Revenue, the Comptroller shall order transferred, and the
24 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
25 local sales tax increment, as defined in the Innovation
26 Development and Economy Act, collected during the second

1 preceding calendar month for sales within a STAR bond district
2 and deposited into the Local Government Tax Fund, less 3% of
3 that amount, which shall be transferred into the Tax Compliance
4 and Administration Fund and shall be used by the Department,
5 subject to appropriation, to cover the costs of the Department
6 in administering the Innovation Development and Economy Act.

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

1 Comptroller, of the disbursement certification to the
2 municipalities and counties, provided for in this Section to be
3 given to the Comptroller by the Department, the Comptroller
4 shall cause the orders to be drawn for the respective amounts
5 in accordance with the directions contained in such
6 certification.

7 When certifying the amount of monthly disbursement to a
8 municipality or county under this Section, the Department shall
9 increase or decrease that amount by an amount necessary to
10 offset any misallocation of previous disbursements. The offset
11 amount shall be the amount erroneously disbursed within the 6
12 months preceding the time a misallocation is discovered.

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

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

1 (Source: P.A. 90-491, eff. 1-1-98; 91-51, eff. 6-30-99; 91-872,
2 eff. 7-1-00.)

3 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

4 Sec. 6z-20. Of the money received from the 6.25% general
5 rate (and, beginning July 1, 2000 and through December 31,
6 2000, the 1.25% rate on motor fuel and gasohol) on sales
7 subject to taxation under the Retailers' Occupation Tax Act and
8 Service Occupation Tax Act and paid into the County and Mass
9 Transit District Fund, distribution to the Regional
10 Transportation Authority tax fund, created pursuant to Section
11 4.03 of the Regional Transportation Authority Act, for deposit
12 therein shall be made based upon the retail sales occurring in
13 a county having more than 3,000,000 inhabitants. The remainder
14 shall be distributed to each county having 3,000,000 or fewer
15 inhabitants based upon the retail sales occurring in each such
16 county.

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

1 Of the money received from the 6.25% general use tax rate
2 on tangible personal property which is purchased outside
3 Illinois at retail from a retailer and which is titled or
4 registered by any agency of this State's government and paid
5 into the County and Mass Transit District Fund, the amount for
6 which Illinois addresses for titling or registration purposes
7 are given as being in each county having more than 3,000,000
8 inhabitants shall be distributed into the Regional
9 Transportation Authority tax fund, created pursuant to Section
10 4.03 of the Regional Transportation Authority Act. The
11 remainder of the money paid from such sales shall be
12 distributed to each county based on sales for which Illinois
13 addresses for titling or registration purposes are given as
14 being located in the county. Any money paid into the Regional
15 Transportation Authority Occupation and Use Tax Replacement
16 Fund from the County and Mass Transit District Fund prior to
17 January 14, 1991, which has not been paid to the Authority
18 prior to that date, shall be transferred to the Regional
19 Transportation Authority tax fund.

20 Whenever the Department determines that a refund of money
21 paid into the County and Mass Transit District Fund should be
22 made to a claimant instead of issuing a credit memorandum, the
23 Department shall notify the State Comptroller, who shall cause
24 the order to be drawn for the amount specified, and to the
25 person named, in such notification from the Department. Such
26 refund shall be paid by the State Treasurer out of the County

1 and Mass Transit District Fund.

2 As soon as possible after the first day of each month,
3 beginning January 1, 2011, upon certification of the Department
4 of Revenue, the Comptroller shall order transferred, and the
5 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
6 local sales tax increment, as defined in the Innovation
7 Development and Economy Act, collected during the second
8 preceding calendar month for sales within a STAR bond district
9 and deposited into the County and Mass Transit District Fund,
10 less 3% of that amount, which shall be transferred into the Tax
11 Compliance and Administration Fund and shall be used by the
12 Department, subject to appropriation, to cover the costs of the
13 Department in administering the Innovation Development and
14 Economy Act.

15 After the monthly transfer to the STAR Bonds Revenue Fund,
16 on ~~or~~ or before the 25th day of each calendar month, the
17 Department shall prepare and certify to the Comptroller the
18 disbursement of stated sums of money to the Regional
19 Transportation Authority and to named counties, the counties to
20 be those entitled to distribution, as hereinabove provided, of
21 taxes or penalties paid to the Department during the second
22 preceding calendar month. The amount to be paid to the Regional
23 Transportation Authority and each county having 3,000,000 or
24 fewer inhabitants shall be the amount (not including credit
25 memoranda) collected during the second preceding calendar
26 month by the Department and paid into the County and Mass

1 Transit District Fund, plus an amount the Department determines
2 is necessary to offset any amounts which were erroneously paid
3 to a different taxing body, and not including an amount equal
4 to the amount of refunds made during the second preceding
5 calendar month by the Department, and not including any amount
6 which the Department determines is necessary to offset any
7 amounts which were payable to a different taxing body but were
8 erroneously paid to the Regional Transportation Authority or
9 county, and not including any amounts that are transferred to
10 the STAR Bonds Revenue Fund. Within 10 days after receipt, by
11 the Comptroller, of the disbursement certification to the
12 Regional Transportation Authority and counties, provided for
13 in this Section to be given to the Comptroller by the
14 Department, the Comptroller shall cause the orders to be drawn
15 for the respective amounts in accordance with the directions
16 contained in such certification.

17 When certifying the amount of a monthly disbursement to the
18 Regional Transportation Authority or to a county under this
19 Section, the Department shall increase or decrease that amount
20 by an amount necessary to offset any misallocation of previous
21 disbursements. The offset amount shall be the amount
22 erroneously disbursed within the 6 months preceding the time a
23 misallocation is discovered.

24 The provisions directing the distributions from the
25 special fund in the State Treasury provided for in this Section
26 and from the Regional Transportation Authority tax fund created

1 by Section 4.03 of the Regional Transportation Authority Act
2 shall constitute an irrevocable and continuing appropriation
3 of all amounts as provided herein. The State Treasurer and
4 State Comptroller are hereby authorized to make distributions
5 as provided in this Section.

6 In construing any development, redevelopment, annexation,
7 preannexation or other lawful agreement in effect prior to
8 September 1, 1990, which describes or refers to receipts from a
9 county or municipal retailers' occupation tax, use tax or
10 service occupation tax which now cannot be imposed, such
11 description or reference shall be deemed to include the
12 replacement revenue for such abolished taxes, distributed from
13 the County and Mass Transit District Fund or Local Government
14 Distributive Fund, as the case may be.

15 (Source: P.A. 90-491, eff. 1-1-98; 91-872, eff. 7-1-00.)

16 Section 66. The Illinois Income Tax Act is amended by
17 adding Section 220 as follows:

18 (35 ILCS 5/220 new)

19 Sec. 220. Angel investment credit.

20 (a) As used in this Section:

21 "Applicant" means a corporation, partnership, limited
22 liability company, or a natural person that makes an investment
23 in a qualified new business venture. The term "applicant" does
24 not include a corporation, partnership, limited liability

1 company, or a natural person who has a direct or indirect
2 ownership interest of at least 51% in the profits, capital, or
3 value of the investment or a related member.

4 "Claimant" means a applicant certified by the Department
5 who files a claim for a credit under this Section.

6 "Department" means the Department of Commerce and Economic
7 Opportunity.

8 "Qualified new business venture" means a business that is
9 registered with the Department under this Section.

10 "Related member" means a person that, with respect to the
11 investment, is any one of the following:

12 (1) An individual, if the individual and the members of
13 the individual's family (as defined in Section 318 of the
14 Internal Revenue Code) own directly, indirectly,
15 beneficially, or constructively, in the aggregate, at
16 least 50% of the value of the outstanding profits, capital,
17 stock, or other ownership interest in the applicant.

18 (2) A partnership, estate, or trust and any partner or
19 beneficiary, if the partnership, estate, or trust and its
20 partners or beneficiaries own directly, indirectly,
21 beneficially, or constructively, in the aggregate, at
22 least 50% of the profits, capital, stock, or other
23 ownership interest in the applicant.

24 (3) A corporation, and any party related to the
25 corporation in a manner that would require an attribution
26 of stock from the corporation under the attribution rules

1 of Section 318 of the Internal Revenue Code, if the
2 applicant and any other related member own, in the
3 aggregate, directly, indirectly, beneficially, or
4 constructively, at least 50% of the value of the
5 corporation's outstanding stock.

6 (4) A corporation and any party related to that
7 corporation in a manner that would require an attribution
8 of stock from the corporation to the party or from the
9 party to the corporation under the attribution rules of
10 Section 318 of the Internal Revenue Code, if the
11 corporation and all such related parties own, in the
12 aggregate, at least 50% of the profits, capital, stock, or
13 other ownership interest in the applicant.

14 (5) A person to or from whom there is attribution of
15 stock ownership in accordance with Section 1563(e) of the
16 Internal Revenue Code, except that for purposes of
17 determining whether a person is a related member under this
18 paragraph, "20%" shall be substituted for "5%" whenever
19 "5%" appears in Section 1563(e) of the Internal Revenue
20 Code.

21 (b) For taxable years beginning after December 31, 2010,
22 and ending on or before December 31, 2016, subject to the
23 limitations provided in this Section, a claimant may claim, as
24 a credit against the tax imposed under subsections (a) and (b)
25 of Section 201 of this Act, an amount equal to 25% of the
26 claimant's investment made directly in a qualified new business

1 venture. The credit under this Section may not exceed the
2 taxpayer's Illinois income tax liability for the taxable year.
3 If the amount of the credit exceeds the tax liability for the
4 year, the excess may be carried forward and applied to the tax
5 liability of the 5 taxable years following the excess credit
6 year. The credit shall be applied to the earliest year for
7 which there is a tax liability. If there are credits from more
8 than one tax year that are available to offset a liability, the
9 earlier credit shall be applied first. In the case of a
10 partnership or Subchapter S Corporation, the credit is allowed
11 to the partners or shareholders in accordance with the
12 determination of income and distributive share of income under
13 Sections 702 and 704 and Subchapter S of the Internal Revenue
14 Code.

15 (c) The maximum amount of an applicant's investment that
16 may be used as the basis for a credit under this Section is
17 \$2,000,000 for each investment made directly in a qualified new
18 business venture.

19 (d) The Department shall implement a program to certify an
20 applicant for an angel investment credit. Upon satisfactory
21 review, the Department shall issue a tax credit certificate
22 stating the amount of the tax credit to which the applicant is
23 entitled. The Department shall annually certify that the
24 claimant's investment has been made and remains in the
25 qualified new business venture for no less than 3 years. If an
26 investment for which a claimant is allowed a credit under

1 subsection (b) is held by the claimant for less than 3 years,
2 or, if within that period of time the qualified new business
3 venture is moved from the State of Illinois, the claimant shall
4 pay to the Department of Revenue, in the manner prescribed by
5 the Department of Revenue, the amount of the credit that the
6 claimant received related to the investment.

7 (e) The Department shall implement a program to register
8 qualified new business ventures for purposes of this Section. A
9 business desiring registration shall submit an application to
10 the Department in each taxable year for which the business
11 desires registration. The Department may register the business
12 only if the business satisfies all of the following conditions:

13 (1) it has its headquarters in this State;

14 (2) at least 51% of the employees employed by the
15 business are employed in this State;

16 (3) it has the potential for increasing jobs in this
17 State, increasing capital investment in this State, or
18 both, and either of the following apply:

19 (A) it is principally engaged in innovation in any
20 of the following: manufacturing; biotechnology;
21 nanotechnology; communications; agricultural sciences;
22 clean energy creation or storage technology;
23 processing or assembling products, including medical
24 devices, pharmaceuticals, computer software, computer
25 hardware, semiconductors, other innovative technology
26 products, or other products that are produced using

1 manufacturing methods that are enabled by applying
2 proprietary technology; or providing services that are
3 enabled by applying proprietary technology; or

4 (B) it is undertaking pre-commercialization
5 activity related to proprietary technology that
6 includes conducting research, developing a new product
7 or business process, or developing a service that is
8 principally reliant on applying proprietary
9 technology;

10 (4) it is not principally engaged in real estate
11 development, insurance, banking, lending, lobbying,
12 political consulting, professional services provided by
13 attorneys, accountants, business consultants, physicians,
14 or health care consultants, wholesale or retail trade,
15 leisure, hospitality, transportation, or construction,
16 except construction of power production plants that derive
17 energy from a renewable energy resource, as defined in
18 Section 1 of the Illinois Power Agency Act;

19 (5) it has fewer than 100 employees;

20 (6) it has been in operation in Illinois for not more
21 than 10 consecutive years prior to the year of
22 certification; and

23 (7) it has received not more than (i) \$10,000,000 in
24 aggregate private equity investment in cash or (ii)
25 \$4,000,000 in investments that qualified for tax credits
26 under this Section.

1 (f) The Department, in consultation with the Department of
2 Revenue, shall adopt rules to administer this Section. The
3 aggregate amount of the tax credits that may be claimed under
4 this Section for investments made in qualified new business
5 ventures shall be limited at \$10,000,000 per calendar year.

6 (g) A claimant may not sell or otherwise transfer a credit
7 awarded under this Section to another person.

8 (h) On or before March 1 of each year, the Department shall
9 report to the Governor and to the General Assembly on the tax
10 credit certificates awarded under this Section for the prior
11 calendar year.

12 (1) This report must include, for each tax credit
13 certificate awarded:

14 (A) the name of the claimant and the amount of
15 credit awarded or allocated to that claimant;

16 (B) the name and address of the qualified new
17 business venture that received the investment giving
18 rise to the credit and the county in which the
19 qualified new business venture is located; and

20 (C) the date of approval by the Department of the
21 applications for the tax credit certificate.

22 (2) The report must also include:

23 (A) the total number of applicants and amount for
24 tax credit certificates awarded under this Section in
25 the prior calendar year;

26 (B) the total number of applications and amount for

1 which tax credit certificates were issued in the prior
2 calendar year; and
3 (C) the total tax credit certificates and amount
4 authorized under this Section for all calendar years.

5 Section 67. The Counties Code is amended by changing
6 Sections 5-1006, 5-1006.5, and 5-1007 as follows:

7 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

8 Sec. 5-1006. Home Rule County Retailers' Occupation Tax
9 Law. Any county that is a home rule unit may impose a tax upon
10 all persons engaged in the business of selling tangible
11 personal property, other than an item of tangible personal
12 property titled or registered with an agency of this State's
13 government, at retail in the county on the gross receipts from
14 such sales made in the course of their business. If imposed,
15 this tax shall only be imposed in 1/4% increments. On and after
16 September 1, 1991, this additional tax may not be imposed on
17 the sales of food for human consumption which is to be consumed
18 off the premises where it is sold (other than alcoholic
19 beverages, soft drinks and food which has been prepared for
20 immediate consumption) and prescription and nonprescription
21 medicines, drugs, medical appliances and insulin, urine
22 testing materials, syringes and needles used by diabetics. The
23 tax imposed by a home rule county pursuant to this Section and
24 all civil penalties that may be assessed as an incident thereof

1 shall be collected and enforced by the State Department of
2 Revenue. The certificate of registration that is issued by the
3 Department to a retailer under the Retailers' Occupation Tax
4 Act shall permit the retailer to engage in a business that is
5 taxable under any ordinance or resolution enacted pursuant to
6 this Section without registering separately with the
7 Department under such ordinance or resolution or under this
8 Section. The Department shall have full power to administer and
9 enforce this Section; to collect all taxes and penalties due
10 hereunder; to dispose of taxes and penalties so collected in
11 the manner hereinafter provided; and to determine all rights to
12 credit memoranda arising on account of the erroneous payment of
13 tax or penalty hereunder. In the administration of, and
14 compliance with, this Section, the Department and persons who
15 are subject to this Section shall have the same rights,
16 remedies, privileges, immunities, powers and duties, and be
17 subject to the same conditions, restrictions, limitations,
18 penalties and definitions of terms, and employ the same modes
19 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,
20 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all
21 provisions therein other than the State rate of tax), 4, 5, 5a,
22 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,
23 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
24 Section 3-7 of the Uniform Penalty and Interest Act, as fully
25 as if those provisions were set forth herein.

26 No tax may be imposed by a home rule county pursuant to

1 this Section unless the county also imposes a tax at the same
2 rate pursuant to Section 5-1007.

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

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

18 The Department shall forthwith pay over to the State
19 Treasurer, ex officio, as trustee, all taxes and penalties
20 collected hereunder.

21 As soon as possible after the first day of each month,
22 beginning January 1, 2011, upon certification of the Department
23 of Revenue, the Comptroller shall order transferred, and the
24 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
25 local sales tax increment, as defined in the Innovation
26 Development and Economy Act, collected under this Section

1 during the second preceding calendar month for sales within a
2 STAR bond district.

3 After the monthly transfer to the STAR Bonds Revenue Fund,
4 on ~~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 counties, the
7 counties to be those from which retailers have paid taxes or
8 penalties hereunder to the Department during the second
9 preceding calendar month. The amount to be paid to each county
10 shall be the amount (not including credit memoranda) collected
11 hereunder during the second preceding calendar month by the
12 Department plus an amount the Department determines is
13 necessary to offset any amounts that were erroneously paid to a
14 different taxing body, and not including an amount equal to the
15 amount of refunds made during the second preceding calendar
16 month by the Department on behalf of such county, and not
17 including any amount which the Department determines is
18 necessary to offset any amounts which were payable to a
19 different taxing body but were erroneously paid to the county,
20 and not including any amounts that are transferred to the STAR
21 Bonds Revenue Fund. Within 10 days after receipt, by the
22 Comptroller, of the disbursement certification to the counties
23 provided for in this Section to be given to the Comptroller by
24 the Department, the Comptroller shall cause the orders to be
25 drawn for the respective amounts in accordance with the
26 directions contained in the certification.

1 In addition to the disbursement required by the preceding
2 paragraph, an allocation shall be made in March of each year to
3 each county that received more than \$500,000 in disbursements
4 under the preceding paragraph in the preceding calendar year.
5 The allocation shall be in an amount equal to the average
6 monthly distribution made to each such county under the
7 preceding paragraph during the preceding calendar year
8 (excluding the 2 months of highest receipts). The distribution
9 made in March of each year subsequent to the year in which an
10 allocation was made pursuant to this paragraph and the
11 preceding paragraph shall be reduced by the amount allocated
12 and disbursed under this paragraph in the preceding calendar
13 year. The Department shall prepare and certify to the
14 Comptroller for disbursement the allocations made in
15 accordance with this paragraph.

16 For the purpose of determining the local governmental unit
17 whose tax is applicable, a retail sale by a producer of coal or
18 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 coal
21 or other mineral when it is delivered or shipped by the seller
22 to the purchaser at a point outside Illinois so that the sale
23 is exempt under the United States Constitution as a sale in
24 interstate or foreign commerce.

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

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

3 An ordinance or resolution imposing or discontinuing a tax
4 hereunder or effecting a change in the rate thereof shall be
5 adopted and a certified copy thereof filed with the Department
6 on or before the first day of June, whereupon the Department
7 shall proceed to administer and enforce this Section as of the
8 first day of September next following such adoption and filing.
9 Beginning January 1, 1992, an ordinance or resolution imposing
10 or discontinuing the tax hereunder or effecting a change in the
11 rate thereof shall be adopted and a certified copy thereof
12 filed with the Department on or before the first day of July,
13 whereupon the Department shall proceed to administer and
14 enforce this Section as of the first day of October next
15 following such adoption and filing. Beginning January 1, 1993,
16 an ordinance or resolution imposing or discontinuing the tax
17 hereunder or effecting a change in the rate thereof shall be
18 adopted and a certified copy thereof filed with the Department
19 on or before the first day of October, whereupon the Department
20 shall proceed to administer and enforce this Section as of the
21 first day of January next following such adoption and filing.
22 Beginning April 1, 1998, an ordinance or resolution imposing or
23 discontinuing the tax hereunder or effecting a change in the
24 rate thereof shall either (i) be adopted and a certified copy
25 thereof filed with the Department on or before the first day of
26 April, whereupon the Department shall proceed to administer and

1 enforce this Section as of the first day of July next following
2 the adoption and filing; or (ii) be adopted and a certified
3 copy thereof filed with the Department on or before the first
4 day of October, whereupon the Department shall proceed to
5 administer and enforce this Section as of the first day of
6 January next following the adoption and filing.

7 When certifying the amount of a monthly disbursement to a
8 county under this Section, the Department shall increase or
9 decrease such amount by an amount necessary to offset any
10 misallocation of previous disbursements. The offset amount
11 shall be the amount erroneously disbursed within the previous 6
12 months from the time a misallocation is discovered.

13 This Section shall be known and may be cited as the Home
14 Rule County Retailers' Occupation Tax Law.

15 (Source: P.A. 90-689, eff. 7-31-98; 91-51, eff. 6-30-99.)

16 (55 ILCS 5/5-1006.5)

17 (Text of Section before amendment by P.A. 96-845)

18 Sec. 5-1006.5. Special County Retailers' Occupation Tax
19 For Public Safety, Public Facilities, or Transportation.

20 (a) The county board of any county may impose a tax upon
21 all persons engaged in the business of selling tangible
22 personal property, other than personal property titled or
23 registered with an agency of this State's government, at retail
24 in the county on the gross receipts from the sales made in the
25 course of business to provide revenue to be used exclusively

1 for public safety, public facility, or transportation purposes
2 in that county, if a proposition for the tax has been submitted
3 to the electors of that county and approved by a majority of
4 those voting on the question. If imposed, this tax shall be
5 imposed only in one-quarter percent increments. By resolution,
6 the county board may order the proposition to be submitted at
7 any election. If the tax is imposed for transportation purposes
8 for expenditures for public highways or as authorized under the
9 Illinois Highway Code, the county board must publish notice of
10 the existence of its long-range highway transportation plan as
11 required or described in Section 5-301 of the Illinois Highway
12 Code and must make the plan publicly available prior to
13 approval of the ordinance or resolution imposing the tax. If
14 the tax is imposed for transportation purposes for expenditures
15 for passenger rail transportation, the county board must
16 publish notice of the existence of its long-range passenger
17 rail transportation plan and must make the plan publicly
18 available prior to approval of the ordinance or resolution
19 imposing the tax.

20 If a tax is imposed for public facilities purposes, then
21 the name of the project may be included in the proposition at
22 the discretion of the county board as determined in the
23 enabling resolution. For example, the "XXX Nursing Home" or the
24 "YYY Museum".

25 The county clerk shall certify the question to the proper
26 election authority, who shall submit the proposition at an

1 election in accordance with the general election law.

2 (1) The proposition for public safety purposes shall be
3 in substantially the following form:

4 "To pay for public safety purposes, shall (name of
5 county) be authorized to impose an increase on its share of
6 local sales taxes by (insert rate)?"

7 As additional information on the ballot below the
8 question shall appear the following:

9 "This would mean that a consumer would pay an
10 additional (insert amount) in sales tax for every \$100 of
11 tangible personal property bought at retail."

12 The county board may also opt to establish a sunset
13 provision at which time the additional sales tax would
14 cease being collected, if not terminated earlier by a vote
15 of the county board. If the county board votes to include a
16 sunset provision, the proposition for public safety
17 purposes shall be in substantially the following form:

18 "To pay for public safety purposes, shall (name of
19 county) be authorized to impose an increase on its share of
20 local sales taxes by (insert rate) for a period not to
21 exceed (insert number of years)?"

22 As additional information on the ballot below the
23 question shall appear the following:

24 "This would mean that a consumer would pay an
25 additional (insert amount) in sales tax for every \$100 of
26 tangible personal property bought at retail. If imposed,

1 the additional tax would cease being collected at the end
2 of (insert number of years), if not terminated earlier by a
3 vote of the county board."

4 For the purposes of the paragraph, "public safety
5 purposes" means crime prevention, detention, fire
6 fighting, police, medical, ambulance, or other emergency
7 services.

8 Votes shall be recorded as "Yes" or "No".

9 (2) The proposition for transportation purposes shall
10 be in substantially the following form:

11 "To pay for improvements to roads and other
12 transportation purposes, shall (name of county) be
13 authorized to impose an increase on its share of local
14 sales taxes by (insert rate)?"

15 As additional information on the ballot below the
16 question shall appear the following:

17 "This would mean that a consumer would pay an
18 additional (insert amount) in sales tax for every \$100 of
19 tangible personal property bought at retail."

20 The county board may also opt to establish a sunset
21 provision at which time the additional sales tax would
22 cease being collected, if not terminated earlier by a vote
23 of the county board. If the county board votes to include a
24 sunset provision, the proposition for transportation
25 purposes shall be in substantially the following form:

26 "To pay for road improvements and other transportation

1 purposes, shall (name of county) be authorized to impose an
2 increase on its share of local sales taxes by (insert rate)
3 for a period not to exceed (insert number of years)?"

4 As additional information on the ballot below the
5 question shall appear the following:

6 "This would mean that a consumer would pay an
7 additional (insert amount) in sales tax for every \$100 of
8 tangible personal property bought at retail. If imposed,
9 the additional tax would cease being collected at the end
10 of (insert number of years), if not terminated earlier by a
11 vote of the county board."

12 For the purposes of this paragraph, transportation
13 purposes means construction, maintenance, operation, and
14 improvement of public highways, any other purpose for which
15 a county may expend funds under the Illinois Highway Code,
16 and passenger rail transportation.

17 The votes shall be recorded as "Yes" or "No".

18 (3) The proposition for public facilities purposes
19 shall be in substantially the following form:

20 "To pay for public facilities purposes, shall (name of
21 county) be authorized to impose an increase on its share of
22 local sales taxes by (insert rate)?"

23 As additional information on the ballot below the
24 question shall appear the following:

25 "This would mean that a consumer would pay an
26 additional (insert amount) in sales tax for every \$100 of

1 tangible personal property bought at retail."

2 The county board may also opt to establish a sunset
3 provision at which time the additional sales tax would
4 cease being collected, if not terminated earlier by a vote
5 of the county board. If the county board votes to include a
6 sunset provision, the proposition for public facilities
7 purposes shall be in substantially the following form:

8 "To pay for public facilities purposes, shall (name of
9 county) be authorized to impose an increase on its share of
10 local sales taxes by (insert rate) for a period not to
11 exceed (insert number of years)?"

12 As additional information on the ballot below the
13 question shall appear the following:

14 "This would mean that a consumer would pay an
15 additional (insert amount) in sales tax for every \$100 of
16 tangible personal property bought at retail. If imposed,
17 the additional tax would cease being collected at the end
18 of (insert number of years), if not terminated earlier by a
19 vote of the county board."

20 For purposes of this Section, "public facilities
21 purposes" means the acquisition, development,
22 construction, reconstruction, rehabilitation, improvement,
23 financing, architectural planning, and installation of
24 capital facilities consisting of buildings, structures,
25 and durable equipment and for the acquisition and
26 improvement of real property and interest in real property

1 required, or expected to be required, in connection with
2 the public facilities, for use by the county for the
3 furnishing of governmental services to its citizens,
4 including but not limited to museums and nursing homes.

5 The votes shall be recorded as "Yes" or "No".

6 If a majority of the electors voting on the proposition
7 vote in favor of it, the county may impose the tax. A county
8 may not submit more than one proposition authorized by this
9 Section to the electors at any one time.

10 This additional tax may not be imposed on the sales of food
11 for human consumption that is to be consumed off the premises
12 where it is sold (other than alcoholic beverages, soft drinks,
13 and food which has been prepared for immediate consumption) and
14 prescription and non-prescription medicines, drugs, medical
15 appliances and insulin, urine testing materials, syringes, and
16 needles used by diabetics. The tax imposed by a county under
17 this Section and all civil penalties that may be assessed as an
18 incident of the tax shall be collected and enforced by the
19 Illinois Department of Revenue and deposited into a special
20 fund created for that purpose. The certificate of registration
21 that is issued by the Department to a retailer under the
22 Retailers' Occupation Tax Act shall permit the retailer to
23 engage in a business that is taxable without registering
24 separately with the Department under an ordinance or resolution
25 under this Section. The Department has full power to administer
26 and enforce this Section, to collect all taxes and penalties

1 due under this Section, to dispose of taxes and penalties so
2 collected in the manner provided in this Section, and to
3 determine all rights to credit memoranda arising on account of
4 the erroneous payment of a tax or penalty under this Section.
5 In the administration of and compliance with this Section, the
6 Department and persons who are subject to this Section shall
7 (i) have the same rights, remedies, privileges, immunities,
8 powers, and duties, (ii) be subject to the same conditions,
9 restrictions, limitations, penalties, and definitions of
10 terms, and (iii) employ the same modes of procedure as are
11 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
12 1n, 2 through 2-70 (in respect to all provisions contained in
13 those Sections other than the State rate of tax), 2a, 2b, 2c, 3
14 (except provisions relating to transaction returns and quarter
15 monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,
16 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of
17 the Retailers' Occupation Tax Act and Section 3-7 of the
18 Uniform Penalty and Interest Act as if those provisions were
19 set forth in this Section.

20 Persons subject to any tax imposed under the authority
21 granted in this Section may reimburse themselves for their
22 sellers' tax liability by separately stating the tax as an
23 additional charge, which charge may be stated in combination,
24 in a single amount, with State tax which sellers are required
25 to collect under the Use Tax Act, pursuant to such bracketed
26 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 County Public Safety or Transportation
8 Retailers' Occupation Tax Fund.

9 (b) If a tax has been imposed under subsection (a), a
10 service occupation tax shall also be imposed at the same rate
11 upon all persons engaged, in the county, in the business of
12 making sales of service, who, as an incident to making those
13 sales of service, transfer tangible personal property within
14 the county as an incident to a sale of service. This tax may
15 not be imposed on sales of food for human consumption that is
16 to be consumed off the premises where it is sold (other than
17 alcoholic beverages, soft drinks, and food prepared for
18 immediate consumption) and prescription and non-prescription
19 medicines, drugs, medical appliances and insulin, urine
20 testing materials, syringes, and needles used by diabetics. The
21 tax imposed under this subsection and all civil penalties that
22 may be assessed as an incident thereof shall be collected and
23 enforced by the Department of Revenue. The Department has full
24 power to administer and enforce this subsection; to collect all
25 taxes and penalties due hereunder; to dispose of taxes and
26 penalties so collected in the manner hereinafter provided; and

1 to determine all rights to credit memoranda arising on account
2 of the erroneous payment of tax or penalty hereunder. In the
3 administration of, and compliance with this subsection, the
4 Department and persons who are subject to this paragraph shall
5 (i) have the same rights, remedies, privileges, immunities,
6 powers, and duties, (ii) be subject to the same conditions,
7 restrictions, limitations, penalties, exclusions, exemptions,
8 and definitions of terms, and (iii) employ the same modes of
9 procedure as are prescribed in Sections 2 (except that the
10 reference to State in the definition of supplier maintaining a
11 place of business in this State shall mean the county), 2a, 2b,
12 2c, 3 through 3-50 (in respect to all provisions therein other
13 than the State rate of tax), 4 (except that the reference to
14 the State shall be to the county), 5, 7, 8 (except that the
15 jurisdiction to which the tax shall be a debt to the extent
16 indicated in that Section 8 shall be the county), 9 (except as
17 to the disposition of taxes and penalties collected), 10, 11,
18 12 (except the reference therein to Section 2b of the
19 Retailers' Occupation Tax Act), 13 (except that any reference
20 to the State shall mean the county), Section 15, 16, 17, 18, 19
21 and 20 of the Service Occupation Tax Act and Section 3-7 of the
22 Uniform Penalty and Interest Act, as fully as if those
23 provisions were set forth herein.

24 Persons subject to any tax imposed under the authority
25 granted in this subsection may reimburse themselves for their
26 serviceman's tax liability by separately stating the tax as an

1 additional charge, which charge may be stated in combination,
2 in a single amount, with State tax that servicemen are
3 authorized to collect under the Service Use Tax Act, in
4 accordance with such bracket schedules as the Department may
5 prescribe.

6 Whenever the Department determines that a refund should be
7 made under this subsection to a claimant instead of issuing a
8 credit memorandum, the Department shall notify the State
9 Comptroller, who shall cause the warrant 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 the County Public Safety or Transportation
13 Retailers' Occupation Fund.

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

18 (c) The Department shall immediately pay over to the State
19 Treasurer, ex officio, as trustee, all taxes and penalties
20 collected under this Section to be deposited into the County
21 Public Safety or Transportation Retailers' Occupation Tax
22 Fund, which shall be an unappropriated trust fund held outside
23 of the State treasury.

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

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

6 After the monthly transfer to the STAR Bonds Revenue Fund,
7 on or ~~on~~ or before the 25th day of each calendar month, the
8 Department shall prepare and certify to the Comptroller the
9 disbursement of stated sums of money to the counties from which
10 retailers have paid taxes or penalties to the Department during
11 the second preceding calendar month. The amount to be paid to
12 each county, and deposited by the county into its special fund
13 created for the purposes of this Section, shall be the amount
14 (not including credit memoranda) collected under this Section
15 during the second preceding calendar month by the Department
16 plus an amount the Department determines is necessary to offset
17 any amounts that were erroneously paid to a different taxing
18 body, and not including (i) an amount equal to the amount of
19 refunds made during the second preceding calendar month by the
20 Department on behalf of the county, ~~and~~ (ii) any amount that
21 the Department determines is necessary to offset any amounts
22 that were payable to a different taxing body but were
23 erroneously paid to the county, and (iii) any amounts that are
24 transferred to the STAR Bonds Revenue Fund. Within 10 days
25 after receipt by the Comptroller of the disbursement
26 certification to the counties provided for in this Section to

1 be given to the Comptroller by the Department, the Comptroller
2 shall cause the orders to be drawn for the respective amounts
3 in accordance with directions contained in the certification.

4 In addition to the disbursement required by the preceding
5 paragraph, an allocation shall be made in March of each year to
6 each county that received more than \$500,000 in disbursements
7 under the preceding paragraph in the preceding calendar year.
8 The allocation shall be in an amount equal to the average
9 monthly distribution made to each such county under the
10 preceding paragraph during the preceding calendar year
11 (excluding the 2 months of highest receipts). The distribution
12 made in March of each year subsequent to the year in which an
13 allocation was made pursuant to this paragraph and the
14 preceding paragraph shall be reduced by the amount allocated
15 and disbursed under this paragraph in the preceding calendar
16 year. The Department shall prepare and certify to the
17 Comptroller for disbursement the allocations made in
18 accordance with this paragraph.

19 (d) For the purpose of determining the local governmental
20 unit whose tax is applicable, a retail sale by a producer of
21 coal or another mineral mined in Illinois is a sale at retail
22 at the place where the coal or other mineral mined in Illinois
23 is extracted from the earth. This paragraph does not apply to
24 coal or another mineral when it is delivered or shipped by the
25 seller to the purchaser at a point outside Illinois so that the
26 sale is exempt under the United States Constitution as a sale

1 in interstate or foreign commerce.

2 (e) Nothing in this Section shall be construed to authorize
3 a county to impose a tax upon the privilege of engaging in any
4 business that under the Constitution of the United States may
5 not be made the subject of taxation by this State.

6 (e-5) If a county imposes a tax under this Section, the
7 county board may, by ordinance, discontinue or lower the rate
8 of the tax. If the county board lowers the tax rate or
9 discontinues the tax, a referendum must be held in accordance
10 with subsection (a) of this Section in order to increase the
11 rate of the tax or to reimpose the discontinued tax.

12 (f) Beginning April 1, 1998, the results of any election
13 authorizing a proposition to impose a tax under this Section or
14 effecting a change in the rate of tax, or any ordinance
15 lowering the rate or discontinuing the tax, shall be certified
16 by the county clerk and filed with the Illinois Department of
17 Revenue either (i) on or before the first day of April,
18 whereupon the Department shall proceed to administer and
19 enforce the tax as of the first day of July next following the
20 filing; or (ii) on or before the first day of October,
21 whereupon the Department shall proceed to administer and
22 enforce the tax as of the first day of January next following
23 the filing.

24 (g) When certifying the amount of a monthly disbursement to
25 a county under this Section, the Department shall increase or
26 decrease the amounts by an amount necessary to offset any

1 miscalculation of previous disbursements. The offset amount
2 shall be the amount erroneously disbursed within the previous 6
3 months from the time a miscalculation is discovered.

4 (h) This Section may be cited as the "Special County
5 Occupation Tax For Public Safety, Public Facilities, or
6 Transportation Law".

7 (i) For purposes of this Section, "public safety" includes,
8 but is not limited to, crime prevention, detention, fire
9 fighting, police, medical, ambulance, or other emergency
10 services. The county may share tax proceeds received under this
11 Section for public safety purposes, including proceeds
12 received before August 4, 2009 (the effective date of Public
13 Act 96-124) ~~this amendatory Act of the 96th General Assembly,~~
14 with any fire protection district located in the county. For
15 the purposes of this Section, "transportation" includes, but is
16 not limited to, the construction, maintenance, operation, and
17 improvement of public highways, any other purpose for which a
18 county may expend funds under the Illinois Highway Code, and
19 passenger rail transportation. For the purposes of this
20 Section, "public facilities purposes" includes, but is not
21 limited to, the acquisition, development, construction,
22 reconstruction, rehabilitation, improvement, financing,
23 architectural planning, and installation of capital facilities
24 consisting of buildings, structures, and durable equipment and
25 for the acquisition and improvement of real property and
26 interest in real property required, or expected to be required,

1 in connection with the public facilities, for use by the county
2 for the furnishing of governmental services to its citizens,
3 including but not limited to museums and nursing homes.

4 (j) The Department may promulgate rules to implement Public
5 Act 95-1002 ~~this amendatory Act of the 95th General Assembly~~
6 only to the extent necessary to apply the existing rules for
7 the Special County Retailers' Occupation Tax for Public Safety
8 to this new purpose for public facilities.

9 (Source: P.A. 95-474, eff. 1-1-08; 95-1002, eff. 11-20-08;
10 96-124, eff. 8-4-09; 96-622, eff. 8-24-09; revised 11-3-09.)

11 (Text of Section after amendment by P.A. 96-845)

12 Sec. 5-1006.5. Special County Retailers' Occupation Tax
13 For Public Safety, Public Facilities, or Transportation.

14 (a) The county board of any county may impose a tax upon
15 all persons engaged in the business of selling tangible
16 personal property, other than personal property titled or
17 registered with an agency of this State's government, at retail
18 in the county on the gross receipts from the sales made in the
19 course of business to provide revenue to be used exclusively
20 for public safety, public facility, or transportation purposes
21 in that county, if a proposition for the tax has been submitted
22 to the electors of that county and approved by a majority of
23 those voting on the question. If imposed, this tax shall be
24 imposed only in one-quarter percent increments. By resolution,
25 the county board may order the proposition to be submitted at

1 any election. If the tax is imposed for transportation purposes
2 for expenditures for public highways or as authorized under the
3 Illinois Highway Code, the county board must publish notice of
4 the existence of its long-range highway transportation plan as
5 required or described in Section 5-301 of the Illinois Highway
6 Code and must make the plan publicly available prior to
7 approval of the ordinance or resolution imposing the tax. If
8 the tax is imposed for transportation purposes for expenditures
9 for passenger rail transportation, the county board must
10 publish notice of the existence of its long-range passenger
11 rail transportation plan and must make the plan publicly
12 available prior to approval of the ordinance or resolution
13 imposing the tax.

14 If a tax is imposed for public facilities purposes, then
15 the name of the project may be included in the proposition at
16 the discretion of the county board as determined in the
17 enabling resolution. For example, the "XXX Nursing Home" or the
18 "YYY Museum".

19 The county clerk shall certify the question to the proper
20 election authority, who shall submit the proposition at an
21 election in accordance with the general election law.

22 (1) The proposition for public safety purposes shall be
23 in substantially the following form:

24 "To pay for public safety purposes, shall (name of
25 county) be authorized to impose an increase on its share of
26 local sales taxes by (insert rate)?"

1 As additional information on the ballot below the
2 question shall appear the following:

3 "This would mean that a consumer would pay an
4 additional (insert amount) in sales tax for every \$100 of
5 tangible personal property bought at retail."

6 The county board may also opt to establish a sunset
7 provision at which time the additional sales tax would
8 cease being collected, if not terminated earlier by a vote
9 of the county board. If the county board votes to include a
10 sunset provision, the proposition for public safety
11 purposes shall be in substantially the following form:

12 "To pay for public safety purposes, shall (name of
13 county) be authorized to impose an increase on its share of
14 local sales taxes by (insert rate) for a period not to
15 exceed (insert number of years)?"

16 As additional information on the ballot below the
17 question shall appear the following:

18 "This would mean that a consumer would pay an
19 additional (insert amount) in sales tax for every \$100 of
20 tangible personal property bought at retail. If imposed,
21 the additional tax would cease being collected at the end
22 of (insert number of years), if not terminated earlier by a
23 vote of the county board."

24 For the purposes of the paragraph, "public safety
25 purposes" means crime prevention, detention, fire
26 fighting, police, medical, ambulance, or other emergency

1 services.

2 Votes shall be recorded as "Yes" or "No".

3 (2) The proposition for transportation purposes shall
4 be in substantially the following form:

5 "To pay for improvements to roads and other
6 transportation purposes, shall (name of county) be
7 authorized to impose an increase on its share of local
8 sales taxes by (insert rate)?"

9 As additional information on the ballot below the
10 question shall appear the following:

11 "This would mean that a consumer would pay an
12 additional (insert amount) in sales tax for every \$100 of
13 tangible personal property bought at retail."

14 The county board may also opt to establish a sunset
15 provision at which time the additional sales tax would
16 cease being collected, if not terminated earlier by a vote
17 of the county board. If the county board votes to include a
18 sunset provision, the proposition for transportation
19 purposes shall be in substantially the following form:

20 "To pay for road improvements and other transportation
21 purposes, shall (name of county) be authorized to impose an
22 increase on its share of local sales taxes by (insert rate)
23 for a period not to exceed (insert number of years)?"

24 As additional information on the ballot below the
25 question shall appear the following:

26 "This would mean that a consumer would pay an

1 additional (insert amount) in sales tax for every \$100 of
2 tangible personal property bought at retail. If imposed,
3 the additional tax would cease being collected at the end
4 of (insert number of years), if not terminated earlier by a
5 vote of the county board."

6 For the purposes of this paragraph, transportation
7 purposes means construction, maintenance, operation, and
8 improvement of public highways, any other purpose for which
9 a county may expend funds under the Illinois Highway Code,
10 and passenger rail transportation.

11 The votes shall be recorded as "Yes" or "No".

12 (3) The proposition for public facilities purposes
13 shall be in substantially the following form:

14 "To pay for public facilities purposes, shall (name of
15 county) be authorized to impose an increase on its share of
16 local sales taxes by (insert rate)?"

17 As additional information on the ballot below the
18 question shall appear the following:

19 "This would mean that a consumer would pay an
20 additional (insert amount) in sales tax for every \$100 of
21 tangible personal property bought at retail."

22 The county board may also opt to establish a sunset
23 provision at which time the additional sales tax would
24 cease being collected, if not terminated earlier by a vote
25 of the county board. If the county board votes to include a
26 sunset provision, the proposition for public facilities

1 purposes shall be in substantially the following form:

2 "To pay for public facilities purposes, shall (name of
3 county) be authorized to impose an increase on its share of
4 local sales taxes by (insert rate) for a period not to
5 exceed (insert number of years)?"

6 As additional information on the ballot below the
7 question shall appear the following:

8 "This would mean that a consumer would pay an
9 additional (insert amount) in sales tax for every \$100 of
10 tangible personal property bought at retail. If imposed,
11 the additional tax would cease being collected at the end
12 of (insert number of years), if not terminated earlier by a
13 vote of the county board."

14 For purposes of this Section, "public facilities
15 purposes" means the acquisition, development,
16 construction, reconstruction, rehabilitation, improvement,
17 financing, architectural planning, and installation of
18 capital facilities consisting of buildings, structures,
19 and durable equipment and for the acquisition and
20 improvement of real property and interest in real property
21 required, or expected to be required, in connection with
22 the public facilities, for use by the county for the
23 furnishing of governmental services to its citizens,
24 including but not limited to museums and nursing homes.

25 The votes shall be recorded as "Yes" or "No".

26 If a majority of the electors voting on the proposition

1 vote in favor of it, the county may impose the tax. A county
2 may not submit more than one proposition authorized by this
3 Section to the electors at any one time.

4 This additional tax may not be imposed on the sales of food
5 for human consumption that is to be consumed off the premises
6 where it is sold (other than alcoholic beverages, soft drinks,
7 and food which has been prepared for immediate consumption) and
8 prescription and non-prescription medicines, drugs, medical
9 appliances and insulin, urine testing materials, syringes, and
10 needles used by diabetics. The tax imposed by a county under
11 this Section and all civil penalties that may be assessed as an
12 incident of the tax shall be collected and enforced by the
13 Illinois Department of Revenue and deposited into a special
14 fund created for that purpose. The certificate of registration
15 that is issued by the Department to a retailer under the
16 Retailers' Occupation Tax Act shall permit the retailer to
17 engage in a business that is taxable without registering
18 separately with the Department under an ordinance or resolution
19 under this Section. The Department has full power to administer
20 and enforce this Section, to collect all taxes and penalties
21 due under this Section, to dispose of taxes and penalties so
22 collected in the manner provided in this Section, and to
23 determine all rights to credit memoranda arising on account of
24 the erroneous payment of a tax or penalty under this Section.
25 In the administration of and compliance with this Section, the
26 Department and persons who are subject to this Section shall

1 (i) have the same rights, remedies, privileges, immunities,
2 powers, and duties, (ii) be subject to the same conditions,
3 restrictions, limitations, penalties, and definitions of
4 terms, and (iii) employ the same modes of procedure as are
5 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
6 1n, 2 through 2-70 (in respect to all provisions contained in
7 those Sections other than the State rate of tax), 2a, 2b, 2c, 3
8 (except provisions relating to transaction returns and quarter
9 monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,
10 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of
11 the Retailers' Occupation Tax Act and Section 3-7 of the
12 Uniform Penalty and Interest Act as if those provisions were
13 set forth in this Section.

14 Persons subject to any tax imposed under the authority
15 granted in this Section may reimburse themselves for their
16 sellers' tax liability by separately stating the tax as an
17 additional charge, which charge may be stated in combination,
18 in a single amount, with State tax which sellers are required
19 to collect under the Use Tax Act, pursuant to such bracketed
20 schedules as the Department may prescribe.

21 Whenever the Department determines that a refund should be
22 made under this Section to a claimant instead of issuing a
23 credit memorandum, the Department shall notify the State
24 Comptroller, who shall cause the order 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 the County Public Safety or Transportation
2 Retailers' Occupation Tax Fund.

3 (b) If a tax has been imposed under subsection (a), a
4 service occupation tax shall also be imposed at the same rate
5 upon all persons engaged, in the county, in the business of
6 making sales of service, who, as an incident to making those
7 sales of service, transfer tangible personal property within
8 the county as an incident to a sale of service. This tax may
9 not be imposed on sales of food for human consumption that is
10 to be consumed off the premises where it is sold (other than
11 alcoholic beverages, soft drinks, and food prepared for
12 immediate consumption) and prescription and non-prescription
13 medicines, drugs, medical appliances and insulin, urine
14 testing materials, syringes, and needles used by diabetics. The
15 tax imposed under this subsection and all civil penalties that
16 may be assessed as an incident thereof shall be collected and
17 enforced by the Department of Revenue. The Department has full
18 power to administer and enforce this subsection; to collect all
19 taxes and penalties due hereunder; to dispose of taxes and
20 penalties so collected in the manner hereinafter provided; and
21 to determine all rights to credit memoranda arising on account
22 of the erroneous payment of tax or penalty hereunder. In the
23 administration of, and compliance with this subsection, the
24 Department and persons who are subject to this paragraph shall
25 (i) have the same rights, remedies, privileges, immunities,
26 powers, and duties, (ii) be subject to the same conditions,

1 restrictions, limitations, penalties, exclusions, exemptions,
2 and definitions of terms, and (iii) employ the same modes of
3 procedure as are prescribed in Sections 2 (except that the
4 reference to State in the definition of supplier maintaining a
5 place of business in this State shall mean the county), 2a, 2b,
6 2c, 3 through 3-50 (in respect to all provisions therein other
7 than the State rate of tax), 4 (except that the reference to
8 the State shall be to the county), 5, 7, 8 (except that the
9 jurisdiction to which the tax shall be a debt to the extent
10 indicated in that Section 8 shall be the county), 9 (except as
11 to the disposition of taxes and penalties collected), 10, 11,
12 12 (except the reference therein to Section 2b of the
13 Retailers' Occupation Tax Act), 13 (except that any reference
14 to the State shall mean the county), Section 15, 16, 17, 18, 19
15 and 20 of the Service Occupation Tax Act and Section 3-7 of the
16 Uniform Penalty and Interest Act, as fully as if those
17 provisions were set forth herein.

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

26 Whenever the Department determines that a refund should be

1 made under this subsection to a claimant instead of issuing a
2 credit memorandum, the Department shall notify the State
3 Comptroller, who shall cause the warrant to be drawn for the
4 amount specified, and to the person named, in the notification
5 from the Department. The refund shall be paid by the State
6 Treasurer out of the County Public Safety or Transportation
7 Retailers' Occupation Fund.

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

12 (c) The Department shall immediately pay over to the State
13 Treasurer, ex officio, as trustee, all taxes and penalties
14 collected under this Section to be deposited into the County
15 Public Safety or Transportation Retailers' Occupation Tax
16 Fund, which shall be an unappropriated trust fund held outside
17 of the State treasury.

18 As soon as possible after the first day of each month,
19 beginning January 1, 2011, upon certification of the Department
20 of Revenue, the Comptroller shall order transferred, and the
21 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
22 local sales tax increment, as defined in the Innovation
23 Development and Economy Act, collected under this Section
24 during the second preceding calendar month for sales within a
25 STAR bond district.

26 After the monthly transfer to the STAR Bonds Revenue Fund,

1 on ~~or~~ or before the 25th day of each calendar month, the
2 Department shall prepare and certify to the Comptroller the
3 disbursement of stated sums of money to the counties from which
4 retailers have paid taxes or penalties to the Department during
5 the second preceding calendar month. The amount to be paid to
6 each county, and deposited by the county into its special fund
7 created for the purposes of this Section, shall be the amount
8 (not including credit memoranda) collected under this Section
9 during the second preceding calendar month by the Department
10 plus an amount the Department determines is necessary to offset
11 any amounts that were erroneously paid to a different taxing
12 body, and not including (i) an amount equal to the amount of
13 refunds made during the second preceding calendar month by the
14 Department on behalf of the county, ~~and~~ (ii) any amount that
15 the Department determines is necessary to offset any amounts
16 that were payable to a different taxing body but were
17 erroneously paid to the county, and (iii) any amounts that are
18 transferred to the STAR Bonds Revenue Fund. Within 10 days
19 after receipt by the Comptroller of the disbursement
20 certification to the counties provided for in this Section to
21 be given to the Comptroller by the Department, the Comptroller
22 shall cause the orders to be drawn for the respective amounts
23 in accordance with directions contained in the certification.

24 In addition to the disbursement required by the preceding
25 paragraph, an allocation shall be made in March of each year to
26 each county that received more than \$500,000 in disbursements

1 under the preceding paragraph in the preceding calendar year.
2 The allocation shall be in an amount equal to the average
3 monthly distribution made to each such county under the
4 preceding paragraph during the preceding calendar year
5 (excluding the 2 months of highest receipts). The distribution
6 made in March of each year subsequent to the year in which an
7 allocation was made pursuant to this paragraph and the
8 preceding paragraph shall be reduced by the amount allocated
9 and disbursed under this paragraph in the preceding calendar
10 year. The Department shall prepare and certify to the
11 Comptroller for disbursement the allocations made in
12 accordance with this paragraph.

13 A county may direct, by ordinance, that all or a portion of
14 the taxes and penalties collected under the Special County
15 Retailers' Occupation Tax For Public Safety or Transportation
16 be deposited into the Transportation Development Partnership
17 Trust Fund.

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

1 (e) Nothing in this Section shall be construed to authorize
2 a county to impose a tax upon the privilege of engaging in any
3 business that under the Constitution of the United States may
4 not be made the subject of taxation by this State.

5 (e-5) If a county imposes a tax under this Section, the
6 county board may, by ordinance, discontinue or lower the rate
7 of the tax. If the county board lowers the tax rate or
8 discontinues the tax, a referendum must be held in accordance
9 with subsection (a) of this Section in order to increase the
10 rate of the tax or to reimpose the discontinued tax.

11 (f) Beginning April 1, 1998, the results of any election
12 authorizing a proposition to impose a tax under this Section or
13 effecting a change in the rate of tax, or any ordinance
14 lowering the rate or discontinuing the tax, shall be certified
15 by the county clerk and filed with the Illinois Department of
16 Revenue either (i) on or before the first day of April,
17 whereupon the Department shall proceed to administer and
18 enforce the tax as of the first day of July next following the
19 filing; or (ii) on or before the first day of October,
20 whereupon the Department shall proceed to administer and
21 enforce the tax as of the first day of January next following
22 the filing.

23 (g) When certifying the amount of a monthly disbursement to
24 a county under this Section, the Department shall increase or
25 decrease the amounts by an amount necessary to offset any
26 miscalculation of previous disbursements. The offset amount

1 shall be the amount erroneously disbursed within the previous 6
2 months from the time a miscalculation is discovered.

3 (h) This Section may be cited as the "Special County
4 Occupation Tax For Public Safety, Public Facilities, or
5 Transportation Law".

6 (i) For purposes of this Section, "public safety" includes,
7 but is not limited to, crime prevention, detention, fire
8 fighting, police, medical, ambulance, or other emergency
9 services. The county may share tax proceeds received under this
10 Section for public safety purposes, including proceeds
11 received before August 4, 2009 (the effective date of Public
12 Act 96-124) ~~this amendatory Act of the 96th General Assembly,~~
13 with any fire protection district located in the county. For
14 the purposes of this Section, "transportation" includes, but is
15 not limited to, the construction, maintenance, operation, and
16 improvement of public highways, any other purpose for which a
17 county may expend funds under the Illinois Highway Code, and
18 passenger rail transportation. For the purposes of this
19 Section, "public facilities purposes" includes, but is not
20 limited to, the acquisition, development, construction,
21 reconstruction, rehabilitation, improvement, financing,
22 architectural planning, and installation of capital facilities
23 consisting of buildings, structures, and durable equipment and
24 for the acquisition and improvement of real property and
25 interest in real property required, or expected to be required,
26 in connection with the public facilities, for use by the county

1 for the furnishing of governmental services to its citizens,
2 including but not limited to museums and nursing homes.

3 (j) The Department may promulgate rules to implement Public
4 Act 95-1002 ~~this amendatory Act of the 95th General Assembly~~
5 only to the extent necessary to apply the existing rules for
6 the Special County Retailers' Occupation Tax for Public Safety
7 to this new purpose for public facilities.

8 (Source: P.A. 95-474, eff. 1-1-08; 95-1002, eff. 11-20-08;
9 96-124, eff. 8-4-09; 96-622, eff. 8-24-09; 96-845, eff. 7-1-12;
10 revised 12-30-09.)

11 (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

12 Sec. 5-1007. Home Rule County Service Occupation Tax Law.
13 The corporate authorities of a home rule county may impose a
14 tax upon all persons engaged, in such county, in the business
15 of making sales of service at the same rate of tax imposed
16 pursuant to Section 5-1006 of the selling price of all tangible
17 personal property transferred by such servicemen either in the
18 form of tangible personal property or in the form of real
19 estate as an incident to a sale of service. If imposed, such
20 tax shall only be imposed in 1/4% increments. On and after
21 September 1, 1991, this additional tax may not be imposed on
22 the sales of food for human consumption which is to be consumed
23 off the premises where it is sold (other than alcoholic
24 beverages, soft drinks and food which has been prepared for
25 immediate consumption) and prescription and nonprescription

1 medicines, drugs, medical appliances and insulin, urine
2 testing materials, syringes and needles used by diabetics. The
3 tax imposed by a home rule county pursuant to this Section and
4 all civil penalties that may be assessed as an incident thereof
5 shall be collected and enforced by the State Department of
6 Revenue. The certificate of registration which 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 such
9 registrant to engage in a business which is taxable under any
10 ordinance or resolution enacted pursuant to this Section
11 without registering separately with the Department under such
12 ordinance or resolution or under this Section. The Department
13 shall have full power to administer and enforce this Section;
14 to collect all taxes and penalties due hereunder; to dispose of
15 taxes and penalties so collected in the manner hereinafter
16 provided; and to determine all rights to credit memoranda
17 arising on account of the erroneous payment of tax or penalty
18 hereunder. In the administration of, and compliance with, this
19 Section the Department and persons who are subject to this
20 Section shall have the same rights, remedies, privileges,
21 immunities, powers and duties, and be subject to the same
22 conditions, restrictions, limitations, penalties and
23 definitions of terms, and employ the same modes of procedure,
24 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
25 respect to all provisions therein other than the State rate of
26 tax), 4 (except that the reference to the State shall be to the

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

13 No tax may be imposed by a home rule county pursuant to
14 this Section unless such county also imposes a tax at the same
15 rate pursuant to Section 5-1006.

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

24 Whenever the Department determines that a refund should be
25 made under this Section to a claimant instead of issuing credit
26 memorandum, the Department shall notify the State Comptroller,

1 who shall cause the order to be drawn for the amount specified,
2 and to the person named, in such notification from the
3 Department. Such refund shall be paid by the State Treasurer
4 out of the home rule county retailers' occupation tax fund.

5 The Department shall forthwith pay over to the State
6 Treasurer, ex-officio, as trustee, all taxes and penalties
7 collected hereunder.

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

16 After the monthly transfer to the STAR Bonds Revenue Fund,
17 on ~~on~~ or before the 25th day of each calendar month, the
18 Department shall prepare and certify to the Comptroller the
19 disbursement of stated sums of money to named counties, the
20 counties to be those from which suppliers and servicemen have
21 paid taxes or penalties hereunder to the Department during the
22 second preceding calendar month. The amount to be paid to each
23 county shall be the amount (not including credit memoranda)
24 collected hereunder during the second preceding calendar month
25 by the Department, and not including an amount equal to the
26 amount of refunds made during the second preceding calendar

1 month by the Department on behalf of such county, and not
2 including any amounts that are transferred to the STAR Bonds
3 Revenue Fund. Within 10 days after receipt, by the Comptroller,
4 of the disbursement certification to the counties provided for
5 in this Section to be given to the Comptroller by the
6 Department, the Comptroller shall cause the orders to be drawn
7 for the respective amounts in accordance with the directions
8 contained in such certification.

9 In addition to the disbursement required by the preceding
10 paragraph, an allocation shall be made in each year to each
11 county which received more than \$500,000 in disbursements under
12 the preceding paragraph in the preceding calendar year. The
13 allocation shall be in an amount equal to the average monthly
14 distribution made to each such county under the preceding
15 paragraph during the preceding calendar year (excluding the 2
16 months of highest receipts). The distribution made in March of
17 each year subsequent to the year in which an allocation was
18 made pursuant to this paragraph and the preceding paragraph
19 shall be reduced by the amount allocated and disbursed under
20 this paragraph in the preceding calendar year. The Department
21 shall prepare and certify to the Comptroller for disbursement
22 the allocations made in accordance with this paragraph.

23 Nothing in this Section shall be construed to authorize a
24 county to impose a tax upon the privilege of engaging in any
25 business which under the Constitution of the United States may
26 not be made the subject of taxation by this State.

1 An ordinance or resolution imposing or discontinuing a tax
2 hereunder or effecting a change in the rate thereof shall be
3 adopted and a certified copy thereof filed with the Department
4 on or before the first day of June, whereupon the Department
5 shall proceed to administer and enforce this Section as of the
6 first day of September next following such adoption and filing.
7 Beginning January 1, 1992, an ordinance or resolution imposing
8 or discontinuing the tax hereunder or effecting a change in the
9 rate thereof shall be adopted and a certified copy thereof
10 filed with the Department on or before the first day of July,
11 whereupon the Department shall proceed to administer and
12 enforce this Section as of the first day of October next
13 following such adoption and filing. Beginning January 1, 1993,
14 an ordinance or resolution imposing or discontinuing the tax
15 hereunder or effecting a change in the rate thereof shall be
16 adopted and a certified copy thereof filed with the Department
17 on or before the first day of October, whereupon the Department
18 shall proceed to administer and enforce this Section as of the
19 first day of January next following such adoption and filing.
20 Beginning April 1, 1998, an ordinance or resolution imposing or
21 discontinuing the tax hereunder or effecting a change in the
22 rate thereof shall either (i) be adopted and a certified copy
23 thereof filed with the Department on or before the first day of
24 April, whereupon the Department shall proceed to administer and
25 enforce this Section as of the first day of July next following
26 the adoption and filing; or (ii) be adopted and a certified

1 copy thereof filed with the Department on or before the first
2 day of October, whereupon the Department shall proceed to
3 administer and enforce this Section as of the first day of
4 January next following the adoption and filing.

5 This Section shall be known and may be cited as the Home
6 Rule County Service Occupation Tax Law.

7 (Source: P.A. 90-689, eff. 7-31-98; 91-51, eff. 6-30-99.)

8 Section 70. The Illinois Municipal Code is amended by
9 changing Sections 8-4-1, 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,
10 8-11-1.7, 8-11-5, and 11-74.3-6 as follows:

11 (65 ILCS 5/8-4-1) (from Ch. 24, par. 8-4-1)

12 Sec. 8-4-1. No bonds shall be issued by the corporate
13 authorities of any municipality until the question of
14 authorizing such bonds has been submitted to the electors of
15 that municipality provided that notice of the bond referendum,
16 if held before July 1, 1999, has been given in accordance with
17 the provisions of Section 12-5 of the Election Code in effect
18 at the time of the bond referendum, at least 10 and not more
19 than 45 days before the date of the election, notwithstanding
20 the time for publication otherwise imposed by Section 12-5, and
21 approved by a majority of the electors voting upon that
22 question. Notices required in connection with the submission of
23 public questions on or after July 1, 1999 shall be as set forth
24 in Section 12-5 of the Election Code. The clerk shall certify

1 the proposition of the corporate authorities to the proper
2 election authority who shall submit the question at an election
3 in accordance with the general election law, subject to the
4 notice provisions set forth in this Section.

5 Notice of any such election shall contain the amount of the
6 bond issue, purpose for which issued, and maximum rate of
7 interest.

8 However, without the submission of the question of issuing
9 bonds to the electors, the corporate authorities of any
10 municipality may authorize the issuance of any of the following
11 bonds:

12 (1) Bonds to refund any existing bonded indebtedness;

13 (2) Bonds to fund or refund any existing judgment
14 indebtedness;

15 (3) In any municipality of less than 500,000 population,
16 bonds to anticipate the collection of installments of special
17 assessments and special taxes against property owned by the
18 municipality and to anticipate the collection of the amount
19 apportioned to the municipality as public benefits under
20 Article 9;

21 (4) Bonds issued by any municipality under Sections 8-4-15
22 through 8-4-23, 11-23-1 through 11-23-12, 11-25-1 through
23 11-26-6, 11-71-1 through 11-71-10, 11-74.4-1 through
24 11-74.4-11, 11-74.5-1 through 11-74.5-15, 11-94-1 through
25 11-94-7, 11-102-1 through 11-102-10, 11-103-11 through
26 11-103-15, 11-118-1 through 11-118-6, 11-119-1 through

1 11-119-5, 11-129-1 through 11-129-7, 11-133-1 through
2 11-133-4, 11-139-1 through 11-139-12, 11-141-1 through
3 11-141-18 of this Code or 10-801 through 10-808 of the Illinois
4 Highway Code, as amended;

5 (5) Bonds issued by the board of education of any school
6 district under the provisions of Sections 34-30 through 34-36
7 of The School Code, as amended;

8 (6) Bonds issued by any municipality under the provisions
9 of Division 6 of this Article 8; and by any municipality under
10 the provisions of Division 7 of this Article 8; or under the
11 provisions of Sections 11-121-4 and 11-121-5;

12 (7) Bonds to pay for the purchase of voting machines by any
13 municipality that has adopted Article 24 of The Election Code,
14 approved May 11, 1943, as amended;

15 (8) Bonds issued by any municipality under Sections 15 and
16 46 of the "Environmental Protection Act", approved June 29,
17 1970;

18 (9) Bonds issued by the corporate authorities of any
19 municipality under the provisions of Section 8-4-25 of this
20 Article 8;

21 (10) Bonds issued under Section 8-4-26 of this Article 8 by
22 any municipality having a board of election commissioners;

23 (11) Bonds issued under the provisions of "An Act to
24 provide the manner of levying or imposing taxes for the
25 provision of special services to areas within the boundaries of
26 home rule units and nonhome rule municipalities and counties",

1 approved September 21, 1973;

2 (12) Bonds issued under Section 8-5-16 of this Code;

3 (13) Bonds to finance the cost of the acquisition,
4 construction or improvement of water or wastewater treatment
5 facilities mandated by an enforceable compliance schedule
6 developed in connection with the federal Clean Water Act or a
7 compliance order issued by the United States Environmental
8 Protection Agency or the Illinois Pollution Control Board;
9 provided that such bonds are authorized by an ordinance adopted
10 by a three-fifths majority of the corporate authorities of the
11 municipality issuing the bonds which ordinance shall specify
12 that the construction or improvement of such facilities is
13 necessary to alleviate an emergency condition in such
14 municipality;

15 (14) Bonds issued by any municipality pursuant to Section
16 11-113.1-1;

17 (15) Bonds issued under Sections 11-74.6-1 through
18 11-74.6-45, the Industrial Jobs Recovery Law of this Code.

19 (16) Bonds issued under the Innovation Development and
20 Economy Act, except as may be required by Section 35 of that
21 Act.

22 (Source: P.A. 90-706, eff. 8-7-98; 90-812, eff. 1-26-99; 91-57,
23 eff. 6-30-99.)

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

25 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax

1 Act. The corporate authorities of a home rule municipality may
2 impose a tax upon all persons engaged in the business of
3 selling tangible personal property, other than an item of
4 tangible personal property titled or registered with an agency
5 of this State's government, at retail in the municipality on
6 the gross receipts from these sales made in the course of such
7 business. If imposed, the tax shall only be imposed in 1/4%
8 increments. On and after September 1, 1991, this additional tax
9 may not be imposed on the sales of food for human consumption
10 that is to be consumed off the premises where it is sold (other
11 than alcoholic beverages, soft drinks and food that has been
12 prepared for immediate consumption) and prescription and
13 nonprescription medicines, drugs, medical appliances and
14 insulin, urine testing materials, syringes and needles used by
15 diabetics. The tax imposed by a home rule municipality under
16 this Section and all civil penalties that may be assessed as an
17 incident of the tax shall be collected and enforced by the
18 State Department of Revenue. The certificate of registration
19 that is issued by the Department to a retailer under the
20 Retailers' Occupation Tax Act shall permit the retailer to
21 engage in a business that is taxable under any ordinance or
22 resolution enacted pursuant to this Section without
23 registering separately with the Department under such
24 ordinance or resolution or under this Section. The Department
25 shall have full power to administer and enforce this Section;
26 to collect all taxes and penalties due hereunder; to dispose of

1 taxes and penalties so collected in the manner hereinafter
2 provided; and to determine all rights to credit memoranda
3 arising on account of the erroneous payment of tax or penalty
4 hereunder. In the administration of, and compliance with, this
5 Section the Department and persons who are subject to this
6 Section shall have the same rights, remedies, privileges,
7 immunities, powers and duties, and be subject to the same
8 conditions, restrictions, limitations, penalties and
9 definitions of terms, and employ the same modes of procedure,
10 as are prescribed in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k,
11 1m, 1n, 2 through 2-65 (in respect to all provisions therein
12 other than the State rate of tax), 2c, 3 (except as to the
13 disposition of taxes and penalties collected), 4, 5, 5a, 5b,
14 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9,
15 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
16 Section 3-7 of the Uniform Penalty and Interest Act, as fully
17 as if those provisions were set forth herein.

18 No tax may be imposed by a home rule municipality under
19 this Section unless the municipality also imposes a tax at the
20 same rate under Section 8-11-5 of this Act.

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

1 bracket schedules as the Department may prescribe.

2 Whenever the Department determines that a refund should be
3 made under this Section to a claimant instead of issuing a
4 credit memorandum, the Department shall notify the State
5 Comptroller, who shall cause the order to be drawn for the
6 amount specified and to the person named in the notification
7 from the Department. The refund shall be paid by the State
8 Treasurer out of the home rule municipal retailers' occupation
9 tax fund.

10 The Department shall immediately pay over to the State
11 Treasurer, ex officio, as trustee, all taxes and penalties
12 collected hereunder.

13 As soon as possible after the first day of each month,
14 beginning January 1, 2011, upon certification of the Department
15 of Revenue, the Comptroller shall order transferred, and the
16 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
17 local sales tax increment, as defined in the Innovation
18 Development and Economy Act, collected under this Section
19 during the second preceding calendar month for sales within a
20 STAR bond district.

21 After the monthly transfer to the STAR Bonds Revenue Fund,
22 on ~~or~~ or before the 25th day of each calendar month, the
23 Department shall prepare and certify to the Comptroller the
24 disbursement of stated sums of money to named municipalities,
25 the municipalities to be those from which retailers have paid
26 taxes or penalties hereunder to the Department during the

1 second preceding calendar month. The amount to be paid to each
2 municipality shall be the amount (not including credit
3 memoranda) collected hereunder during the second preceding
4 calendar month by the Department plus an amount the Department
5 determines is necessary to offset any amounts that were
6 erroneously paid to a different taxing body, and not including
7 an amount equal to the amount of refunds made during the second
8 preceding calendar month by the Department on behalf of such
9 municipality, and not including any amount that the Department
10 determines is necessary to offset any amounts that were payable
11 to a different taxing body but were erroneously paid to the
12 municipality, and not including any amounts that are
13 transferred to the STAR Bonds Revenue Fund. Within 10 days
14 after receipt by the Comptroller of the disbursement
15 certification to the municipalities provided for in this
16 Section to be given to the Comptroller by the Department, the
17 Comptroller shall cause the orders to be drawn for the
18 respective amounts in accordance with the directions contained
19 in the certification.

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

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

1 shall prepare and certify to the Comptroller for disbursement
2 the allocations made in accordance with this paragraph.

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

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

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

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

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

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

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

26 (Source: P.A. 90-689, eff. 7-31-98; 91-51, eff. 6-30-99.)

1 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

2 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
3 Occupation Tax Act. The corporate authorities of a non-home
4 rule municipality may impose a tax upon all persons engaged in
5 the business of selling tangible personal property, other than
6 on an item of tangible personal property which is titled and
7 registered by an agency of this State's Government, at retail
8 in the municipality for expenditure on public infrastructure or
9 for property tax relief or both as defined in Section 8-11-1.2
10 if approved by referendum as provided in Section 8-11-1.1, of
11 the gross receipts from such sales made in the course of such
12 business. The tax imposed may not be more than 1% and may be
13 imposed only in 1/4% increments. The tax may not be imposed on
14 the sale of food for human consumption that is to be consumed
15 off the premises where it is sold (other than alcoholic
16 beverages, soft drinks, and food that has been prepared for
17 immediate consumption) and prescription and nonprescription
18 medicines, drugs, medical appliances, and insulin, urine
19 testing materials, syringes, and needles used by diabetics. The
20 tax imposed by a municipality pursuant to this Section and all
21 civil penalties that may be assessed as an incident thereof
22 shall be collected and enforced by the State Department of
23 Revenue. The certificate of registration which is issued by the
24 Department to a retailer under the Retailers' Occupation Tax
25 Act shall permit such retailer to engage in a business which is

1 taxable under any ordinance or resolution enacted pursuant to
2 this Section without registering separately with the
3 Department under such ordinance or resolution or under this
4 Section. The Department shall have full power to administer and
5 enforce this Section; to collect all taxes and penalties due
6 hereunder; to dispose of taxes and penalties so collected in
7 the manner hereinafter provided, and to determine all rights to
8 credit memoranda, arising on account of the erroneous payment
9 of tax or penalty hereunder. In the administration of, and
10 compliance with, this Section, the Department and persons who
11 are subject to this Section shall have the same rights,
12 remedies, privileges, immunities, powers and duties, and be
13 subject to the same conditions, restrictions, limitations,
14 penalties and definitions of terms, and employ the same modes
15 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,
16 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
17 therein other than the State rate of tax), 2c, 3 (except as to
18 the disposition of taxes and penalties collected), 4, 5, 5a,
19 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,
20 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
21 Section 3-7 of the Uniform Penalty and Interest Act as fully as
22 if those provisions were set forth herein.

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

26 Persons subject to any tax imposed pursuant to the

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

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

15 The Department shall forthwith pay over to the State
16 Treasurer, ex officio, as trustee, all taxes and penalties
17 collected hereunder.

18 As soon as possible after the first day of each month,
19 beginning January 1, 2011, upon certification of the Department
20 of Revenue, the Comptroller shall order transferred, and the
21 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
22 local sales tax increment, as defined in the Innovation
23 Development and Economy Act, collected under this Section
24 during the second preceding calendar month for sales within a
25 STAR bond district.

26 After the monthly transfer to the STAR Bonds Revenue Fund,

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

25 For the purpose of determining the local governmental unit
26 whose tax is applicable, a retail sale, by a producer of coal

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

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

12 When certifying the amount of a monthly disbursement to a
13 municipality under this Section, the Department shall increase
14 or decrease such amount by an amount necessary to offset any
15 misallocation of previous disbursements. The offset amount
16 shall be the amount erroneously disbursed within the previous 6
17 months from the time a misallocation is discovered.

18 The Department of Revenue shall implement this amendatory
19 Act of the 91st General Assembly so as to collect the tax on
20 and after January 1, 2002.

21 As used in this Section, "municipal" and "municipality"
22 means a city, village or incorporated town, including an
23 incorporated town which has superseded a civil township.

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

26 (Source: P.A. 94-679, eff. 1-1-06.)

1 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

2 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation
3 Tax Act. The corporate authorities of a non-home rule
4 municipality may impose a tax upon all persons engaged, in such
5 municipality, in the business of making sales of service for
6 expenditure on public infrastructure or for property tax relief
7 or both as defined in Section 8-11-1.2 if approved by
8 referendum as provided in Section 8-11-1.1, of the selling
9 price of all tangible personal property transferred by such
10 servicemen either in the form of tangible personal property or
11 in the form of real estate as an incident to a sale of service.
12 The tax imposed may not be more than 1% and may be imposed only
13 in 1/4% increments. The tax may not be imposed on the sale of
14 food for human consumption that is to be consumed off the
15 premises where it is sold (other than alcoholic beverages, soft
16 drinks, and food that has been prepared for immediate
17 consumption) and prescription and nonprescription medicines,
18 drugs, medical appliances, and insulin, urine testing
19 materials, syringes, and needles used by diabetics. The tax
20 imposed by a municipality pursuant to this Section and all
21 civil penalties that may be assessed as an incident thereof
22 shall be collected and enforced by the State Department of
23 Revenue. The certificate of registration which is issued by the
24 Department to a retailer under the Retailers' Occupation Tax
25 Act or under the Service Occupation Tax Act shall permit such

1 registrant to engage in a business which is taxable under any
2 ordinance or resolution enacted pursuant to this Section
3 without registering separately with the Department under such
4 ordinance or resolution or under this Section. The Department
5 shall have full power to administer and enforce this Section;
6 to collect all taxes and penalties due hereunder; to dispose of
7 taxes and penalties so collected in the manner hereinafter
8 provided, and to determine all rights to credit memoranda
9 arising on account of the erroneous payment of tax or penalty
10 hereunder. In the administration of, and compliance with, this
11 Section the Department and persons who are subject to this
12 Section shall have the same rights, remedies, privileges,
13 immunities, powers and duties, and be subject to the same
14 conditions, restrictions, limitations, penalties and
15 definitions of terms, and employ the same modes of procedure,
16 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
17 respect to all provisions therein other than the State rate of
18 tax), 4 (except that the reference to the State shall be to the
19 taxing municipality), 5, 7, 8 (except that the jurisdiction to
20 which the tax shall be a debt to the extent indicated in that
21 Section 8 shall be the taxing municipality), 9 (except as to
22 the disposition of taxes and penalties collected, and except
23 that the returned merchandise credit for this municipal tax may
24 not be taken against any State tax), 10, 11, 12 (except the
25 reference therein to Section 2b of the Retailers' Occupation
26 Tax Act), 13 (except that any reference to the State shall mean

1 the taxing municipality), the first paragraph of Section 15,
2 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and
3 Section 3-7 of the Uniform Penalty and Interest Act, as fully
4 as if those provisions were set forth herein.

5 No municipality may impose a tax under this Section unless
6 the municipality also imposes a tax at the same rate under
7 Section 8-11-1.3 of this Code.

8 Persons subject to any tax imposed pursuant to the
9 authority granted in this Section may reimburse themselves for
10 their serviceman's tax liability hereunder by separately
11 stating such tax as an additional charge, which charge may be
12 stated in combination, in a single amount, with State tax which
13 servicemen are authorized to collect under the Service Use Tax
14 Act, pursuant to such bracket schedules as the Department may
15 prescribe.

16 Whenever the Department determines that a refund should be
17 made under this Section to a claimant instead of issuing credit
18 memorandum, the Department shall notify the State Comptroller,
19 who shall cause the order to be drawn for the amount specified,
20 and to the person named, in such notification from the
21 Department. Such refund shall be paid by the State Treasurer
22 out of the municipal retailers' occupation tax fund.

23 The Department shall forthwith pay over to the State
24 Treasurer, ex officio, as trustee, all taxes and penalties
25 collected hereunder.

26 As soon as possible after the first day of each month,

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

8 After the monthly transfer to the STAR Bonds Revenue Fund,
9 on ~~or~~ or before the 25th day of each calendar month, the
10 Department shall prepare and certify to the Comptroller the
11 disbursement of stated sums of money to named municipalities,
12 the municipalities to be those from which suppliers and
13 servicemen have paid taxes or penalties hereunder to the
14 Department during the second preceding calendar month. The
15 amount to be paid to each municipality shall be the amount (not
16 including credit memoranda) collected hereunder during the
17 second preceding calendar month by the Department, and not
18 including an amount equal to the amount of refunds made during
19 the second preceding calendar month by the Department on behalf
20 of such municipality, and not including any amounts that are
21 transferred to the STAR Bonds Revenue Fund. Within 10 days
22 after receipt, by the Comptroller, of the disbursement
23 certification to the municipalities and the General Revenue
24 Fund, provided for in this Section to be given to the
25 Comptroller by the Department, the Comptroller shall cause the
26 orders to be drawn for the respective amounts in accordance

1 with the directions contained in such certification.

2 The Department of Revenue shall implement this amendatory
3 Act of the 91st General Assembly so as to collect the tax on
4 and after January 1, 2002.

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

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

13 This Section shall be known and may be cited as the
14 "Non-Home Rule Municipal Service Occupation Tax Act".

15 (Source: P.A. 94-679, eff. 1-1-06.)

16 (65 ILCS 5/8-11-1.6)

17 Sec. 8-11-1.6. Non-home rule municipal retailers
18 occupation tax; municipalities between 20,000 and 25,000. The
19 corporate authorities of a non-home rule municipality with a
20 population of more than 20,000 but less than 25,000 that has,
21 prior to January 1, 1987, established a Redevelopment Project
22 Area that has been certified as a State Sales Tax Boundary and
23 has issued bonds or otherwise incurred indebtedness to pay for
24 costs in excess of \$5,000,000, which is secured in part by a
25 tax increment allocation fund, in accordance with the

1 provisions of Division 11-74.4 of this Code may, by passage of
2 an ordinance, impose a tax upon all persons engaged in the
3 business of selling tangible personal property, other than on
4 an item of tangible personal property that is titled and
5 registered by an agency of this State's Government, at retail
6 in the municipality. This tax may not be imposed on the sales
7 of food for human consumption that is to be consumed off the
8 premises where it is sold (other than alcoholic beverages, soft
9 drinks, and food that has been prepared for immediate
10 consumption) and prescription and nonprescription medicines,
11 drugs, medical appliances and insulin, urine testing
12 materials, syringes, and needles used by diabetics. If imposed,
13 the tax shall only be imposed in .25% increments of the gross
14 receipts from such sales made in the course of business. Any
15 tax imposed by a municipality under this Sec. and all civil
16 penalties that may be assessed as an incident thereof shall be
17 collected and enforced by the State Department of Revenue. An
18 ordinance imposing a tax hereunder or effecting a change in the
19 rate thereof shall be adopted and a certified copy thereof
20 filed with the Department on or before the first day of
21 October, whereupon the Department shall proceed to administer
22 and enforce this Section as of the first day of January next
23 following such adoption and filing. The certificate of
24 registration that is issued by the Department to a retailer
25 under the Retailers' Occupation Tax Act shall permit the
26 retailer to engage in a business that is taxable under any

1 ordinance or resolution enacted under this Section without
2 registering separately with the Department under the ordinance
3 or resolution or under this Section. The Department shall have
4 full power to administer and enforce this Section, to collect
5 all taxes and penalties due hereunder, to dispose of taxes and
6 penalties so collected in the manner hereinafter provided, and
7 to determine all rights to credit memoranda, arising on account
8 of the erroneous payment of tax or penalty hereunder. In the
9 administration of, and compliance with this Section, the
10 Department and persons who are subject to this Section shall
11 have the same rights, remedies, privileges, immunities,
12 powers, and duties, and be subject to the same conditions,
13 restrictions, limitations, penalties, and definitions of
14 terms, and employ the same modes of procedure, as are
15 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2
16 through 2-65 (in respect to all provisions therein other than
17 the State rate of tax), 2c, 3 (except as to the disposition of
18 taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,
19 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and
20 13 of the Retailers' Occupation Tax Act and Section 3-7 of the
21 Uniform Penalty and Interest Act as fully as if those
22 provisions were set forth herein.

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

26 Persons subject to any tax imposed under the authority

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

7 Whenever the Department determines that a refund should be
8 made under this Section to a claimant, instead of issuing a
9 credit memorandum, the Department shall notify the State
10 Comptroller, who shall cause the order to be drawn for the
11 amount specified, and to the person named in the notification
12 from the Department. The refund shall be paid by the State
13 Treasurer out of the Non-Home Rule Municipal Retailers'
14 Occupation Tax Fund, which is hereby created.

15 The Department shall forthwith pay over to the State
16 Treasurer, ex officio, as trustee, all taxes and penalties
17 collected hereunder.

18 As soon as possible after the first day of each month,
19 beginning January 1, 2011, upon certification of the Department
20 of Revenue, the Comptroller shall order transferred, and the
21 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
22 local sales tax increment, as defined in the Innovation
23 Development and Economy Act, collected under this Section
24 during the second preceding calendar month for sales within a
25 STAR bond district.

26 After the monthly transfer to the STAR Bonds Revenue Fund,

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

25 For the purpose of determining the local governmental unit
26 whose tax is applicable, a retail sale by a producer of coal or

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

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

12 When certifying the amount of a monthly disbursement to a
13 municipality under this Section, the Department shall increase
14 or decrease the amount by an amount necessary to offset any
15 misallocation of previous disbursements. The offset amount
16 shall be the amount erroneously disbursed within the previous 6
17 months from the time a misallocation is discovered.

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

21 (Source: P.A. 88-334; 89-399, eff. 8-20-95.)

22 (65 ILCS 5/8-11-1.7)

23 Sec. 8-11-1.7. Non-home rule municipal service occupation
24 tax; municipalities between 20,000 and 25,000. The corporate
25 authorities of a non-home rule municipality with a population

1 of more than 20,000 but less than 25,000 as determined by the
2 last preceding decennial census that has, prior to January 1,
3 1987, established a Redevelopment Project Area that has been
4 certified as a State Sales Tax Boundary and has issued bonds or
5 otherwise incurred indebtedness to pay for costs in excess of
6 \$5,000,000, which is secured in part by a tax increment
7 allocation fund, in accordance with the provisions of Division
8 11-74.7 of this Code may, by passage of an ordinance, impose a
9 tax upon all persons engaged in the municipality in the
10 business of making sales of service. If imposed, the tax shall
11 only be imposed in .25% increments of the selling price of all
12 tangible personal property transferred by such servicemen
13 either in the form of tangible personal property or in the form
14 of real estate as an incident to a sale of service. This tax
15 may not be imposed on the sales of food for human consumption
16 that is to be consumed off the premises where it is sold (other
17 than alcoholic beverages, soft drinks, and food that has been
18 prepared for immediate consumption) and prescription and
19 nonprescription medicines, drugs, medical appliances and
20 insulin, urine testing materials, syringes, and needles used by
21 diabetics. The tax imposed by a municipality under this Sec.
22 and all civil penalties that may be assessed as an incident
23 thereof shall be collected and enforced by the State Department
24 of Revenue. An ordinance imposing a tax hereunder or effecting
25 a change in the rate thereof shall be adopted and a certified
26 copy thereof filed with the Department on or before the first

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

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

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

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

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

1 of the Non-Home Rule Municipal Retailers' Occupation Tax Fund.

2 The Department shall forthwith pay over to the State
3 Treasurer, ex officio, as trustee, all taxes and penalties
4 collected hereunder.

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

13 After the monthly transfer to the STAR Bonds Revenue Fund,
14 on ~~on~~ or before the 25th day of each calendar month, the
15 Department shall prepare and certify to the Comptroller the
16 disbursement of stated sums of money to named municipalities,
17 the municipalities to be those from which suppliers and
18 servicemen have paid taxes or penalties hereunder to the
19 Department during the second preceding calendar month. The
20 amount to be paid to each municipality shall be the amount (not
21 including credit memoranda) collected hereunder during the
22 second preceding calendar month by the Department, and not
23 including an amount equal to the amount of refunds made during
24 the second preceding calendar month by the Department on behalf
25 of such municipality, and not including any amounts that are
26 transferred to the STAR Bonds Revenue Fund. Within 10 days

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

7 When certifying the amount of a monthly disbursement to a
8 municipality under this Section, the Department shall increase
9 or decrease the amount by an amount necessary to offset any
10 misallocation of previous disbursements. The offset amount
11 shall be the amount erroneously disbursed within the previous 6
12 months from the time a misallocation is discovered.

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

17 (Source: P.A. 88-334; 89-399, eff. 8-20-95.)

18 (65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)

19 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax
20 Act. The corporate authorities of a home rule municipality may
21 impose a tax upon all persons engaged, in such municipality, in
22 the business of making sales of service at the same rate of tax
23 imposed pursuant to Section 8-11-1, of the selling price of all
24 tangible personal property transferred by such servicemen
25 either in the form of tangible personal property or in the form

1 of real estate as an incident to a sale of service. If imposed,
2 such tax shall only be imposed in 1/4% increments. On and after
3 September 1, 1991, this additional tax may not be imposed on
4 the sales of food for human consumption which is to be consumed
5 off the premises where it is sold (other than alcoholic
6 beverages, soft drinks and food which has been prepared for
7 immediate consumption) and prescription and nonprescription
8 medicines, drugs, medical appliances and insulin, urine
9 testing materials, syringes and needles used by diabetics. The
10 tax imposed by a home rule municipality pursuant to this
11 Section and all civil penalties that may be assessed as an
12 incident thereof shall be collected and enforced by the State
13 Department of Revenue. The certificate of registration which is
14 issued by the Department to a retailer under the Retailers'
15 Occupation Tax Act or under the Service Occupation Tax Act
16 shall permit such registrant to engage in a business which is
17 taxable under any ordinance or resolution enacted pursuant to
18 this Section without registering separately with the
19 Department under such ordinance or resolution or under this
20 Section. The Department shall have full power to administer and
21 enforce this Section; to collect all taxes and penalties due
22 hereunder; to dispose of taxes and penalties so collected in
23 the manner hereinafter provided, and to determine all rights to
24 credit memoranda arising on account of the erroneous payment of
25 tax or penalty hereunder. In the administration of, and
26 compliance with, this Section the Department and persons who

1 are subject to this Section shall have the same rights,
2 remedies, privileges, immunities, powers and duties, and be
3 subject to the same conditions, restrictions, limitations,
4 penalties and definitions of terms, and employ the same modes
5 of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3
6 through 3-50 (in respect to all provisions therein other than
7 the State rate of tax), 4 (except that the reference to the
8 State shall be to the taxing municipality), 5, 7, 8 (except
9 that the jurisdiction to which the tax shall be a debt to the
10 extent indicated in that Section 8 shall be the taxing
11 municipality), 9 (except as to the disposition of taxes and
12 penalties collected, and except that the returned merchandise
13 credit for this municipal tax may not be taken against any
14 State tax), 10, 11, 12 (except the reference therein to Section
15 2b of the Retailers' Occupation Tax Act), 13 (except that any
16 reference to the State shall mean the taxing municipality), the
17 first paragraph of Section 15, 16, 17 (except that credit
18 memoranda issued hereunder may not be used to discharge any
19 State tax liability), 18, 19 and 20 of the Service Occupation
20 Tax Act and Section 3-7 of the Uniform Penalty and Interest
21 Act, as fully as if those provisions were set forth herein.

22 No tax may be imposed by a home rule municipality pursuant
23 to this Section unless such municipality also imposes a tax at
24 the same rate pursuant to Section 8-11-1 of this Act.

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

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

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

14 The Department shall forthwith pay over to the State
15 Treasurer, ex-officio, as trustee, all taxes and penalties
16 collected hereunder.

17 As soon as possible after the first day of each month,
18 beginning January 1, 2011, upon certification of the Department
19 of Revenue, the Comptroller shall order transferred, and the
20 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
21 local sales tax increment, as defined in the Innovation
22 Development and Economy Act, collected under this Section
23 during the second preceding calendar month for sales within a
24 STAR bond district.

25 After the monthly transfer to the STAR Bonds Revenue Fund,
26 on ~~on~~ or before the 25th day of each calendar month, the

1 Department shall prepare and certify to the Comptroller the
2 disbursement of stated sums of money to named municipalities,
3 the municipalities to be those from which suppliers and
4 servicemen have paid taxes or penalties hereunder to the
5 Department during the second preceding calendar month. The
6 amount to be paid to each municipality shall be the amount (not
7 including credit memoranda) collected hereunder during the
8 second preceding calendar month by the Department, and not
9 including an amount equal to the amount of refunds made during
10 the second preceding calendar month by the Department on behalf
11 of such municipality, and not including any amounts that are
12 transferred to the STAR Bonds Revenue Fund. Within 10 days
13 after receipt, by the Comptroller, of the disbursement
14 certification to the municipalities, provided for in this
15 Section to be given to the Comptroller by the Department, the
16 Comptroller shall cause the orders to be drawn for the
17 respective amounts in accordance with the directions contained
18 in such 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. Monthly
11 average for the period of July 1, 1990 through June 30, 1991
12 will be determined as follows: the amounts collected by the
13 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 Nothing in this Section shall be construed to authorize a
3 municipality to impose a tax upon the privilege of engaging in
4 any business which under the constitution of the United States
5 may not be made the subject of taxation by this State.

6 An ordinance or resolution imposing or discontinuing a tax
7 hereunder or effecting a change in the rate thereof shall be
8 adopted and a certified copy thereof filed with the Department
9 on or before the first day of June, whereupon the Department
10 shall proceed to administer and enforce this Section as of the
11 first day of September next following such adoption and filing.
12 Beginning January 1, 1992, an ordinance or resolution imposing
13 or discontinuing the tax hereunder or effecting a change in the
14 rate thereof shall be adopted and a certified copy thereof
15 filed with the Department on or before the first day of July,
16 whereupon the Department shall proceed to administer and
17 enforce this Section as of the first day of October next
18 following such adoption and filing. Beginning January 1, 1993,
19 an ordinance or resolution imposing or discontinuing the tax
20 hereunder or effecting a change in the rate thereof shall be
21 adopted and a certified copy thereof filed with the Department
22 on or before the first day of October, whereupon the Department
23 shall proceed to administer and enforce this Section as of the
24 first day of January next following such adoption and filing.
25 However, a municipality located in a county with a population
26 in excess of 3,000,000 that elected to become a home rule unit

1 at the general primary election in 1994 may adopt an ordinance
2 or resolution imposing the tax under this Section and file a
3 certified copy of the ordinance or resolution with the
4 Department on or before July 1, 1994. The Department shall then
5 proceed to administer and enforce this Section as of October 1,
6 1994. Beginning April 1, 1998, an ordinance or resolution
7 imposing or discontinuing the tax hereunder or effecting a
8 change in the rate thereof shall either (i) be adopted and a
9 certified copy thereof filed with the Department on or before
10 the first day of April, whereupon the Department shall proceed
11 to administer and enforce this Section as of the first day of
12 July next following the adoption and filing; or (ii) be adopted
13 and a certified copy thereof filed with the Department on or
14 before the first day of October, whereupon the Department shall
15 proceed to administer and enforce this Section as of the first
16 day of January next following the adoption and filing.

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

1 1990, as provided by this Section prior to the enactment of
2 Public Act 85-1135, and on and after July 1, 1990, all such
3 receipts shall be distributed as provided in Section 6z-18 of
4 the State Finance Act.

5 As used in this Section, "municipal" and "municipality"
6 means a city, village or incorporated town, including an
7 incorporated town which has superseded a civil township.

8 This Section shall be known and may be cited as the Home
9 Rule Municipal Service Occupation Tax Act.

10 (Source: P.A. 90-689, eff. 7-31-98; 91-51, eff. 6-30-99.)

11 (65 ILCS 5/11-74.3-6)

12 Sec. 11-74.3-6. Business district revenue and obligations.

13 (a) If the corporate authorities of a municipality have
14 approved a business district development or redevelopment plan
15 and have elected to impose a tax by ordinance pursuant to
16 subsections (b), (c), or (d) of this Section, each year after
17 the date of the approval of the ordinance and until all
18 business district project costs and all municipal obligations
19 financing the business district project costs, if any, have
20 been paid in accordance with the business district development
21 or redevelopment plan, but in no event longer than 23 years
22 after the date of adoption of the ordinance approving the
23 business district development or redevelopment plan, all
24 amounts generated by the retailers' occupation tax and service
25 occupation tax shall be collected and the tax shall be enforced

1 by the Department of Revenue in the same manner as all
2 retailers' occupation taxes and service occupation taxes
3 imposed in the municipality imposing the tax and all amounts
4 generated by the hotel operators' occupation tax shall be
5 collected and the tax shall be enforced by the municipality in
6 the same manner as all hotel operators' occupation taxes
7 imposed in the municipality imposing the tax. The corporate
8 authorities of the municipality shall deposit the proceeds of
9 the taxes imposed under subsections (b), (c), and (d) into a
10 special fund held by the corporate authorities of the
11 municipality called the Business District Tax Allocation Fund
12 for the purpose of paying business district project costs and
13 obligations incurred in the payment of those costs.

14 (b) The corporate authorities of a municipality that has
15 established a business district under this Division 74.3 may,
16 by ordinance or resolution, impose a Business District
17 Retailers' Occupation Tax upon all persons engaged in the
18 business of selling tangible personal property, other than an
19 item of tangible personal property titled or registered with an
20 agency of this State's government, at retail in the business
21 district at a rate not to exceed 1% of the gross receipts from
22 the sales made in the course of such business, to be imposed
23 only in 0.25% increments. The tax may not be imposed on food
24 for human consumption that is to be consumed off the premises
25 where it is sold (other than alcoholic beverages, soft drinks,
26 and food that has been prepared for immediate consumption),

1 prescription and nonprescription medicines, drugs, medical
2 appliances, modifications to a motor vehicle for the purpose of
3 rendering it usable by a disabled person, and insulin, urine
4 testing materials, syringes, and needles used by diabetics, for
5 human use.

6 The tax imposed under this subsection and all civil
7 penalties that may be assessed as an incident thereof shall be
8 collected and enforced by the Department of Revenue. The
9 certificate of registration that is issued by the Department to
10 a retailer under the Retailers' Occupation Tax Act shall permit
11 the retailer to engage in a business that is taxable under any
12 ordinance or resolution enacted pursuant to this subsection
13 without registering separately with the Department under such
14 ordinance or resolution or under this subsection. The
15 Department of Revenue shall have full power to administer and
16 enforce this subsection; to collect all taxes and penalties due
17 under this subsection in the manner hereinafter provided; and
18 to determine all rights to credit memoranda arising on account
19 of the erroneous payment of tax or penalty under this
20 subsection. In the administration of, and compliance with, this
21 subsection, the Department and persons who are subject to this
22 subsection shall have the same rights, remedies, privileges,
23 immunities, powers and duties, and be subject to the same
24 conditions, restrictions, limitations, penalties, exclusions,
25 exemptions, and definitions of terms and employ the same modes
26 of procedure, as are prescribed in Sections 1, 1a through 1o, 2

1 through 2-65 (in respect to all provisions therein other than
2 the State rate of tax), 2c through 2h, 3 (except as to the
3 disposition of taxes and penalties collected), 4, 5, 5a, 5c,
4 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11,
5 12, 13, and 14 of the Retailers' Occupation Tax Act and all
6 provisions of the Uniform Penalty and Interest Act, as fully as
7 if those provisions were set forth herein.

8 Persons subject to any tax imposed under this subsection
9 may reimburse themselves for their seller's tax liability under
10 this subsection by separately stating the tax as an additional
11 charge, which charge may be stated in combination, in a single
12 amount, with State taxes that sellers are required to collect
13 under the Use Tax Act, in accordance with such bracket
14 schedules as the Department may prescribe.

15 Whenever the Department determines that a refund should be
16 made under this subsection to a claimant instead of issuing a
17 credit memorandum, the Department shall notify the State
18 Comptroller, who shall cause the order 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 the business district retailers' occupation
22 tax fund.

23 The Department shall immediately pay over to the State
24 Treasurer, ex officio, as trustee, all taxes, penalties, and
25 interest collected under this subsection for deposit into the
26 business district retailers' occupation tax fund.

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

9 After the monthly transfer to the STAR Bonds Revenue Fund,
10 on ~~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 from the business district retailers' occupation tax fund, the
14 municipalities to be those from which retailers have paid taxes
15 or penalties under this subsection to the Department during the
16 second preceding calendar month. The amount to be paid to each
17 municipality shall be the amount (not including credit
18 memoranda) collected under this subsection during the second
19 preceding calendar month by the Department plus an amount the
20 Department determines is necessary to offset any amounts that
21 were erroneously paid to a different taxing body, and not
22 including an amount equal to the amount of refunds made during
23 the second preceding calendar month by the Department, less 2%
24 of that amount, which shall be deposited into the Tax
25 Compliance and Administration Fund and shall be used by the
26 Department, subject to appropriation, to cover the costs of the

1 Department in administering and enforcing the provisions of
2 this subsection, on behalf of such municipality, and not
3 including any amount that the Department determines is
4 necessary to offset any amounts that were payable to a
5 different taxing body but were erroneously paid to the
6 municipality, and not including any amounts that are
7 transferred to the STAR Bonds Revenue Fund. Within 10 days
8 after receipt by the Comptroller of the disbursement
9 certification to the municipalities provided for in this
10 subsection to be given to the Comptroller by the Department,
11 the Comptroller shall cause the orders to be drawn for the
12 respective amounts in accordance with the directions contained
13 in the certification. The proceeds of the tax paid to
14 municipalities under this subsection shall be deposited into
15 the Business District Tax Allocation Fund by the municipality.

16 An ordinance or resolution imposing or discontinuing the
17 tax under this subsection or effecting a change in the rate
18 thereof shall either (i) be adopted and a certified copy
19 thereof filed with the Department on or before the first day of
20 April, whereupon the Department, if all other requirements of
21 this subsection are met, shall proceed to administer and
22 enforce this subsection as of the first day of July next
23 following the adoption and filing; or (ii) be adopted and a
24 certified copy thereof filed with the Department on or before
25 the first day of October, whereupon, if all other requirements
26 of this subsection are met, the Department shall proceed to

1 administer and enforce this subsection as of the first day of
2 January next following the adoption and filing.

3 The Department of Revenue shall not administer or enforce
4 an ordinance imposing, discontinuing, or changing the rate of
5 the tax under this subsection, until the municipality also
6 provides, in the manner prescribed by the Department, the
7 boundaries of the business district in such a way that the
8 Department can determine by its address whether a business is
9 located in the business district. The municipality must provide
10 this boundary information to the Department on or before April
11 1 for administration and enforcement of the tax under this
12 subsection by the Department beginning on the following July 1
13 and on or before October 1 for administration and enforcement
14 of the tax under this subsection by the Department beginning on
15 the following January 1. The Department of Revenue shall not
16 administer or enforce any change made to the boundaries of a
17 business district until the municipality reports the boundary
18 change to the Department in the manner prescribed by the
19 Department. The municipality must provide this boundary change
20 information to the Department on or before April 1 for
21 administration and enforcement by the Department of the change
22 beginning on the following July 1 and on or before October 1
23 for administration and enforcement by the Department of the
24 change beginning on the following January 1. The retailers in
25 the business district shall be responsible for charging the tax
26 imposed under this subsection. If a retailer is incorrectly

1 included or excluded from the list of those required to collect
2 the tax under this subsection, both the Department of Revenue
3 and the retailer shall be held harmless if they reasonably
4 relied on information provided by the municipality.

5 A municipality that imposes the tax under this subsection
6 must submit to the Department of Revenue any other information
7 as the Department may require for the administration and
8 enforcement of the tax.

9 When certifying the amount of a monthly disbursement to a
10 municipality under this subsection, the Department shall
11 increase or decrease the amount by an amount necessary to
12 offset any misallocation of previous disbursements. The offset
13 amount shall be the amount erroneously disbursed within the
14 previous 6 months from the time a misallocation is discovered.

15 Nothing in this subsection shall be construed to authorize
16 the municipality to impose a tax upon the privilege of engaging
17 in any business which under the Constitution of the United
18 States may not be made the subject of taxation by this State.

19 If a tax is imposed under this subsection (b), a tax shall
20 also be imposed under subsection (c) of this Section.

21 (c) If a tax has been imposed under subsection (b), a
22 Business District Service Occupation Tax shall also be imposed
23 upon all persons engaged, in the business district, in the
24 business of making sales of service, who, as an incident to
25 making those sales of service, transfer tangible personal
26 property within the business district, either in the form of

1 tangible personal property or in the form of real estate as an
2 incident to a sale of service. The tax shall be imposed at the
3 same rate as the tax imposed in subsection (b) and shall not
4 exceed 1% of the selling price of tangible personal property so
5 transferred within the business district, to be imposed only in
6 0.25% increments. The tax may not be imposed on food for human
7 consumption that is to be consumed off the premises where it is
8 sold (other than alcoholic beverages, soft drinks, and food
9 that has been prepared for immediate consumption),
10 prescription and nonprescription medicines, drugs, medical
11 appliances, modifications to a motor vehicle for the purpose of
12 rendering it usable by a disabled person, and insulin, urine
13 testing materials, syringes, and needles used by diabetics, for
14 human use.

15 The tax imposed under this subsection and all civil
16 penalties that may be assessed as an incident thereof shall be
17 collected and enforced by the Department of Revenue. The
18 certificate of registration which is issued by the Department
19 to a retailer under the Retailers' Occupation Tax Act or under
20 the Service Occupation Tax Act shall permit such registrant to
21 engage in a business which is taxable under any ordinance or
22 resolution enacted pursuant to this subsection without
23 registering separately with the Department under such
24 ordinance or resolution or under this subsection. The
25 Department of Revenue shall have full power to administer and
26 enforce this subsection; to collect all taxes and penalties due

1 under this subsection; to dispose of taxes and penalties so
2 collected in the manner hereinafter provided; and to determine
3 all rights to credit memoranda arising on account of the
4 erroneous payment of tax or penalty under this subsection. In
5 the administration of, and compliance with this subsection, the
6 Department and persons who are subject to this subsection shall
7 have the same rights, remedies, privileges, immunities, powers
8 and duties, and be subject to the same conditions,
9 restrictions, limitations, penalties, exclusions, exemptions,
10 and definitions of terms and employ the same modes of procedure
11 as are prescribed in Sections 2, 2a through 2d, 3 through 3-50
12 (in respect to all provisions therein other than the State rate
13 of tax), 4 (except that the reference to the State shall be to
14 the business district), 5, 7, 8 (except that the jurisdiction
15 to which the tax shall be a debt to the extent indicated in
16 that Section 8 shall be the municipality), 9 (except as to the
17 disposition of taxes and penalties collected, and except that
18 the returned merchandise credit for this tax may not be taken
19 against any State tax), 10, 11, 12 (except the reference
20 therein to Section 2b of the Retailers' Occupation Tax Act), 13
21 (except that any reference to the State shall mean the
22 municipality), the first paragraph of Section 15, and Sections
23 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all
24 provisions of the Uniform Penalty and Interest Act, as fully as
25 if those provisions were set forth herein.

26 Persons subject to any tax imposed under the authority

1 granted in this subsection may reimburse themselves for their
2 serviceman's tax liability hereunder by separately stating the
3 tax as an additional charge, which charge may be stated in
4 combination, in a single amount, with State tax that servicemen
5 are authorized to collect under the Service Use Tax Act, in
6 accordance with such bracket schedules as the Department may
7 prescribe.

8 Whenever the Department determines that a refund should be
9 made under this subsection to a claimant instead of issuing
10 credit memorandum, the Department shall notify the State
11 Comptroller, who shall cause the order to be drawn for the
12 amount specified, and to the person named, in such notification
13 from the Department. Such refund shall be paid by the State
14 Treasurer out of the business district retailers' occupation
15 tax fund.

16 The Department shall forthwith pay over to the State
17 Treasurer, ex-officio, as trustee, all taxes, penalties, and
18 interest collected under this subsection for deposit into the
19 business district retailers' occupation tax fund.

20 As soon as possible after the first day of each month,
21 beginning January 1, 2011, upon certification of the Department
22 of Revenue, the Comptroller shall order transferred, and the
23 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
24 local sales tax increment, as defined in the Innovation
25 Development and Economy Act, collected under this subsection
26 during the second preceding calendar month for sales within a

1 STAR bond district.

2 After the monthly transfer to the STAR Bonds Revenue Fund,
3 on ~~On~~ or before the 25th day of each calendar month, the
4 Department shall prepare and certify to the Comptroller the
5 disbursement of stated sums of money to named municipalities
6 from the business district retailers' occupation tax fund, the
7 municipalities to be those from which suppliers and servicemen
8 have paid taxes or penalties under this subsection to the
9 Department during the second preceding calendar month. The
10 amount to be paid to each municipality shall be the amount (not
11 including credit memoranda) collected under this subsection
12 during the second preceding calendar month by the Department,
13 less 2% of that amount, which shall be deposited into the Tax
14 Compliance and Administration Fund and shall be used by the
15 Department, subject to appropriation, to cover the costs of the
16 Department in administering and enforcing the provisions of
17 this subsection, and not including an amount equal to the
18 amount of refunds made during the second preceding calendar
19 month by the Department on behalf of such municipality, and not
20 including any amounts that are transferred to the STAR Bonds
21 Revenue Fund. Within 10 days after receipt, by the Comptroller,
22 of the disbursement certification to the municipalities,
23 provided for in this subsection to be given to the Comptroller
24 by the Department, the Comptroller shall cause the orders to be
25 drawn for the respective amounts in accordance with the
26 directions contained in such certification. The proceeds of the

1 tax paid to municipalities under this subsection shall be
2 deposited into the Business District Tax Allocation Fund by the
3 municipality.

4 An ordinance or resolution imposing or discontinuing the
5 tax under this subsection or effecting a change in the rate
6 thereof shall either (i) be adopted and a certified copy
7 thereof filed with the Department on or before the first day of
8 April, whereupon the Department, if all other requirements of
9 this subsection are met, shall proceed to administer and
10 enforce this subsection as of the first day of July next
11 following the adoption and filing; or (ii) be adopted and a
12 certified copy thereof filed with the Department on or before
13 the first day of October, whereupon, if all other conditions of
14 this subsection are met, the Department shall proceed to
15 administer and enforce this subsection as of the first day of
16 January next following the adoption and filing.

17 The Department of Revenue shall not administer or enforce
18 an ordinance imposing, discontinuing, or changing the rate of
19 the tax under this subsection, until the municipality also
20 provides, in the manner prescribed by the Department, the
21 boundaries of the business district in such a way that the
22 Department can determine by its address whether a business is
23 located in the business district. The municipality must provide
24 this boundary information to the Department on or before April
25 1 for administration and enforcement of the tax under this
26 subsection by the Department beginning on the following July 1

1 and on or before October 1 for administration and enforcement
2 of the tax under this subsection by the Department beginning on
3 the following January 1. The Department of Revenue shall not
4 administer or enforce any change made to the boundaries of a
5 business district until the municipality reports the boundary
6 change to the Department in the manner prescribed by the
7 Department. The municipality must provide this boundary change
8 information to the Department on or before April 1 for
9 administration and enforcement by the Department of the change
10 beginning on the following July 1 and on or before October 1
11 for administration and enforcement by the Department of the
12 change beginning on the following January 1. The retailers in
13 the business district shall be responsible for charging the tax
14 imposed under this subsection. If a retailer is incorrectly
15 included or excluded from the list of those required to collect
16 the tax under this subsection, both the Department of Revenue
17 and the retailer shall be held harmless if they reasonably
18 relied on information provided by the municipality.

19 A municipality that imposes the tax under this subsection
20 must submit to the Department of Revenue any other information
21 as the Department may require for the administration and
22 enforcement of the tax.

23 Nothing in this subsection shall be construed to authorize
24 the municipality to impose a tax upon the privilege of engaging
25 in any business which under the Constitution of the United
26 States may not be made the subject of taxation by the State.

1 If a tax is imposed under this subsection (c), a tax shall
2 also be imposed under subsection (b) of this Section.

3 (d) By ordinance, a municipality that has established a
4 business district under this Division 74.3 may impose an
5 occupation tax upon all persons engaged in the business
6 district in the business of renting, leasing, or letting rooms
7 in a hotel, as defined in the Hotel Operators' Occupation Tax
8 Act, at a rate not to exceed 1% of the gross rental receipts
9 from the renting, leasing, or letting of hotel rooms within the
10 business district, to be imposed only in 0.25% increments,
11 excluding, however, from gross rental receipts the proceeds of
12 renting, leasing, or letting to permanent residents of a hotel,
13 as defined in the Hotel Operators' Occupation Tax Act, and
14 proceeds from the tax imposed under subsection (c) of Section
15 13 of the Metropolitan Pier and Exposition Authority Act.

16 The tax imposed by the municipality under this subsection
17 and all civil penalties that may be assessed as an incident to
18 that tax shall be collected and enforced by the municipality
19 imposing the tax. The municipality shall have full power to
20 administer and enforce this subsection, to collect all taxes
21 and penalties due under this subsection, to dispose of taxes
22 and penalties so collected in the manner provided in this
23 subsection, and to determine all rights to credit memoranda
24 arising on account of the erroneous payment of tax or penalty
25 under this subsection. In the administration of and compliance
26 with this subsection, the municipality and persons who are

1 subject to this subsection shall have the same rights,
2 remedies, privileges, immunities, powers, and duties, shall be
3 subject to the same conditions, restrictions, limitations,
4 penalties, and definitions of terms, and shall employ the same
5 modes of procedure as are employed with respect to a tax
6 adopted by the municipality under Section 8-3-14 of this Code.

7 Persons subject to any tax imposed under the authority
8 granted in this subsection may reimburse themselves for their
9 tax liability for that tax by separately stating that tax as an
10 additional charge, which charge may be stated in combination,
11 in a single amount, with State taxes imposed under the Hotel
12 Operators' Occupation Tax Act, and with any other tax.

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

17 The proceeds of the tax imposed under this subsection shall
18 be deposited into the Business District Tax Allocation Fund.

19 (e) Obligations issued pursuant to subsection (14) of
20 Section 11-74.3-3 shall be retired in the manner provided in
21 the ordinance authorizing the issuance of those obligations by
22 the receipts of taxes levied as authorized in subsections (12)
23 and (13) of Section 11-74.3-3. The ordinance shall pledge all
24 of the amounts in and to be deposited in the Business District
25 Tax Allocation Fund to the payment of business district project
26 costs and obligations. Obligations issued pursuant to

1 subsection (14) of Section 11-74.3-3 may be sold at public or
2 private sale at a price determined by the corporate authorities
3 of the municipality and no referendum approval of the electors
4 shall be required as a condition to the issuance of those
5 obligations. The ordinance authorizing the obligations may
6 require that the obligations contain a recital that they are
7 issued pursuant to subsection (14) of Section 11-74.3-3 and
8 this recital shall be conclusive evidence of their validity and
9 of the regularity of their issuance. The corporate authorities
10 of the municipality may also issue its obligations to refund,
11 in whole or in part, obligations previously issued by the
12 municipality under the authority of this Code, whether at or
13 prior to maturity. All obligations issued pursuant to
14 subsection (14) of Section 11-74.3-3 shall not be regarded as
15 indebtedness of the municipality issuing the obligations for
16 the purpose of any limitation imposed by law.

17 (f) When business district costs, including, without
18 limitation, all municipal obligations financing business
19 district project costs incurred under Section 11-74.3-3 have
20 been paid, any surplus funds then remaining in the Business
21 District Tax Allocation Fund shall be distributed to the
22 municipal treasurer for deposit into the municipal general
23 corporate fund. Upon payment of all business district project
24 costs and retirement of obligations, but in no event more than
25 23 years after the date of adoption of the ordinance approving
26 the business district development or redevelopment plan, the

1 municipality shall adopt an ordinance immediately rescinding
2 the taxes imposed pursuant to subsections (12) and (13) of
3 Section 11-74.3-3.

4 (Source: P.A. 93-1053, eff. 1-1-05; 93-1089, eff. 3-7-05.)

5 Section 75. The Metropolitan Pier and Exposition Authority
6 Act is amended by changing Section 13 as follows:

7 (70 ILCS 210/13) (from Ch. 85, par. 1233)

8 Sec. 13. (a) The Authority shall not have power to levy
9 taxes for any purpose, except as provided in subsections (b),
10 (c), (d), (e), and (f).

11 (b) By ordinance the Authority shall, as soon as
12 practicable after the effective date of this amendatory Act of
13 1991, impose a Metropolitan Pier and Exposition Authority
14 Retailers' Occupation Tax upon all persons engaged in the
15 business of selling tangible personal property at retail within
16 the territory described in this subsection at the rate of 1.0%
17 of the gross receipts (i) from the sale of food, alcoholic
18 beverages, and soft drinks sold for consumption on the premises
19 where sold and (ii) from the sale of food, alcoholic beverages,
20 and soft drinks sold for consumption off the premises where
21 sold by a retailer whose principal source of gross receipts is
22 from the sale of food, alcoholic beverages, and soft drinks
23 prepared for immediate consumption.

24 The tax imposed under this subsection and all civil

1 penalties that may be assessed as an incident to that tax shall
2 be collected and enforced by the Illinois Department of
3 Revenue. The Department shall have full power to administer and
4 enforce this subsection, to collect all taxes and penalties so
5 collected in the manner provided in this subsection, and to
6 determine all rights to credit memoranda arising on account of
7 the erroneous payment of tax or penalty under this subsection.
8 In the administration of and compliance with this subsection,
9 the Department and persons who are subject to this subsection
10 shall have the same rights, remedies, privileges, immunities,
11 powers, and duties, shall be subject to the same conditions,
12 restrictions, limitations, penalties, exclusions, exemptions,
13 and definitions of terms, and shall employ the same modes of
14 procedure applicable to this Retailers' Occupation Tax as are
15 prescribed in Sections 1, 2 through 2-65 (in respect to all
16 provisions of those Sections other than the State rate of
17 taxes), 2c, 2h, 2i, 3 (except as to the disposition of taxes
18 and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i,
19 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13 and, and until
20 January 1, 1994, 13.5 of the Retailers' Occupation Tax Act,
21 and, on and after January 1, 1994, all applicable provisions of
22 the Uniform Penalty and Interest Act that are not inconsistent
23 with this Act, as fully as if provisions contained in those
24 Sections of the Retailers' Occupation Tax Act were set forth in
25 this subsection.

26 Persons subject to any tax imposed under the authority

1 granted in this subsection may reimburse themselves for their
2 seller's tax liability under this subsection by separately
3 stating that tax as an additional charge, which charge may be
4 stated in combination, in a single amount, with State taxes
5 that sellers are required to collect under the Use Tax Act,
6 pursuant to bracket schedules as the Department may prescribe.
7 The retailer filing the return shall, at the time of filing the
8 return, pay to the Department the amount of tax imposed under
9 this subsection, less a discount of 1.75%, which is allowed to
10 reimburse the retailer for the expenses incurred in keeping
11 records, preparing and filing returns, remitting the tax, and
12 supplying data to the Department on request.

13 Whenever the Department determines that a refund should be
14 made under this subsection to a claimant instead of issuing a
15 credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause a warrant to be drawn for the
17 amount specified and to the person named in the notification
18 from the Department. The refund shall be paid by the State
19 Treasurer out of the Metropolitan Pier and Exposition Authority
20 trust fund held by the State Treasurer as trustee for the
21 Authority.

22 Nothing in this subsection authorizes the Authority to
23 impose a tax upon the privilege of engaging in any business
24 that under the Constitution of the United States may not be
25 made the subject of taxation by this State.

26 The Department shall forthwith pay over to the State

1 Treasurer, ex officio, as trustee for the Authority, all taxes
2 and penalties collected under this subsection for deposit into
3 a trust fund held outside of the State Treasury.

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

12 After the monthly transfer to the STAR Bonds Revenue Fund,
13 on ~~or~~ or before the 25th day of each calendar month, the
14 Department shall prepare and certify to the Comptroller the
15 amounts to be paid under subsection (g) of this Section, which
16 shall be the amounts, not including credit memoranda, collected
17 under this subsection during the second preceding calendar
18 month by the Department, less any amounts determined by the
19 Department to be necessary for the payment of refunds, and less
20 2% of such balance, which sum shall be deposited by the State
21 Treasurer into the Tax Compliance and Administration Fund in
22 the State Treasury from which it shall be appropriated to the
23 Department to cover the costs of the Department in
24 administering and enforcing the provisions of this subsection, and
25 and less any amounts that are transferred to the STAR Bonds
26 Revenue Fund. Within 10 days after receipt by the Comptroller

1 of the certification, the Comptroller shall cause the orders to
2 be drawn for the remaining amounts, and the Treasurer shall
3 administer those amounts as required in subsection (g).

4 A certificate of registration issued by the Illinois
5 Department of Revenue to a retailer under the Retailers'
6 Occupation Tax Act shall permit the registrant to engage in a
7 business that is taxed under the tax imposed under this
8 subsection, and no additional registration shall be required
9 under the ordinance imposing the tax or under this subsection.

10 A certified copy of any ordinance imposing or discontinuing
11 any tax under this subsection or effecting a change in the rate
12 of that tax shall be filed with the Department, whereupon the
13 Department shall proceed to administer and enforce this
14 subsection on behalf of the Authority as of the first day of
15 the third calendar month following the date of filing.

16 The tax authorized to be levied under this subsection may
17 be levied within all or any part of the following described
18 portions of the metropolitan area:

19 (1) that portion of the City of Chicago located within
20 the following area: Beginning at the point of intersection
21 of the Cook County - DuPage County line and York Road, then
22 North along York Road to its intersection with Touhy
23 Avenue, then east along Touhy Avenue to its intersection
24 with the Northwest Tollway, then southeast along the
25 Northwest Tollway to its intersection with Lee Street, then
26 south along Lee Street to Higgins Road, then south and east

1 along Higgins Road to its intersection with Mannheim Road,
2 then south along Mannheim Road to its intersection with
3 Irving Park Road, then west along Irving Park Road to its
4 intersection with the Cook County - DuPage County line,
5 then north and west along the county line to the point of
6 beginning; and

7 (2) that portion of the City of Chicago located within
8 the following area: Beginning at the intersection of West
9 55th Street with Central Avenue, then east along West 55th
10 Street to its intersection with South Cicero Avenue, then
11 south along South Cicero Avenue to its intersection with
12 West 63rd Street, then west along West 63rd Street to its
13 intersection with South Central Avenue, then north along
14 South Central Avenue to the point of beginning; and

15 (3) that portion of the City of Chicago located within
16 the following area: Beginning at the point 150 feet west of
17 the intersection of the west line of North Ashland Avenue
18 and the north line of West Diversey Avenue, then north 150
19 feet, then east along a line 150 feet north of the north
20 line of West Diversey Avenue extended to the shoreline of
21 Lake Michigan, then following the shoreline of Lake
22 Michigan (including Navy Pier and all other improvements
23 fixed to land, docks, or piers) to the point where the
24 shoreline of Lake Michigan and the Adlai E. Stevenson
25 Expressway extended east to that shoreline intersect, then
26 west along the Adlai E. Stevenson Expressway to a point 150

1 feet west of the west line of South Ashland Avenue, then
2 north along a line 150 feet west of the west line of South
3 and North Ashland Avenue to the point of beginning.

4 The tax authorized to be levied under this subsection may
5 also be levied on food, alcoholic beverages, and soft drinks
6 sold on boats and other watercraft departing from and returning
7 to the shoreline of Lake Michigan (including Navy Pier and all
8 other improvements fixed to land, docks, or piers) described in
9 item (3).

10 (c) By ordinance the Authority shall, as soon as
11 practicable after the effective date of this amendatory Act of
12 1991, impose an occupation tax upon all persons engaged in the
13 corporate limits of the City of Chicago in the business of
14 renting, leasing, or letting rooms in a hotel, as defined in
15 the Hotel Operators' Occupation Tax Act, at a rate of 2.5% of
16 the gross rental receipts from the renting, leasing, or letting
17 of hotel rooms within the City of Chicago, excluding, however,
18 from gross rental receipts the proceeds of renting, leasing, or
19 letting to permanent residents of a hotel, as defined in that
20 Act. Gross rental receipts shall not include charges that are
21 added on account of the liability arising from any tax imposed
22 by the State or any governmental agency on the occupation of
23 renting, leasing, or letting rooms in a hotel.

24 The tax imposed by the Authority under this subsection and
25 all civil penalties that may be assessed as an incident to that
26 tax shall be collected and enforced by the Illinois Department

1 of Revenue. The certificate of registration that is issued by
2 the Department to a lessor under the Hotel Operators'
3 Occupation Tax Act shall permit that registrant to engage in a
4 business that is taxable under any ordinance enacted under this
5 subsection without registering separately with the Department
6 under that ordinance or under this subsection. The Department
7 shall have full power to administer and enforce this
8 subsection, to collect all taxes and penalties due under this
9 subsection, to dispose of taxes and penalties so collected in
10 the manner provided in this subsection, and to determine all
11 rights to credit memoranda arising on account of the erroneous
12 payment of tax or penalty under this subsection. In the
13 administration of and compliance with this subsection, the
14 Department and persons who are subject to this subsection shall
15 have the same rights, remedies, privileges, immunities,
16 powers, and duties, shall be subject to the same conditions,
17 restrictions, limitations, penalties, and definitions of
18 terms, and shall employ the same modes of procedure as are
19 prescribed in the Hotel Operators' Occupation Tax Act (except
20 where that Act is inconsistent with this subsection), as fully
21 as if the provisions contained in the Hotel Operators'
22 Occupation Tax Act were set out in this subsection.

23 Whenever the Department determines that a refund should be
24 made under this subsection to a claimant instead of issuing a
25 credit memorandum, the Department shall notify the State
26 Comptroller, who shall cause a warrant to be drawn for the

1 amount specified and to the person named in the notification
2 from the Department. The refund shall be paid by the State
3 Treasurer out of the Metropolitan Pier and Exposition Authority
4 trust fund held by the State Treasurer as trustee for the
5 Authority.

6 Persons subject to any tax imposed under the authority
7 granted in this subsection may reimburse themselves for their
8 tax liability for that tax by separately stating that tax as an
9 additional charge, which charge may be stated in combination,
10 in a single amount, with State taxes imposed under the Hotel
11 Operators' Occupation Tax Act, the municipal tax imposed under
12 Section 8-3-13 of the Illinois Municipal Code, and the tax
13 imposed under Section 19 of the Illinois Sports Facilities
14 Authority Act.

15 The person filing the return shall, at the time of filing
16 the return, pay to the Department the amount of tax, less a
17 discount of 2.1% or \$25 per calendar year, whichever is
18 greater, which is allowed to reimburse the operator for the
19 expenses incurred in keeping records, preparing and filing
20 returns, remitting the tax, and supplying data to the
21 Department on request.

22 The Department shall forthwith pay over to the State
23 Treasurer, ex officio, as trustee for the Authority, all taxes
24 and penalties collected under this subsection for deposit into
25 a trust fund held outside the State Treasury. On or before the
26 25th day of each calendar month, the Department shall certify

1 to the Comptroller the amounts to be paid under subsection (g)
2 of this Section, which shall be the amounts (not including
3 credit memoranda) collected under this subsection during the
4 second preceding calendar month by the Department, less any
5 amounts determined by the Department to be necessary for
6 payment of refunds. Within 10 days after receipt by the
7 Comptroller of the Department's certification, the Comptroller
8 shall cause the orders to be drawn for such amounts, and the
9 Treasurer shall administer those amounts as required in
10 subsection (g).

11 A certified copy of any ordinance imposing or discontinuing
12 a tax under this subsection or effecting a change in the rate
13 of that tax shall be filed with the Illinois Department of
14 Revenue, whereupon the Department shall proceed to administer
15 and enforce this subsection on behalf of the Authority as of
16 the first day of the third calendar month following the date of
17 filing.

18 (d) By ordinance the Authority shall, as soon as
19 practicable after the effective date of this amendatory Act of
20 1991, impose a tax upon all persons engaged in the business of
21 renting automobiles in the metropolitan area at the rate of 6%
22 of the gross receipts from that business, except that no tax
23 shall be imposed on the business of renting automobiles for use
24 as taxicabs or in livery service. The tax imposed under this
25 subsection and all civil penalties that may be assessed as an
26 incident to that tax shall be collected and enforced by the

1 Illinois Department of Revenue. The certificate of
2 registration issued by the Department to a retailer under the
3 Retailers' Occupation Tax Act or under the Automobile Renting
4 Occupation and Use Tax Act shall permit that person to engage
5 in a business that is taxable under any ordinance enacted under
6 this subsection without registering separately with the
7 Department under that ordinance or under this subsection. The
8 Department shall have full power to administer and enforce this
9 subsection, to collect all taxes and penalties due under this
10 subsection, to dispose of taxes and penalties so collected in
11 the manner provided in this subsection, and to determine all
12 rights to credit memoranda arising on account of the erroneous
13 payment of tax or penalty under this subsection. In the
14 administration of and compliance with this subsection, the
15 Department and persons who are subject to this subsection shall
16 have the same rights, remedies, privileges, immunities,
17 powers, and duties, be subject to the same conditions,
18 restrictions, limitations, penalties, and definitions of
19 terms, and employ the same modes of procedure as are prescribed
20 in Sections 2 and 3 (in respect to all provisions of those
21 Sections other than the State rate of tax; and in respect to
22 the provisions of the Retailers' Occupation Tax Act referred to
23 in those Sections, except as to the disposition of taxes and
24 penalties collected, except for the provision allowing
25 retailers a deduction from the tax to cover certain costs, and
26 except that credit memoranda issued under this subsection may

1 not be used to discharge any State tax liability) of the
2 Automobile Renting Occupation and Use Tax Act, as fully as if
3 provisions contained in those Sections of that Act were set
4 forth in this subsection.

5 Persons subject to any tax imposed under the authority
6 granted in this subsection may reimburse themselves for their
7 tax liability under this subsection by separately stating that
8 tax as an additional charge, which charge may be stated in
9 combination, in a single amount, with State tax that sellers
10 are required to collect under the Automobile Renting Occupation
11 and Use Tax Act, pursuant to bracket schedules as the
12 Department may prescribe.

13 Whenever the Department determines that a refund should be
14 made under this subsection to a claimant instead of issuing a
15 credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause a warrant to be drawn for the
17 amount specified and to the person named in the notification
18 from the Department. The refund shall be paid by the State
19 Treasurer out of the Metropolitan Pier and Exposition Authority
20 trust fund held by the State Treasurer as trustee for the
21 Authority.

22 The Department shall forthwith pay over to the State
23 Treasurer, ex officio, as trustee, all taxes and penalties
24 collected under this subsection for deposit into a trust fund
25 held outside the State Treasury. On or before the 25th day of
26 each calendar month, the Department shall certify to the

1 Comptroller the amounts to be paid under subsection (g) of this
2 Section (not including credit memoranda) collected under this
3 subsection during the second preceding calendar month by the
4 Department, less any amount determined by the Department to be
5 necessary for payment of refunds. Within 10 days after receipt
6 by the Comptroller of the Department's certification, the
7 Comptroller shall cause the orders to be drawn for such
8 amounts, and the Treasurer shall administer those amounts as
9 required in subsection (g).

10 Nothing in this subsection authorizes the Authority to
11 impose a tax upon the privilege of engaging in any business
12 that under the Constitution of the United States may not be
13 made the subject of taxation by this State.

14 A certified copy of any ordinance imposing or discontinuing
15 a tax under this subsection or effecting a change in the rate
16 of that tax shall be filed with the Illinois Department of
17 Revenue, whereupon the Department shall proceed to administer
18 and enforce this subsection on behalf of the Authority as of
19 the first day of the third calendar month following the date of
20 filing.

21 (e) By ordinance the Authority shall, as soon as
22 practicable after the effective date of this amendatory Act of
23 1991, impose a tax upon the privilege of using in the
24 metropolitan area an automobile that is rented from a rentor
25 outside Illinois and is titled or registered with an agency of
26 this State's government at a rate of 6% of the rental price of

1 that automobile, except that no tax shall be imposed on the
2 privilege of using automobiles rented for use as taxicabs or in
3 livery service. The tax shall be collected from persons whose
4 Illinois address for titling or registration purposes is given
5 as being in the metropolitan area. The tax shall be collected
6 by the Department of Revenue for the Authority. The tax must be
7 paid to the State or an exemption determination must be
8 obtained from the Department of Revenue before the title or
9 certificate of registration for the property may be issued. The
10 tax or proof of exemption may be transmitted to the Department
11 by way of the State agency with which or State officer with
12 whom the tangible personal property must be titled or
13 registered if the Department and that agency or State officer
14 determine that this procedure will expedite the processing of
15 applications for title or registration.

16 The Department shall have full power to administer and
17 enforce this subsection, to collect all taxes, penalties, and
18 interest due under this subsection, to dispose of taxes,
19 penalties, and interest so collected in the manner provided in
20 this subsection, and to determine all rights to credit
21 memoranda or refunds arising on account of the erroneous
22 payment of tax, penalty, or interest under this subsection. In
23 the administration of and compliance with this subsection, the
24 Department and persons who are subject to this subsection shall
25 have the same rights, remedies, privileges, immunities,
26 powers, and duties, be subject to the same conditions,

1 restrictions, limitations, penalties, and definitions of
2 terms, and employ the same modes of procedure as are prescribed
3 in Sections 2 and 4 (except provisions pertaining to the State
4 rate of tax; and in respect to the provisions of the Use Tax
5 Act referred to in that Section, except provisions concerning
6 collection or refunding of the tax by retailers, except the
7 provisions of Section 19 pertaining to claims by retailers,
8 except the last paragraph concerning refunds, and except that
9 credit memoranda issued under this subsection may not be used
10 to discharge any State tax liability) of the Automobile Renting
11 Occupation and Use Tax Act, as fully as if provisions contained
12 in those Sections of that Act were set forth in this
13 subsection.

14 Whenever the Department determines that a refund should be
15 made under this subsection to a claimant instead of issuing a
16 credit memorandum, the Department shall notify the State
17 Comptroller, who shall cause a warrant to be drawn for the
18 amount specified and to the person named in the notification
19 from the Department. The refund shall be paid by the State
20 Treasurer out of the Metropolitan Pier and Exposition Authority
21 trust fund held by the State Treasurer as trustee for the
22 Authority.

23 The Department shall forthwith pay over to the State
24 Treasurer, ex officio, as trustee, all taxes, penalties, and
25 interest collected under this subsection for deposit into a
26 trust fund held outside the State Treasury. On or before the

1 25th day of each calendar month, the Department shall certify
2 to the State Comptroller the amounts to be paid under
3 subsection (g) of this Section, which shall be the amounts (not
4 including credit memoranda) collected under this subsection
5 during the second preceding calendar month by the Department,
6 less any amounts determined by the Department to be necessary
7 for payment of refunds. Within 10 days after receipt by the
8 State Comptroller of the Department's certification, the
9 Comptroller shall cause the orders to be drawn for such
10 amounts, and the Treasurer shall administer those amounts as
11 required in subsection (g).

12 A certified copy of any ordinance imposing or discontinuing
13 a tax or effecting a change in the rate of that tax shall be
14 filed with the Illinois Department of Revenue, whereupon the
15 Department shall proceed to administer and enforce this
16 subsection on behalf of the Authority as of the first day of
17 the third calendar month following the date of filing.

18 (f) By ordinance the Authority shall, as soon as
19 practicable after the effective date of this amendatory Act of
20 1991, impose an occupation tax on all persons, other than a
21 governmental agency, engaged in the business of providing
22 ground transportation for hire to passengers in the
23 metropolitan area at a rate of (i) \$2 per taxi or livery
24 vehicle departure with passengers for hire from commercial
25 service airports in the metropolitan area, (ii) for each
26 departure with passengers for hire from a commercial service

1 airport in the metropolitan area in a bus or van operated by a
2 person other than a person described in item (iii): \$9 per bus
3 or van with a capacity of 1-12 passengers, \$18 per bus or van
4 with a capacity of 13-24 passengers, and \$27 per bus or van
5 with a capacity of over 24 passengers, and (iii) for each
6 departure with passengers for hire from a commercial service
7 airport in the metropolitan area in a bus or van operated by a
8 person regulated by the Interstate Commerce Commission or
9 Illinois Commerce Commission, operating scheduled service from
10 the airport, and charging fares on a per passenger basis: \$1
11 per passenger for hire in each bus or van. The term "commercial
12 service airports" means those airports receiving scheduled
13 passenger service and enplaning more than 100,000 passengers
14 per year.

15 In the ordinance imposing the tax, the Authority may
16 provide for the administration and enforcement of the tax and
17 the collection of the tax from persons subject to the tax as
18 the Authority determines to be necessary or practicable for the
19 effective administration of the tax. The Authority may enter
20 into agreements as it deems appropriate with any governmental
21 agency providing for that agency to act as the Authority's
22 agent to collect the tax.

23 In the ordinance imposing the tax, the Authority may
24 designate a method or methods for persons subject to the tax to
25 reimburse themselves for the tax liability arising under the
26 ordinance (i) by separately stating the full amount of the tax

1 liability as an additional charge to passengers departing the
2 airports, (ii) by separately stating one-half of the tax
3 liability as an additional charge to both passengers departing
4 from and to passengers arriving at the airports, or (iii) by
5 some other method determined by the Authority.

6 All taxes, penalties, and interest collected under any
7 ordinance adopted under this subsection, less any amounts
8 determined to be necessary for the payment of refunds, shall be
9 paid forthwith to the State Treasurer, ex officio, for deposit
10 into a trust fund held outside the State Treasury and shall be
11 administered by the State Treasurer as provided in subsection
12 (g) of this Section.

13 (g) Amounts deposited from the proceeds of taxes imposed by
14 the Authority under subsections (b), (c), (d), (e), and (f) of
15 this Section and amounts deposited under Section 19 of the
16 Illinois Sports Facilities Authority Act shall be held in a
17 trust fund outside the State Treasury and shall be administered
18 by the Treasurer as follows: first, an amount necessary for the
19 payment of refunds shall be retained in the trust fund; second,
20 the balance of the proceeds deposited in the trust fund during
21 fiscal year 1993 shall be retained in the trust fund during
22 that year and thereafter shall be administered as a reserve to
23 fund the deposits required in item "third"; third, beginning
24 July 20, 1993, and continuing each month thereafter, provided
25 that the amount requested in the certificate of the Chairman of
26 the Authority filed under Section 8.25f of the State Finance

1 Act has been appropriated for payment to the Authority, 1/8 of
2 the annual amount requested in that certificate together with
3 any cumulative deficiencies shall be transferred from the trust
4 fund into the McCormick Place Expansion Project Fund in the
5 State Treasury until 100% of the amount requested in that
6 certificate plus any cumulative deficiencies in the amounts
7 transferred into the McCormick Place Expansion Project Fund
8 under this item "third", have been so transferred; fourth, the
9 balance shall be maintained in the trust fund; fifth, on July
10 20, 1994, and on July 20 of each year thereafter the Treasurer
11 shall calculate for the previous fiscal year the surplus
12 revenues in the trust fund and pay that amount to the
13 Authority. "Surplus revenues" shall mean the difference
14 between the amount in the trust fund on June 30 of the fiscal
15 year previous to the current fiscal year (excluding amounts
16 retained for refunds under item "first") minus the amount
17 deposited in the trust fund during fiscal year 1993 under item
18 "second". Moneys received by the Authority under item "fifth"
19 may be used solely for the purposes of paying debt service on
20 the bonds and notes issued by the Authority, including early
21 redemption of those bonds or notes, and for the purposes of
22 repair, replacement, and improvement of the grounds,
23 buildings, and facilities of the Authority; provided that any
24 moneys in excess of \$50,000,000 held by the Authority as of
25 June 30 in any fiscal year and received by the Authority under
26 item "fifth" shall be used solely for paying the debt service

1 on or early redemption of the Authority's bonds or notes. When
2 bonds and notes issued under Section 13.2, or bonds or notes
3 issued to refund those bonds and notes, are no longer
4 outstanding, the balance in the trust fund shall be paid to the
5 Authority.

6 (h) The ordinances imposing the taxes authorized by this
7 Section shall be repealed when bonds and notes issued under
8 Section 13.2 or bonds and notes issued to refund those bonds
9 and notes are no longer outstanding.

10 (Source: P.A. 90-612, eff. 7-8-98.)

11 Section 80. The Flood Prevention District Act is amended by
12 changing Section 25 as follows:

13 (70 ILCS 750/25)

14 Sec. 25. Flood prevention retailers' and service
15 occupation taxes.

16 (a) If the Board of Commissioners of a flood prevention
17 district determines that an emergency situation exists
18 regarding levee repair or flood prevention, and upon an
19 ordinance confirming the determination adopted by the
20 affirmative vote of a majority of the members of the county
21 board of the county in which the district is situated, the
22 county may impose a flood prevention retailers' occupation tax
23 upon all persons engaged in the business of selling tangible
24 personal property at retail within the territory of the

1 district to provide revenue to pay the costs of providing
2 emergency levee repair and flood prevention and to secure the
3 payment of bonds, notes, and other evidences of indebtedness
4 issued under this Act for a period not to exceed 25 years or as
5 required to repay the bonds, notes, and other evidences of
6 indebtedness issued under this Act. The tax rate shall be 0.25%
7 of the gross receipts from all taxable sales made in the course
8 of that business. The tax imposed under this Section and all
9 civil penalties that may be assessed as an incident thereof
10 shall be collected and enforced by the State Department of
11 Revenue. The Department shall have full power to administer and
12 enforce this Section; to collect all taxes and penalties so
13 collected in the manner hereinafter provided; and to determine
14 all rights to credit memoranda arising on account of the
15 erroneous payment of tax or penalty hereunder.

16 In the administration of and compliance with this
17 subsection, the Department and persons who are subject to this
18 subsection (i) have the same rights, remedies, privileges,
19 immunities, powers, and duties, (ii) are subject to the same
20 conditions, restrictions, limitations, penalties, and
21 definitions of terms, and (iii) shall employ the same modes of
22 procedure as are set forth in Sections 1 through 10, 2 through
23 2-70 (in respect to all provisions contained in those Sections
24 other than the State rate of tax), 2a through 2h, 3 (except as
25 to the disposition of taxes and penalties collected), 4, 5, 5a,
26 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10,

1 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and
2 all provisions of the Uniform Penalty and Interest Act as if
3 those provisions were set forth in this subsection.

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

11 If a tax is imposed under this subsection (a), a tax shall
12 also be imposed under subsection (b) of this Section.

13 (b) If a tax has been imposed under subsection (a), a flood
14 prevention service occupation tax shall also be imposed upon
15 all persons engaged within the territory of the district in the
16 business of making sales of service, who, as an incident to
17 making the sales of service, transfer tangible personal
18 property, either in the form of tangible personal property or
19 in the form of real estate as an incident to a sale of service
20 to provide revenue to pay the costs of providing emergency
21 levee repair and flood prevention and to secure the payment of
22 bonds, notes, and other evidences of indebtedness issued under
23 this Act for a period not to exceed 25 years or as required to
24 repay the bonds, notes, and other evidences of indebtedness.
25 The tax rate shall be 0.25% of the selling price of all
26 tangible personal property transferred.

1 The tax imposed under this subsection and all civil
2 penalties that may be assessed as an incident thereof shall be
3 collected and enforced by the State Department of Revenue. The
4 Department shall have full power to administer and enforce this
5 subsection; to collect all taxes and penalties due hereunder;
6 to dispose of taxes and penalties collected in the manner
7 hereinafter provided; and to determine all rights to credit
8 memoranda arising on account of the erroneous payment of tax or
9 penalty hereunder.

10 In the administration of and compliance with this
11 subsection, the Department and persons who are subject to this
12 subsection shall (i) have the same rights, remedies,
13 privileges, immunities, powers, and duties, (ii) be subject to
14 the same conditions, restrictions, limitations, penalties, and
15 definitions of terms, and (iii) employ the same modes of
16 procedure as are set forth in Sections 2 (except that the
17 reference to State in the definition of supplier maintaining a
18 place of business in this State means the district), 2a through
19 2d, 3 through 3-50 (in respect to all provisions contained in
20 those Sections other than the State rate of tax), 4 (except
21 that the reference to the State shall be to the district), 5,
22 7, 8 (except that the jurisdiction to which the tax is a debt
23 to the extent indicated in that Section 8 is the district), 9
24 (except as to the disposition of taxes and penalties
25 collected), 10, 11, 12 (except the reference therein to Section
26 2b of the Retailers' Occupation Tax Act), 13 (except that any

1 reference to the State means the district), Section 15, 16, 17,
2 18, 19, and 20 of the Service Occupation Tax Act and all
3 provisions of the Uniform Penalty and Interest Act, as fully as
4 if those provisions were set forth herein.

5 Persons subject to any tax imposed under the authority
6 granted in this subsection may reimburse themselves for their
7 serviceman's tax liability hereunder by separately stating the
8 tax as an additional charge, that charge may be stated in
9 combination in a single amount with State tax that servicemen
10 are authorized to collect under the Service Use Tax Act, under
11 any bracket schedules the Department may prescribe.

12 (c) The taxes imposed in subsections (a) and (b) may not be
13 imposed on personal property titled or registered with an
14 agency of the State; food for human consumption that is to be
15 consumed off the premises where it is sold (other than
16 alcoholic beverages, soft drinks, and food that has been
17 prepared for immediate consumption); prescription and
18 non-prescription medicines, drugs, and medical appliances;
19 modifications to a motor vehicle for the purpose of rendering
20 it usable by a disabled person; or insulin, urine testing
21 materials, and syringes and needles used by diabetics.

22 (d) Nothing in this Section shall be construed to authorize
23 the district to impose a tax upon the privilege of engaging in
24 any business that under the Constitution of the United States
25 may not be made the subject of taxation by the State.

26 (e) The certificate of registration that is issued by the

1 Department to a retailer under the Retailers' Occupation Tax
2 Act or a serviceman under the Service Occupation Tax Act
3 permits the retailer or serviceman to engage in a business that
4 is taxable without registering separately with the Department
5 under an ordinance or resolution under this Section.

6 (f) The Department shall immediately pay over to the State
7 Treasurer, ex officio, as trustee, all taxes and penalties
8 collected under this Section to be deposited into the Flood
9 Prevention Occupation Tax Fund, which shall be an
10 unappropriated trust fund held outside the State treasury.

11 As soon as possible after the first day of each month,
12 beginning January 1, 2011, upon certification of the Department
13 of Revenue, the Comptroller shall order transferred, and the
14 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
15 local sales tax increment, as defined in the Innovation
16 Development and Economy Act, collected under this Section
17 during the second preceding calendar month for sales within a
18 STAR bond district. The Department shall make this
19 certification only if the flood prevention district imposes a
20 tax on real property as provided in the definition of "local
21 sales taxes" under the Innovation Development and Economy Act.

22 After the monthly transfer to the STAR Bonds Revenue Fund,
23 on ~~or~~ or before the 25th day of each calendar month, the
24 Department shall prepare and certify to the Comptroller the
25 disbursement of stated sums of money to the counties from which
26 retailers or servicemen have paid taxes or penalties to the

1 Department during the second preceding calendar month. The
2 amount to be paid to each county is equal to the amount (not
3 including credit memoranda) collected from the county under
4 this Section during the second preceding calendar month by the
5 Department, (i) less 2% of that amount, which shall be
6 deposited into the Tax Compliance and Administration Fund and
7 shall be used by the Department in administering and enforcing
8 the provisions of this Section on behalf of the county, (ii)
9 plus an amount that the Department determines is necessary to
10 offset any amounts that were erroneously paid to a different
11 taxing body; (iii) less an amount equal to the amount of
12 refunds made during the second preceding calendar month by the
13 Department on behalf of the county; ~~and~~ (iv) less any amount
14 that the Department determines is necessary to offset any
15 amounts that were payable to a different taxing body but were
16 erroneously paid to the county; and (v) less any amounts that
17 are transferred to the STAR Bonds Revenue Fund. When certifying
18 the amount of a monthly disbursement to a county under this
19 Section, the Department shall increase or decrease the amounts
20 by an amount necessary to offset any miscalculation of previous
21 disbursements within the previous 6 months from the time a
22 miscalculation is discovered.

23 Within 10 days after receipt by the Comptroller from the
24 Department of the disbursement certification to the counties
25 provided for in this Section, the Comptroller shall cause the
26 orders to be drawn for the respective amounts in accordance

1 with directions contained in the certification.

2 If the Department determines that a refund should be made
3 under this Section to a claimant instead of issuing a credit
4 memorandum, then the Department shall notify the Comptroller,
5 who shall cause the order to be drawn for the amount specified
6 and to the person named in the notification from the
7 Department. The refund shall be paid by the Treasurer out of
8 the Flood Prevention Occupation Tax Fund.

9 (g) If a county imposes a tax under this Section, then the
10 county board shall, by ordinance, discontinue the tax upon the
11 payment of all indebtedness of the flood prevention district.
12 The tax shall not be discontinued until all indebtedness of the
13 District has been paid.

14 (h) Any ordinance imposing the tax under this Section, or
15 any ordinance that discontinues the tax, must be certified by
16 the county clerk and filed with the Illinois Department of
17 Revenue either (i) on or before the first day of April,
18 whereupon the Department shall proceed to administer and
19 enforce the tax or change in the rate as of the first day of
20 July next following the filing; or (ii) on or before the first
21 day of October, whereupon the Department shall proceed to
22 administer and enforce the tax or change in the rate as of the
23 first day of January next following the filing.

24 (j) County Flood Prevention Occupation Tax Fund. All
25 proceeds received by a county from a tax distribution under
26 this Section must be maintained in a special fund known as the

1 [name of county] flood prevention occupation tax fund. The
2 county shall, at the direction of the flood prevention
3 district, use moneys in the fund to pay the costs of providing
4 emergency levee repair and flood prevention and to pay bonds,
5 notes, and other evidences of indebtedness issued under this
6 Act.

7 (k) This Section may be cited as the Flood Prevention
8 Occupation Tax Law.

9 (Source: P.A. 95-719, eff. 5-21-08; 95-723, eff. 6-23-08.)

10 Section 85. The Metro-East Park and Recreation District Act
11 is amended by changing Section 30 as follows:

12 (70 ILCS 1605/30)

13 Sec. 30. Taxes.

14 (a) The board shall impose a tax upon all persons engaged
15 in the business of selling tangible personal property, other
16 than personal property titled or registered with an agency of
17 this State's government, at retail in the District on the gross
18 receipts from the sales made in the course of business. This
19 tax shall be imposed only at the rate of one-tenth of one per
20 cent.

21 This additional tax may not be imposed on the sales of food
22 for human consumption that is to be consumed off the premises
23 where it is sold (other than alcoholic beverages, soft drinks,
24 and food which has been prepared for immediate consumption) and

1 prescription and non-prescription medicines, drugs, medical
2 appliances, and insulin, urine testing materials, syringes,
3 and needles used by diabetics. The tax imposed by the Board
4 under this Section and all civil penalties that may be assessed
5 as an incident of the tax shall be collected and enforced by
6 the Department of Revenue. The certificate of registration that
7 is issued by the Department to a retailer under the Retailers'
8 Occupation Tax Act shall permit the retailer to engage in a
9 business that is taxable without registering separately with
10 the Department under an ordinance or resolution under this
11 Section. The Department has full power to administer and
12 enforce this Section, to collect all taxes and penalties due
13 under this Section, to dispose of taxes and penalties so
14 collected in the manner provided in this Section, and to
15 determine all rights to credit memoranda arising on account of
16 the erroneous payment of a tax or penalty under this Section.
17 In the administration of and compliance with this Section, the
18 Department and persons who are subject to this Section shall
19 (i) have the same rights, remedies, privileges, immunities,
20 powers, and duties, (ii) be subject to the same conditions,
21 restrictions, limitations, penalties, and definitions of
22 terms, and (iii) employ the same modes of procedure as are
23 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
24 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions contained
25 in those Sections other than the State rate of tax), 2-15
26 through 2-70, 2a, 2b, 2c, 3 (except provisions relating to

1 transaction returns and quarter monthly payments), 4, 5, 5a,
2 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,
3 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act
4 and the Uniform Penalty and Interest Act as if those provisions
5 were set forth in this Section.

6 Persons subject to any tax imposed under the authority
7 granted in this Section may reimburse themselves for their
8 sellers' tax liability by separately stating the tax as an
9 additional charge, which charge may be stated in combination,
10 in a single amount, with State tax which sellers are required
11 to collect under the Use Tax Act, pursuant to such bracketed
12 schedules as the Department may prescribe.

13 Whenever the Department determines that a refund should be
14 made under this Section to a claimant instead of issuing a
15 credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause the order to be drawn for the
17 amount specified and to the person named in the notification
18 from the Department. The refund shall be paid by the State
19 Treasurer out of the State Metro-East Park and Recreation
20 District Fund.

21 (b) If a tax has been imposed under subsection (a), a
22 service occupation tax shall also be imposed at the same rate
23 upon all persons engaged, in the District, in the business of
24 making sales of service, who, as an incident to making those
25 sales of service, transfer tangible personal property within
26 the District as an incident to a sale of service. This tax may

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

1 the jurisdiction to which the tax shall be a debt to the extent
2 indicated in that Section 8 shall be the District), 9 (except
3 as to the disposition of taxes and penalties collected), 10,
4 11, 12 (except the reference therein to Section 2b of the
5 Retailers' Occupation Tax Act), 13 (except that any reference
6 to the State shall mean the District), Sections 15, 16, 17, 18,
7 19 and 20 of the Service Occupation Tax Act and the Uniform
8 Penalty and Interest Act, as fully as if those provisions were
9 set forth herein.

10 Persons subject to any tax imposed under the authority
11 granted in this subsection may reimburse themselves for their
12 serviceman's tax liability by separately stating the tax as an
13 additional charge, which charge may be stated in combination,
14 in a single amount, with State tax that servicemen are
15 authorized to collect under the Service Use Tax Act, in
16 accordance with such bracket schedules as the Department may
17 prescribe.

18 Whenever the Department determines that a refund should be
19 made under this subsection to a claimant instead of issuing a
20 credit memorandum, the Department shall notify the State
21 Comptroller, who shall cause the warrant to be drawn for the
22 amount specified, and to the person named, in the notification
23 from the Department. The refund shall be paid by the State
24 Treasurer out of the State Metro-East Park and Recreation
25 District Fund.

26 Nothing in this subsection shall be construed to authorize

1 the board to impose a tax upon the privilege of engaging in any
2 business which under the Constitution of the United States may
3 not be made the subject of taxation by the State.

4 (c) The Department shall immediately pay over to the State
5 Treasurer, ex officio, as trustee, all taxes and penalties
6 collected under this Section to be deposited into the State
7 Metro-East Park and Recreation District Fund, which shall be an
8 unappropriated trust fund held outside of the State treasury.

9 As soon as possible after the first day of each month,
10 beginning January 1, 2011, upon certification of the Department
11 of Revenue, the Comptroller shall order transferred, and the
12 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
13 local sales tax increment, as defined in the Innovation
14 Development and Economy Act, collected under this Section
15 during the second preceding calendar month for sales within a
16 STAR bond district. The Department shall make this
17 certification only if the Metro East Park and Recreation
18 District imposes a tax on real property as provided in the
19 definition of "local sales taxes" under the Innovation
20 Development and Economy Act.

21 After the monthly transfer to the STAR Bonds Revenue Fund,
22 on ~~or~~ or before the 25th day of each calendar month, the
23 Department shall prepare and certify to the Comptroller the
24 disbursement of stated sums of money pursuant to Section 35 of
25 this Act to the District from which retailers have paid taxes
26 or penalties to the Department during the second preceding

1 calendar month. The amount to be paid to the District shall be
2 the amount (not including credit memoranda) collected under
3 this Section during the second preceding calendar month by the
4 Department plus an amount the Department determines is
5 necessary to offset any amounts that were erroneously paid to a
6 different taxing body, and not including (i) an amount equal to
7 the amount of refunds made during the second preceding calendar
8 month by the Department on behalf of the District, ~~and~~ (ii) any
9 amount that the Department determines is necessary to offset
10 any amounts that were payable to a different taxing body but
11 were erroneously paid to the District, and (iii) any amounts
12 that are transferred to the STAR Bonds Revenue Fund. Within 10
13 days after receipt by the Comptroller of the disbursement
14 certification to the District provided for in this Section to
15 be given to the Comptroller by the Department, the Comptroller
16 shall cause the orders to be drawn for the respective amounts
17 in accordance with directions contained in the certification.

18 (d) For the purpose of determining whether a tax authorized
19 under this Section is applicable, a retail sale by a producer
20 of coal or another mineral mined in Illinois is a sale at
21 retail at the place where the coal or other mineral mined in
22 Illinois is extracted from the earth. This paragraph does not
23 apply to coal or another mineral when it is delivered or
24 shipped by the seller to the purchaser at a point outside
25 Illinois so that the sale is exempt under the United States
26 Constitution as a sale in interstate or foreign commerce.

1 (e) Nothing in this Section shall be construed to authorize
2 the board to impose a tax upon the privilege of engaging in any
3 business that under the Constitution of the United States may
4 not be made the subject of taxation by this State.

5 (f) An ordinance imposing a tax under this Section or an
6 ordinance extending the imposition of a tax to an additional
7 county or counties shall be certified by the board and filed
8 with the Department of Revenue either (i) on or before the
9 first day of April, whereupon the Department shall proceed to
10 administer and enforce the tax as of the first day of July next
11 following the filing; or (ii) on or before the first day of
12 October, whereupon the Department shall proceed to administer
13 and enforce the tax as of the first day of January next
14 following the filing.

15 (g) When certifying the amount of a monthly disbursement to
16 the District under this Section, the Department shall increase
17 or decrease the amounts by an amount necessary to offset any
18 misallocation of previous disbursements. The offset amount
19 shall be the amount erroneously disbursed within the previous 6
20 months from the time a misallocation is discovered.

21 (Source: P.A. 91-103, eff. 7-13-99.)

22 Section 90. The Local Mass Transit District Act is amended
23 by changing Section 5.01 as follows:

24 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

1 Sec. 5.01. Metro East Mass Transit District; use and
2 occupation taxes.

3 (a) The Board of Trustees of any Metro East Mass Transit
4 District may, by ordinance adopted with the concurrence of
5 two-thirds of the then trustees, impose throughout the District
6 any or all of the taxes and fees provided in this Section. All
7 taxes and fees imposed under this Section shall be used only
8 for public mass transportation systems, and the amount used to
9 provide mass transit service to unserved areas of the District
10 shall be in the same proportion to the total proceeds as the
11 number of persons residing in the unserved areas is to the
12 total population of the District. Except as otherwise provided
13 in this Act, taxes imposed under this Section and civil
14 penalties imposed incident thereto shall be collected and
15 enforced by the State Department of Revenue. The Department
16 shall have the power to administer and enforce the taxes and to
17 determine all rights for refunds for erroneous payments of the
18 taxes.

19 (b) The Board may impose a Metro East Mass Transit District
20 Retailers' Occupation Tax upon all persons engaged in the
21 business of selling tangible personal property at retail in the
22 district at a rate of 1/4 of 1%, or as authorized under
23 subsection (d-5) of this Section, of the gross receipts from
24 the sales made in the course of such business within the
25 district. The tax imposed under this Section and all civil
26 penalties that may be assessed as an incident thereof shall be

1 collected and enforced by the State Department of Revenue. The
2 Department shall have full power to administer and enforce this
3 Section; to collect all taxes and penalties so collected in the
4 manner hereinafter provided; and to determine all rights to
5 credit memoranda arising on account of the erroneous payment of
6 tax or penalty hereunder. In the administration of, and
7 compliance with, this Section, the Department and persons who
8 are subject to this Section shall have the same rights,
9 remedies, privileges, immunities, powers and duties, and be
10 subject to the same conditions, restrictions, limitations,
11 penalties, exclusions, exemptions and definitions of terms and
12 employ the same modes of procedure, as are prescribed in
13 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
14 (in respect to all provisions therein other than the State rate
15 of tax), 2c, 3 (except as to the disposition of taxes and
16 penalties collected), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,
17 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the
18 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
19 Penalty and Interest Act, as fully as if those provisions were
20 set forth herein.

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

1 schedules as the Department may prescribe.

2 Whenever the Department determines that a refund should be
3 made under this Section to a claimant instead of issuing a
4 credit memorandum, the Department shall notify the State
5 Comptroller, who shall cause the warrant to be drawn for the
6 amount specified, and to the person named, in the notification
7 from the Department. The refund shall be paid by the State
8 Treasurer out of the Metro East Mass Transit District tax fund
9 established under paragraph (h) of this Section.

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

12 For the purpose of determining whether a tax authorized
13 under this Section is applicable, a retail sale, by a producer
14 of coal or other mineral mined in Illinois, is a sale at retail
15 at the place where the coal or other mineral mined in Illinois
16 is 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 No tax shall be imposed or collected under this subsection
22 on the sale of a motor vehicle in this State to a resident of
23 another state if that motor vehicle will not be titled in this
24 State.

25 Nothing in this Section shall be construed to authorize the
26 Metro East Mass Transit District to impose a tax upon the

1 privilege of engaging in any business which under the
2 Constitution of the United States may not be made the subject
3 of taxation by this State.

4 (c) If a tax has been imposed under subsection (b), a Metro
5 East Mass Transit District Service Occupation Tax shall also be
6 imposed upon all persons engaged, in the district, in the
7 business of making sales of service, who, as an incident to
8 making those sales of service, transfer tangible personal
9 property within the District, either in the form of tangible
10 personal property or in the form of real estate as an incident
11 to a sale of service. The tax rate shall be 1/4%, or as
12 authorized under subsection (d-5) of this Section, of the
13 selling price of tangible personal property so transferred
14 within the district. The tax imposed under this paragraph and
15 all civil penalties that may be assessed as an incident thereof
16 shall be collected and enforced by the State Department of
17 Revenue. The Department shall have full power to administer and
18 enforce this paragraph; to collect all taxes and penalties due
19 hereunder; to dispose of taxes and penalties so collected in
20 the manner hereinafter provided; and to determine all rights to
21 credit memoranda arising on account of the erroneous payment of
22 tax or penalty hereunder. In the administration of, and
23 compliance with this paragraph, the Department and persons who
24 are subject to this paragraph shall have the same rights,
25 remedies, privileges, immunities, powers and duties, and be
26 subject to the same conditions, restrictions, limitations,

1 penalties, exclusions, exemptions and definitions of terms and
2 employ the same modes of procedure as are prescribed in
3 Sections 1a-1, 2 (except that the reference to State in the
4 definition of supplier maintaining a place of business in this
5 State shall mean the Authority), 2a, 3 through 3-50 (in respect
6 to all provisions therein other than the State rate of tax), 4
7 (except that the reference to the State shall be to the
8 Authority), 5, 7, 8 (except that the jurisdiction to which the
9 tax shall be a debt to the extent indicated in that Section 8
10 shall be the District), 9 (except as to the disposition of
11 taxes and penalties collected, and except that the returned
12 merchandise credit for this tax may not be taken against any
13 State tax), 10, 11, 12 (except the reference therein to Section
14 2b of the Retailers' Occupation Tax Act), 13 (except that any
15 reference to the State shall mean the District), the first
16 paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service
17 Occupation Tax Act and Section 3-7 of the Uniform Penalty and
18 Interest Act, as fully as if those provisions were set forth
19 herein.

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

1 prescribe.

2 Whenever the Department determines that a refund should be
3 made under this paragraph to a claimant instead of issuing a
4 credit memorandum, the Department shall notify the State
5 Comptroller, who shall cause the warrant to be drawn for the
6 amount specified, and to the person named, in the notification
7 from the Department. The refund shall be paid by the State
8 Treasurer out of the Metro East Mass Transit District tax fund
9 established under paragraph (h) of this Section.

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

14 (d) If a tax has been imposed under subsection (b), a Metro
15 East Mass Transit District Use Tax shall also be imposed upon
16 the privilege of using, in the district, any item of tangible
17 personal property that is purchased outside the district at
18 retail from a retailer, and that is titled or registered with
19 an agency of this State's government, at a rate of 1/4%, or as
20 authorized under subsection (d-5) of this Section, of the
21 selling price of the tangible personal property within the
22 District, as "selling price" is defined in the Use Tax Act. The
23 tax shall be collected from persons whose Illinois address for
24 titling or registration purposes is given as being in the
25 District. The tax shall be collected by the Department of
26 Revenue for the Metro East Mass Transit District. The tax must

1 be paid to the State, or an exemption determination must be
2 obtained from the Department of Revenue, before the title or
3 certificate of registration for the property may be issued. The
4 tax or proof of exemption may be transmitted to the Department
5 by way of the State agency with which, or the State officer
6 with whom, the tangible personal property must be titled or
7 registered if the Department and the State agency or State
8 officer determine that this procedure will expedite the
9 processing of applications for title or registration.

10 The Department shall have full power to administer and
11 enforce this paragraph; to collect all taxes, penalties and
12 interest due hereunder; to dispose of taxes, penalties and
13 interest so collected in the manner hereinafter provided; and
14 to determine all rights to credit memoranda or refunds arising
15 on account of the erroneous payment of tax, penalty or interest
16 hereunder. In the administration of, and compliance with, this
17 paragraph, the Department and persons who are subject to this
18 paragraph shall have the same rights, remedies, privileges,
19 immunities, powers and duties, and be subject to the same
20 conditions, restrictions, limitations, penalties, exclusions,
21 exemptions and definitions of terms and employ the same modes
22 of procedure, as are prescribed in Sections 2 (except the
23 definition of "retailer maintaining a place of business in this
24 State"), 3 through 3-80 (except provisions pertaining to the
25 State rate of tax, and except provisions concerning collection
26 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,

1 19 (except the portions pertaining to claims by retailers and
2 except the last paragraph concerning refunds), 20, 21 and 22 of
3 the Use Tax Act and Section 3-7 of the Uniform Penalty and
4 Interest Act, that are not inconsistent with this paragraph, as
5 fully as if those 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 the Metro East Mass Transit District tax fund
13 established under paragraph (h) of this Section.

14 (d-5) (A) The county board of any county participating in
15 the Metro East Mass Transit District may authorize, by
16 ordinance, a referendum on the question of whether the tax
17 rates for the Metro East Mass Transit District Retailers'
18 Occupation Tax, the Metro East Mass Transit District Service
19 Occupation Tax, and the Metro East Mass Transit District Use
20 Tax for the District should be increased from 0.25% to 0.75%.
21 Upon adopting the ordinance, the county board shall certify the
22 proposition to the proper election officials who shall submit
23 the proposition to the voters of the District at the next
24 election, in accordance with the general election law.

25 The proposition shall be in substantially the following
26 form:

1 Shall the tax rates for the Metro East Mass Transit
2 District Retailers' Occupation Tax, the Metro East Mass
3 Transit District Service Occupation Tax, and the Metro East
4 Mass Transit District Use Tax be increased from 0.25% to
5 0.75%?

6 (B) Two thousand five hundred electors of any Metro East
7 Mass Transit District may petition the Chief Judge of the
8 Circuit Court, or any judge of that Circuit designated by the
9 Chief Judge, in which that District is located to cause to be
10 submitted to a vote of the electors the question whether the
11 tax rates for the Metro East Mass Transit District Retailers'
12 Occupation Tax, the Metro East Mass Transit District Service
13 Occupation Tax, and the Metro East Mass Transit District Use
14 Tax for the District should be increased from 0.25% to 0.75%.

15 Upon submission of such petition the court shall set a date
16 not less than 10 nor more than 30 days thereafter for a hearing
17 on the sufficiency thereof. Notice of the filing of such
18 petition and of such date shall be given in writing to the
19 District and the County Clerk at least 7 days before the date
20 of such hearing.

21 If such petition is found sufficient, the court shall enter
22 an order to submit that proposition at the next election, in
23 accordance with general election law.

24 The form of the petition shall be in substantially the
25 following form: To the Circuit Court of the County of (name of
26 county):

1 We, the undersigned electors of the (name of transit
2 district), respectfully petition your honor to submit to a
3 vote of the electors of (name of transit district) the
4 following proposition:

5 Shall the tax rates for the Metro East Mass Transit
6 District Retailers' Occupation Tax, the Metro East Mass
7 Transit District Service Occupation Tax, and the Metro East
8 Mass Transit District Use Tax be increased from 0.25% to
9 0.75%?

10 Name	Address, with Street and Number.
11
12

13 (C) The votes shall be recorded as "YES" or "NO". If a
14 majority of all votes cast on the proposition are for the
15 increase in the tax rates, the Metro East Mass Transit District
16 shall begin imposing the increased rates in the District, and
17 the Department of Revenue shall begin collecting the increased
18 amounts, as provided under this Section. An ordinance imposing
19 or discontinuing a tax hereunder or effecting a change in the
20 rate thereof shall be adopted and a certified copy thereof
21 filed with the Department on or before the first day of
22 October, whereupon the Department shall proceed to administer
23 and enforce this Section as of the first day of January next
24 following the adoption and filing, or on or before the first
25 day of April, whereupon the Department shall proceed to
26 administer and enforce this Section as of the first day of July

1 next following the adoption and filing.

2 (D) If the voters have approved a referendum under this
3 subsection, before November 1, 1994, to increase the tax rate
4 under this subsection, the Metro East Mass Transit District
5 Board of Trustees may adopt by a majority vote an ordinance at
6 any time before January 1, 1995 that excludes from the rate
7 increase tangible personal property that is titled or
8 registered with an agency of this State's government. The
9 ordinance excluding titled or registered tangible personal
10 property from the rate increase must be filed with the
11 Department at least 15 days before its effective date. At any
12 time after adopting an ordinance excluding from the rate
13 increase tangible personal property that is titled or
14 registered with an agency of this State's government, the Metro
15 East Mass Transit District Board of Trustees may adopt an
16 ordinance applying the rate increase to that tangible personal
17 property. The ordinance shall be adopted, and a certified copy
18 of that ordinance shall be filed with the Department, on or
19 before October 1, whereupon the Department shall proceed to
20 administer and enforce the rate increase against tangible
21 personal property titled or registered with an agency of this
22 State's government as of the following January 1. After
23 December 31, 1995, any reimposed rate increase in effect under
24 this subsection shall no longer apply to tangible personal
25 property titled or registered with an agency of this State's
26 government. Beginning January 1, 1996, the Board of Trustees of

1 any Metro East Mass Transit District may never reimpose a
2 previously excluded tax rate increase on tangible personal
3 property titled or registered with an agency of this State's
4 government. After July 1, 2004, if the voters have approved a
5 referendum under this subsection to increase the tax rate under
6 this subsection, the Metro East Mass Transit District Board of
7 Trustees may adopt by a majority vote an ordinance that
8 excludes from the rate increase tangible personal property that
9 is titled or registered with an agency of this State's
10 government. The ordinance excluding titled or registered
11 tangible personal property from the rate increase shall be
12 adopted, and a certified copy of that ordinance shall be filed
13 with the Department on or before October 1, whereupon the
14 Department shall administer and enforce this exclusion from the
15 rate increase as of the following January 1, or on or before
16 April 1, whereupon the Department shall administer and enforce
17 this exclusion from the rate increase as of the following July
18 1. The Board of Trustees of any Metro East Mass Transit
19 District may never reimpose a previously excluded tax rate
20 increase on tangible personal property titled or registered
21 with an agency of this State's government.

22 (d-6) If the Board of Trustees of any Metro East Mass
23 Transit District has imposed a rate increase under subsection
24 (d-5) and filed an ordinance with the Department of Revenue
25 excluding titled property from the higher rate, then that Board
26 may, by ordinance adopted with the concurrence of two-thirds of

1 the then trustees, impose throughout the District a fee. The
2 fee on the excluded property shall not exceed \$20 per retail
3 transaction or an amount equal to the amount of tax excluded,
4 whichever is less, on tangible personal property that is titled
5 or registered with an agency of this State's government.
6 Beginning July 1, 2004, the fee shall apply only to titled
7 property that is subject to either the Metro East Mass Transit
8 District Retailers' Occupation Tax or the Metro East Mass
9 Transit District Service Occupation Tax. No fee shall be
10 imposed or collected under this subsection on the sale of a
11 motor vehicle in this State to a resident of another state if
12 that motor vehicle will not be titled in this State.

13 (d-7) Until June 30, 2004, if a fee has been imposed under
14 subsection (d-6), a fee shall also be imposed upon the
15 privilege of using, in the district, any item of tangible
16 personal property that is titled or registered with any agency
17 of this State's government, in an amount equal to the amount of
18 the fee imposed under subsection (d-6).

19 (d-7.1) Beginning July 1, 2004, any fee imposed by the
20 Board of Trustees of any Metro East Mass Transit District under
21 subsection (d-6) and all civil penalties that may be assessed
22 as an incident of the fees shall be collected and enforced by
23 the State Department of Revenue. Reference to "taxes" in this
24 Section shall be construed to apply to the administration,
25 payment, and remittance of all fees under this Section. For
26 purposes of any fee imposed under subsection (d-6), 4% of the

1 fee, penalty, and interest received by the Department in the
2 first 12 months that the fee is collected and enforced by the
3 Department and 2% of the fee, penalty, and interest following
4 the first 12 months shall be deposited into the Tax Compliance
5 and Administration Fund and shall be used by the Department,
6 subject to appropriation, to cover the costs of the Department.
7 No retailers' discount shall apply to any fee imposed under
8 subsection (d-6).

9 (d-8) No item of titled property shall be subject to both
10 the higher rate approved by referendum, as authorized under
11 subsection (d-5), and any fee imposed under subsection (d-6) or
12 (d-7).

13 (d-9) (Blank).

14 (d-10) (Blank).

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

24 (f) (Blank).

25 (g) Any ordinance imposing or discontinuing any tax under
26 this Section shall be adopted and a certified copy thereof

1 filed with the Department on or before June 1, whereupon the
2 Department of Revenue shall proceed to administer and enforce
3 this Section on behalf of the Metro East Mass Transit District
4 as of September 1 next following such adoption and filing.
5 Beginning January 1, 1992, an ordinance or resolution imposing
6 or discontinuing the tax hereunder shall be adopted and a
7 certified copy thereof filed with the Department on or before
8 the first day of July, whereupon the Department shall proceed
9 to administer and enforce this Section as of the first day of
10 October next following such adoption and filing. Beginning
11 January 1, 1993, except as provided in subsection (d-5) of this
12 Section, an ordinance or resolution imposing or discontinuing
13 the tax hereunder shall be adopted and a certified copy thereof
14 filed with the Department on or before the first day of
15 October, whereupon the Department shall proceed to administer
16 and enforce this Section as of the first day of January next
17 following such adoption and filing, or, beginning January 1,
18 2004, on or before the first day of April, whereupon the
19 Department shall proceed to administer and enforce this Section
20 as of the first day of July next following the adoption and
21 filing.

22 (h) Except as provided in subsection (d-7.1), the State
23 Department of Revenue shall, upon collecting any taxes as
24 provided in this Section, pay the taxes over to the State
25 Treasurer as trustee for the District. The taxes shall be held
26 in a trust fund outside the State Treasury.

1 As soon as possible after the first day of each month,
2 beginning January 1, 2011, upon certification of the Department
3 of Revenue, the Comptroller shall order transferred, and the
4 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
5 local sales tax increment, as defined in the Innovation
6 Development and Economy Act, collected under this Section
7 during the second preceding calendar month for sales within a
8 STAR bond district. The Department shall make this
9 certification only if the local mass transit district imposes a
10 tax on real property as provided in the definition of "local
11 sales taxes" under the Innovation Development and Economy Act.

12 After the monthly transfer to the STAR Bonds Revenue Fund,
13 on ~~or~~ or before the 25th day of each calendar month, the State
14 Department of Revenue shall prepare and certify to the
15 Comptroller of the State of Illinois the amount to be paid to
16 the District, which shall be the then balance in the fund, less
17 any amount determined by the Department to be necessary for the
18 payment of refunds, and less any amounts that are transferred
19 to the STAR Bonds Revenue Fund. Within 10 days after receipt by
20 the Comptroller of the certification of the amount to be paid
21 to the District, the Comptroller shall cause an order to be
22 drawn for payment for the amount in accordance with the
23 direction in the certification.

24 (Source: P.A. 95-331, eff. 8-21-07; 96-328, eff. 8-11-09.)

25 Section 100. The Regional Transportation Authority Act is

1 amended by changing Section 4.03 as follows:

2 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

3 (Text of Section before amendment by P.A. 96-339)

4 Sec. 4.03. Taxes.

5 (a) In order to carry out any of the powers or purposes of
6 the Authority, the Board may by ordinance adopted with the
7 concurrence of 12 of the then Directors, impose throughout the
8 metropolitan region any or all of the taxes provided in this
9 Section. Except as otherwise provided in this Act, taxes
10 imposed under this Section and civil penalties imposed incident
11 thereto shall be collected and enforced by the State Department
12 of Revenue. The Department shall have the power to administer
13 and enforce the taxes and to determine all rights for refunds
14 for erroneous payments of the taxes. Nothing in this amendatory
15 Act of the 95th General Assembly is intended to invalidate any
16 taxes currently imposed by the Authority. The increased vote
17 requirements to impose a tax shall only apply to actions taken
18 after the effective date of this amendatory Act of the 95th
19 General Assembly.

20 (b) The Board may impose a public transportation tax upon
21 all persons engaged in the metropolitan region in the business
22 of selling at retail motor fuel for operation of motor vehicles
23 upon public highways. The tax shall be at a rate not to exceed
24 5% of the gross receipts from the sales of motor fuel in the
25 course of the business. As used in this Act, the term "motor

1 fuel" shall have the same meaning as in the Motor Fuel Tax Law.
2 The Board may provide for details of the tax. The provisions of
3 any tax shall conform, as closely as may be practicable, to the
4 provisions of the Municipal Retailers Occupation Tax Act,
5 including without limitation, conformity to penalties with
6 respect to the tax imposed and as to the powers of the State
7 Department of Revenue to promulgate and enforce rules and
8 regulations relating to the administration and enforcement of
9 the provisions of the tax imposed, except that reference in the
10 Act to any municipality shall refer to the Authority and the
11 tax shall be imposed only with regard to receipts from sales of
12 motor fuel in the metropolitan region, at rates as limited by
13 this Section.

14 (c) In connection with the tax imposed under paragraph (b)
15 of this Section the Board may impose a tax upon the privilege
16 of using in the metropolitan region motor fuel for the
17 operation of a motor vehicle upon public highways, the tax to
18 be at a rate not in excess of the rate of tax imposed under
19 paragraph (b) of this Section. The Board may provide for
20 details of the tax.

21 (d) The Board may impose a motor vehicle parking tax upon
22 the privilege of parking motor vehicles at off-street parking
23 facilities in the metropolitan region at which a fee is
24 charged, and may provide for reasonable classifications in and
25 exemptions to the tax, for administration and enforcement
26 thereof and for civil penalties and refunds thereunder and may

1 provide criminal penalties thereunder, the maximum penalties
2 not to exceed the maximum criminal penalties provided in the
3 Retailers' Occupation Tax Act. The Authority may collect and
4 enforce the tax itself or by contract with any unit of local
5 government. The State Department of Revenue shall have no
6 responsibility for the collection and enforcement unless the
7 Department agrees with the Authority to undertake the
8 collection and enforcement. As used in this paragraph, the term
9 "parking facility" means a parking area or structure having
10 parking spaces for more than 2 vehicles at which motor vehicles
11 are permitted to park in return for an hourly, daily, or other
12 periodic fee, whether publicly or privately owned, but does not
13 include parking spaces on a public street, the use of which is
14 regulated by parking meters.

15 (e) The Board may impose a Regional Transportation
16 Authority Retailers' Occupation Tax upon all persons engaged in
17 the business of selling tangible personal property at retail in
18 the metropolitan region. In Cook County the tax rate shall be
19 1.25% of the gross receipts from sales of food for human
20 consumption that is to be consumed off the premises where it is
21 sold (other than alcoholic beverages, soft drinks and food that
22 has been prepared for immediate consumption) and prescription
23 and nonprescription medicines, drugs, medical appliances and
24 insulin, urine testing materials, syringes and needles used by
25 diabetics, and 1% of the gross receipts from other taxable
26 sales made in the course of that business. In DuPage, Kane,

1 Lake, McHenry, and Will Counties, the tax rate shall be 0.75%
2 of the gross receipts from all taxable sales made in the course
3 of that business. The tax imposed under this Section and all
4 civil penalties that may be assessed as an incident thereof
5 shall be collected and enforced by the State Department of
6 Revenue. The Department shall have full power to administer and
7 enforce this Section; to collect all 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 Section, the
12 Department and persons who are subject to this Section 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), 2c, 3 (except as to
20 the disposition of taxes and penalties collected), 4, 5, 5a,
21 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,
22 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
23 Section 3-7 of the Uniform Penalty and Interest Act, as fully
24 as if those provisions were set forth herein.

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

1 seller's tax liability hereunder by separately stating the tax
2 as an additional charge, which charge may be stated in
3 combination in a single amount with State taxes that sellers
4 are required to collect under the Use Tax Act, under any
5 bracket schedules 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 warrant 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 the Regional Transportation Authority tax fund
13 established under paragraph (n) of this Section.

14 If a tax is imposed under this subsection (e), a tax shall
15 also be imposed under subsections (f) and (g) of this Section.

16 For the purpose of determining whether a tax authorized
17 under this Section is applicable, a retail sale by a producer
18 of coal or other mineral mined in Illinois, is a sale at retail
19 at the place where the coal or other mineral mined in Illinois
20 is 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 No tax shall be imposed or collected under this subsection
26 on the sale of a motor vehicle in this State to a resident of

1 another state if that motor vehicle will not be titled in this
2 State.

3 Nothing in this Section shall be construed to authorize the
4 Regional Transportation Authority to impose a tax upon the
5 privilege of engaging in any business that under the
6 Constitution of the United States may not be made the subject
7 of taxation by this State.

8 (f) If a tax has been imposed under paragraph (e), a
9 Regional Transportation Authority Service Occupation Tax shall
10 also be imposed upon all persons engaged, in the metropolitan
11 region in the business of making sales of service, who as an
12 incident to making the sales of service, transfer tangible
13 personal property within the metropolitan region, either in the
14 form of tangible personal property or in the form of real
15 estate as an incident to a sale of service. In Cook County, the
16 tax rate shall be: (1) 1.25% of the serviceman's cost price of
17 food prepared for immediate consumption and transferred
18 incident to a sale of service subject to the service occupation
19 tax by an entity licensed under the Hospital Licensing Act or
20 the Nursing Home Care Act that is located in the metropolitan
21 region; (2) 1.25% of the selling price of food for human
22 consumption that is to be consumed off the premises where it is
23 sold (other than alcoholic beverages, soft drinks and food that
24 has been prepared for immediate consumption) and prescription
25 and nonprescription medicines, drugs, medical appliances and
26 insulin, urine testing materials, syringes and needles used by

1 diabetics; and (3) 1% of the selling price from other taxable
2 sales of tangible personal property transferred. In DuPage,
3 Kane, Lake, McHenry and Will Counties the rate shall be 0.75%
4 of the selling price of all tangible personal property
5 transferred.

6 The tax imposed under this paragraph and all civil
7 penalties that may be assessed as an incident thereof shall be
8 collected and enforced by the State Department of Revenue. The
9 Department shall have full power to administer and enforce this
10 paragraph; to collect all taxes and penalties due hereunder; to
11 dispose of taxes and penalties collected in the manner
12 hereinafter provided; and to determine all rights to credit
13 memoranda arising on account of the erroneous payment of tax or
14 penalty hereunder. In the administration of and compliance with
15 this paragraph, the Department and persons who are subject to
16 this paragraph shall have the same rights, remedies,
17 privileges, immunities, powers and duties, and be subject to
18 the same conditions, restrictions, limitations, penalties,
19 exclusions, exemptions and definitions of terms, and employ the
20 same modes of procedure, as are prescribed in Sections 1a-1, 2,
21 2a, 3 through 3-50 (in respect to all provisions therein other
22 than the State rate of tax), 4 (except that the reference to
23 the State shall be to the Authority), 5, 7, 8 (except that the
24 jurisdiction to which the tax shall be a debt to the extent
25 indicated in that Section 8 shall be the Authority), 9 (except
26 as to the disposition of taxes and penalties collected, and

1 except that the returned merchandise credit for this tax may
2 not be taken against any State tax), 10, 11, 12 (except the
3 reference therein to Section 2b of the Retailers' Occupation
4 Tax Act), 13 (except that any reference to the State shall mean
5 the Authority), the first paragraph of Section 15, 16, 17, 18,
6 19 and 20 of the Service Occupation Tax Act and Section 3-7 of
7 the Uniform Penalty and Interest Act, as fully as if those
8 provisions were set forth herein.

9 Persons subject to any tax imposed under the authority
10 granted in this paragraph may reimburse themselves for their
11 serviceman's tax liability hereunder by separately stating the
12 tax as an additional charge, that charge may be stated in
13 combination in a single amount with State tax that servicemen
14 are authorized to collect under the Service Use Tax Act, under
15 any bracket schedules the Department may prescribe.

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

24 Nothing in this paragraph shall be construed to authorize
25 the Authority to impose a tax upon the privilege of engaging in
26 any business that under the Constitution of the United States

1 may not be made the subject of taxation by the State.

2 (g) If a tax has been imposed under paragraph (e), a tax
3 shall also be imposed upon the privilege of using in the
4 metropolitan region, any item of tangible personal property
5 that is purchased outside the metropolitan region at retail
6 from a retailer, and that is titled or registered with an
7 agency of this State's government. In Cook County the tax rate
8 shall be 1% of the selling price of the tangible personal
9 property, as "selling price" is defined in the Use Tax Act. In
10 DuPage, Kane, Lake, McHenry and Will counties the tax rate
11 shall be 0.75% of the selling price of the tangible personal
12 property, as "selling price" is defined in the Use Tax Act. The
13 tax shall be collected from persons whose Illinois address for
14 titling or registration purposes is given as being in the
15 metropolitan region. The tax shall be collected by the
16 Department of Revenue for the Regional Transportation
17 Authority. The tax must be paid to the State, or an exemption
18 determination must be obtained from the Department of Revenue,
19 before the title or certificate of registration for the
20 property may be issued. The tax or proof of exemption may be
21 transmitted to the Department by way of the State agency with
22 which, or the State officer with whom, the tangible personal
23 property must be titled or registered if the Department and the
24 State agency or State officer determine that this procedure
25 will expedite the processing of applications for title or
26 registration.

1 The Department shall have full power to administer and
2 enforce this paragraph; to collect all taxes, penalties and
3 interest due hereunder; to dispose of taxes, penalties and
4 interest collected in the manner hereinafter provided; and to
5 determine all rights to credit memoranda or refunds arising on
6 account of the erroneous payment of tax, penalty or interest
7 hereunder. In the administration of and compliance with this
8 paragraph, the Department and persons who are subject to this
9 paragraph shall have the same rights, remedies, privileges,
10 immunities, powers and duties, and be subject to the same
11 conditions, restrictions, limitations, penalties, exclusions,
12 exemptions and definitions of terms and employ the same modes
13 of procedure, as are prescribed in Sections 2 (except the
14 definition of "retailer maintaining a place of business in this
15 State"), 3 through 3-80 (except provisions pertaining to the
16 State rate of tax, and except provisions concerning collection
17 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,
18 19 (except the portions pertaining to claims by retailers and
19 except the last paragraph concerning refunds), 20, 21 and 22 of
20 the Use Tax Act, and are not inconsistent with this paragraph,
21 as fully as if those provisions were set forth herein.

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

1 from the Department. The refund shall be paid by the State
2 Treasurer out of the Regional Transportation Authority tax fund
3 established under paragraph (n) of this Section.

4 (h) The Authority may impose a replacement vehicle tax of
5 \$50 on any passenger car as defined in Section 1-157 of the
6 Illinois Vehicle Code purchased within the metropolitan region
7 by or on behalf of an insurance company to replace a passenger
8 car of an insured person in settlement of a total loss claim.
9 The tax imposed may not become effective before the first day
10 of the month following the passage of the ordinance imposing
11 the tax and receipt of a certified copy of the ordinance by the
12 Department of Revenue. The Department of Revenue shall collect
13 the tax for the Authority in accordance with Sections 3-2002
14 and 3-2003 of the Illinois Vehicle Code.

15 The Department shall immediately pay over to the State
16 Treasurer, ex officio, as trustee, all taxes collected
17 hereunder.

18 As soon as possible after the first day of each month,
19 beginning January 1, 2011, upon certification of the Department
20 of Revenue, the Comptroller shall order transferred, and the
21 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
22 local sales tax increment, as defined in the Innovation
23 Development and Economy Act, collected under this Section
24 during the second preceding calendar month for sales within a
25 STAR bond district.

26 After the monthly transfer to the STAR Bonds Revenue Fund,

1 on ~~or~~ or before the 25th day of each calendar month, the
2 Department shall prepare and certify to the Comptroller the
3 disbursement of stated sums of money to the Authority. The
4 amount to be paid to the Authority shall be the amount
5 collected hereunder during the second preceding calendar month
6 by the Department, less any amount determined by the Department
7 to be necessary for the payment of refunds, and less any
8 amounts that are transferred to the STAR Bonds Revenue Fund.
9 Within 10 days after receipt by the Comptroller of the
10 disbursement certification to the Authority provided for in
11 this Section to be given to the Comptroller by the Department,
12 the Comptroller shall cause the orders to be drawn for that
13 amount in accordance with the directions contained in the
14 certification.

15 (i) The Board may not impose any other taxes except as it
16 may from time to time be authorized by law to impose.

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

26 (k) The provisions of any tax imposed under paragraph (c)

1 of this Section shall conform as closely as may be practicable
2 to the provisions of the Use Tax Act, including without
3 limitation conformity as to penalties with respect to the tax
4 imposed and as to the powers of the State Department of Revenue
5 to promulgate and enforce rules and regulations relating to the
6 administration and enforcement of the provisions of the tax
7 imposed. The taxes shall be imposed only on use within the
8 metropolitan region and at rates as provided in the paragraph.

9 (l) The Board in imposing any tax as provided in paragraphs
10 (b) and (c) of this Section, shall, after seeking the advice of
11 the State Department of Revenue, provide means for retailers,
12 users or purchasers of motor fuel for purposes other than those
13 with regard to which the taxes may be imposed as provided in
14 those paragraphs to receive refunds of taxes improperly paid,
15 which provisions may be at variance with the refund provisions
16 as applicable under the Municipal Retailers Occupation Tax Act.
17 The State Department of Revenue may provide for certificates of
18 registration for users or purchasers of motor fuel for purposes
19 other than those with regard to which taxes may be imposed as
20 provided in paragraphs (b) and (c) of this Section to
21 facilitate the reporting and nontaxability of the exempt sales
22 or uses.

23 (m) 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 Regional Transportation Authority
2 as of September 1 next following such adoption and filing.
3 Beginning January 1, 1992, an ordinance or resolution imposing
4 or 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,
10 increasing, decreasing, or discontinuing the tax hereunder
11 shall be adopted and a certified copy thereof filed with the
12 Department, whereupon the Department shall proceed to
13 administer and enforce this Section as of the first day of the
14 first month to occur not less than 60 days following such
15 adoption and filing. Any ordinance or resolution of the
16 Authority imposing a tax under this Section and in effect on
17 August 1, 2007 shall remain in full force and effect and shall
18 be administered by the Department of Revenue under the terms
19 and conditions and rates of tax established by such ordinance
20 or resolution until the Department begins administering and
21 enforcing an increased tax under this Section as authorized by
22 this amendatory Act of the 95th General Assembly. The tax rates
23 authorized by this amendatory Act of the 95th General Assembly
24 are effective only if imposed by ordinance of the Authority.

25 (n) The State Department of Revenue shall, upon collecting
26 any taxes as provided in this Section, pay the taxes over to

1 the State Treasurer as trustee for the Authority. The taxes
2 shall be held in a trust fund outside the State Treasury. On or
3 before the 25th day of each calendar month, the State
4 Department of Revenue shall prepare and certify to the
5 Comptroller of the State of Illinois and to the Authority (i)
6 the amount of taxes collected in each County other than Cook
7 County in the metropolitan region, (ii) the amount of taxes
8 collected within the City of Chicago, and (iii) the amount
9 collected in that portion of Cook County outside of Chicago,
10 each amount less the amount necessary for the payment of
11 refunds to taxpayers located in those areas described in items
12 (i), (ii), and (iii). Within 10 days after receipt by the
13 Comptroller of the certification of the amounts, the
14 Comptroller shall cause an order to be drawn for the payment of
15 two-thirds of the amounts certified in item (i) of this
16 subsection to the Authority and one-third of the amounts
17 certified in item (i) of this subsection to the respective
18 counties other than Cook County and the amount certified in
19 items (ii) and (iii) of this subsection to the Authority.

20 In addition to the disbursement required by the preceding
21 paragraph, an allocation shall be made in July 1991 and each
22 year thereafter to the Regional Transportation Authority. The
23 allocation shall be made in an amount equal to the average
24 monthly distribution during the preceding calendar year
25 (excluding the 2 months of lowest receipts) and the allocation
26 shall include the amount of average monthly distribution from

1 the Regional Transportation Authority Occupation and Use Tax
2 Replacement Fund. The distribution made in July 1992 and each
3 year thereafter under this paragraph and the preceding
4 paragraph shall be reduced by the amount allocated and
5 disbursed under this paragraph in the preceding calendar year.
6 The Department of Revenue shall prepare and certify to the
7 Comptroller for disbursement the allocations made in
8 accordance with this paragraph.

9 (o) Failure to adopt a budget ordinance or otherwise to
10 comply with Section 4.01 of this Act or to adopt a Five-year
11 Capital Program or otherwise to comply with paragraph (b) of
12 Section 2.01 of this Act shall not affect the validity of any
13 tax imposed by the Authority otherwise in conformity with law.

14 (p) At no time shall a public transportation tax or motor
15 vehicle parking tax authorized under paragraphs (b), (c) and
16 (d) of this Section be in effect at the same time as any
17 retailers' occupation, use or service occupation tax
18 authorized under paragraphs (e), (f) and (g) of this Section is
19 in effect.

20 Any taxes imposed under the authority provided in
21 paragraphs (b), (c) and (d) shall remain in effect only until
22 the time as any tax authorized by paragraphs (e), (f) or (g) of
23 this Section are imposed and becomes effective. Once any tax
24 authorized by paragraphs (e), (f) or (g) is imposed the Board
25 may not reimpose taxes as authorized in paragraphs (b), (c) and
26 (d) of the Section unless any tax authorized by paragraphs (e),

1 (f) or (g) of this Section becomes ineffective by means other
2 than an ordinance of the Board.

3 (q) Any existing rights, remedies and obligations
4 (including enforcement by the Regional Transportation
5 Authority) arising under any tax imposed under paragraphs (b),
6 (c) or (d) of this Section shall not be affected by the
7 imposition of a tax under paragraphs (e), (f) or (g) of this
8 Section.

9 (Source: P.A. 95-708, eff. 1-18-08.)

10 (Text of Section after amendment by P.A. 96-339)

11 Sec. 4.03. Taxes.

12 (a) In order to carry out any of the powers or purposes of
13 the Authority, the Board may by ordinance adopted with the
14 concurrence of 12 of the then Directors, impose throughout the
15 metropolitan region any or all of the taxes provided in this
16 Section. Except as otherwise provided in this Act, taxes
17 imposed under this Section and civil penalties imposed incident
18 thereto shall be collected and enforced by the State Department
19 of Revenue. The Department shall have the power to administer
20 and enforce the taxes and to determine all rights for refunds
21 for erroneous payments of the taxes. Nothing in this amendatory
22 Act of the 95th General Assembly is intended to invalidate any
23 taxes currently imposed by the Authority. The increased vote
24 requirements to impose a tax shall only apply to actions taken
25 after the effective date of this amendatory Act of the 95th

1 General Assembly.

2 (b) The Board may impose a public transportation tax upon
3 all persons engaged in the metropolitan region in the business
4 of selling at retail motor fuel for operation of motor vehicles
5 upon public highways. The tax shall be at a rate not to exceed
6 5% of the gross receipts from the sales of motor fuel in the
7 course of the business. As used in this Act, the term "motor
8 fuel" shall have the same meaning as in the Motor Fuel Tax Law.
9 The Board may provide for details of the tax. The provisions of
10 any tax shall conform, as closely as may be practicable, to the
11 provisions of the Municipal Retailers Occupation Tax Act,
12 including without limitation, conformity to penalties with
13 respect to the tax imposed and as to the powers of the State
14 Department of Revenue to promulgate and enforce rules and
15 regulations relating to the administration and enforcement of
16 the provisions of the tax imposed, except that reference in the
17 Act to any municipality shall refer to the Authority and the
18 tax shall be imposed only with regard to receipts from sales of
19 motor fuel in the metropolitan region, at rates as limited by
20 this Section.

21 (c) In connection with the tax imposed under paragraph (b)
22 of this Section the Board may impose a tax upon the privilege
23 of using in the metropolitan region motor fuel for the
24 operation of a motor vehicle upon public highways, the tax to
25 be at a rate not in excess of the rate of tax imposed under
26 paragraph (b) of this Section. The Board may provide for

1 details of the tax.

2 (d) The Board may impose a motor vehicle parking tax upon
3 the privilege of parking motor vehicles at off-street parking
4 facilities in the metropolitan region at which a fee is
5 charged, and may provide for reasonable classifications in and
6 exemptions to the tax, for administration and enforcement
7 thereof and for civil penalties and refunds thereunder and may
8 provide criminal penalties thereunder, the maximum penalties
9 not to exceed the maximum criminal penalties provided in the
10 Retailers' Occupation Tax Act. The Authority may collect and
11 enforce the tax itself or by contract with any unit of local
12 government. The State Department of Revenue shall have no
13 responsibility for the collection and enforcement unless the
14 Department agrees with the Authority to undertake the
15 collection and enforcement. As used in this paragraph, the term
16 "parking facility" means a parking area or structure having
17 parking spaces for more than 2 vehicles at which motor vehicles
18 are permitted to park in return for an hourly, daily, or other
19 periodic fee, whether publicly or privately owned, but does not
20 include parking spaces on a public street, the use of which is
21 regulated by parking meters.

22 (e) The Board may impose a Regional Transportation
23 Authority Retailers' Occupation Tax upon all persons engaged in
24 the business of selling tangible personal property at retail in
25 the metropolitan region. In Cook County the tax rate shall be
26 1.25% of the gross receipts from sales of food for human

1 consumption that is to be consumed off the premises where it is
2 sold (other than alcoholic beverages, soft drinks and food that
3 has been prepared for immediate consumption) and prescription
4 and nonprescription medicines, drugs, medical appliances and
5 insulin, urine testing materials, syringes and needles used by
6 diabetics, and 1% of the gross receipts from other taxable
7 sales made in the course of that business. In DuPage, Kane,
8 Lake, McHenry, and Will Counties, the tax rate shall be 0.75%
9 of the gross receipts from all taxable sales made in the course
10 of that business. The tax imposed under this Section and all
11 civil penalties that may be assessed as an incident thereof
12 shall be collected and enforced by the State Department of
13 Revenue. The Department shall have full power to administer and
14 enforce this Section; to collect all taxes and penalties so
15 collected in the manner hereinafter provided; and to determine
16 all rights to credit memoranda arising on account of the
17 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, powers
21 and duties, and be subject to the same conditions,
22 restrictions, limitations, penalties, exclusions, exemptions
23 and definitions of terms, and employ the same modes of
24 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,
25 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
26 therein other than the State rate of tax), 2c, 3 (except as to

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

6 Persons subject to any tax imposed under the authority
7 granted in this Section 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, under any
12 bracket schedules the Department may prescribe.

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

21 If a tax is imposed under this subsection (e), a tax shall
22 also be imposed under subsections (f) and (g) of this Section.

23 For the purpose of determining whether a tax authorized
24 under this Section 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 No tax shall be imposed or collected under this subsection
7 on the sale of a motor vehicle in this State to a resident of
8 another state if that motor vehicle will not be titled in this
9 State.

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

15 (f) If a tax has been imposed under paragraph (e), a
16 Regional Transportation Authority Service Occupation Tax shall
17 also be imposed upon all persons engaged, in the metropolitan
18 region in the business of making sales of service, who as an
19 incident to making the sales of service, transfer tangible
20 personal property within the metropolitan region, either in the
21 form of tangible personal property or in the form of real
22 estate as an incident to a sale of service. In Cook County, the
23 tax rate shall be: (1) 1.25% of the serviceman's cost price of
24 food prepared for immediate consumption and transferred
25 incident to a sale of service subject to the service occupation
26 tax by an entity licensed under the Hospital Licensing Act, the

1 Nursing Home Care Act, or the MR/DD Community Care Act that is
2 located in the metropolitan region; (2) 1.25% of the selling
3 price of food for human consumption that is to be consumed off
4 the premises where it is sold (other than alcoholic beverages,
5 soft drinks and food that has been prepared for immediate
6 consumption) and prescription and nonprescription medicines,
7 drugs, medical appliances and insulin, urine testing
8 materials, syringes and needles used by diabetics; and (3) 1%
9 of the selling price from other taxable sales of tangible
10 personal property transferred. In DuPage, Kane, Lake, McHenry
11 and Will Counties the rate shall be 0.75% of the selling price
12 of all tangible personal property transferred.

13 The tax imposed under this paragraph and all civil
14 penalties that may be assessed as an incident thereof shall be
15 collected and enforced by the State Department of Revenue. The
16 Department shall have full power to administer and enforce this
17 paragraph; to collect all taxes and penalties due hereunder; to
18 dispose of taxes and penalties collected in the manner
19 hereinafter provided; and to determine all rights to credit
20 memoranda arising on account of the erroneous payment of tax or
21 penalty hereunder. In the administration of and compliance with
22 this paragraph, the Department and persons who are subject to
23 this paragraph shall have the same rights, remedies,
24 privileges, immunities, powers and duties, and be subject to
25 the same conditions, restrictions, limitations, penalties,
26 exclusions, exemptions and definitions of terms, and employ the

1 same modes of procedure, as are prescribed in Sections 1a-1, 2,
2 2a, 3 through 3-50 (in respect to all provisions therein other
3 than the State rate of tax), 4 (except that the reference to
4 the State shall be to the Authority), 5, 7, 8 (except that the
5 jurisdiction to which the tax shall be a debt to the extent
6 indicated in that Section 8 shall be the Authority), 9 (except
7 as to the disposition of taxes and penalties collected, and
8 except that the returned merchandise credit for this tax may
9 not be taken against any State tax), 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 Authority), the first paragraph of Section 15, 16, 17, 18,
13 19 and 20 of the Service Occupation Tax Act and Section 3-7 of
14 the Uniform Penalty and Interest Act, as fully as if those
15 provisions were set forth herein.

16 Persons subject to any tax imposed under the authority
17 granted in this paragraph may reimburse themselves for their
18 serviceman's tax liability hereunder by separately stating the
19 tax as an additional charge, that charge may be stated in
20 combination in a single amount with State tax that servicemen
21 are authorized to collect under the Service Use Tax Act, under
22 any bracket schedules the Department may prescribe.

23 Whenever the Department determines that a refund should be
24 made under this paragraph to a claimant instead of issuing a
25 credit memorandum, the Department shall notify the State
26 Comptroller, who shall cause the warrant to be drawn for the

1 amount specified, and to the person named in the notification
2 from the Department. The refund shall be paid by the State
3 Treasurer out of the Regional Transportation Authority tax fund
4 established under paragraph (n) of this Section.

5 Nothing in this paragraph shall be construed to authorize
6 the Authority to impose a tax upon the privilege of engaging in
7 any business that under the Constitution of the United States
8 may not be made the subject of taxation by the State.

9 (g) If a tax has been imposed under paragraph (e), a tax
10 shall also be imposed upon the privilege of using in the
11 metropolitan region, any item of tangible personal property
12 that is purchased outside the metropolitan region at retail
13 from a retailer, and that is titled or registered with an
14 agency of this State's government. In Cook County the tax rate
15 shall be 1% of the selling price of the tangible personal
16 property, as "selling price" is defined in the Use Tax Act. In
17 DuPage, Kane, Lake, McHenry and Will counties the tax rate
18 shall be 0.75% of the selling price of the tangible personal
19 property, as "selling price" is defined in the Use Tax Act. The
20 tax shall be collected from persons whose Illinois address for
21 titling or registration purposes is given as being in the
22 metropolitan region. The tax shall be collected by the
23 Department of Revenue for the Regional Transportation
24 Authority. The tax must be paid to the State, or an exemption
25 determination must be obtained from the Department of Revenue,
26 before the title or certificate of registration for the

1 property may be issued. The tax or proof of exemption may be
2 transmitted to the Department by way of the State agency with
3 which, or the State officer with whom, the tangible personal
4 property must be titled or registered if the Department and the
5 State agency or State officer determine that this procedure
6 will expedite the processing of applications for title or
7 registration.

8 The Department shall have full power to administer and
9 enforce this paragraph; to collect all taxes, penalties and
10 interest due hereunder; to dispose of taxes, penalties and
11 interest collected in the manner hereinafter provided; and to
12 determine all rights to credit memoranda or refunds arising on
13 account of the erroneous payment of tax, penalty or interest
14 hereunder. In the administration of and compliance with this
15 paragraph, the Department and persons who are subject to this
16 paragraph shall have the same rights, remedies, privileges,
17 immunities, powers and duties, and be subject to the same
18 conditions, restrictions, limitations, penalties, exclusions,
19 exemptions and definitions of terms and employ the same modes
20 of procedure, as are prescribed in Sections 2 (except the
21 definition of "retailer maintaining a place of business in this
22 State"), 3 through 3-80 (except provisions pertaining to the
23 State rate of tax, and except provisions concerning collection
24 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,
25 19 (except the portions pertaining to claims by retailers and
26 except the last paragraph concerning refunds), 20, 21 and 22 of

1 the Use Tax Act, and are not inconsistent with this paragraph,
2 as fully as if those provisions were set forth herein.

3 Whenever the Department determines that a refund should be
4 made under this paragraph to a claimant instead of issuing a
5 credit memorandum, the Department shall notify the State
6 Comptroller, who shall cause the order to be drawn for the
7 amount specified, and to the person named in the notification
8 from the Department. The refund shall be paid by the State
9 Treasurer out of the Regional Transportation Authority tax fund
10 established under paragraph (n) of this Section.

11 (h) The Authority may impose a replacement vehicle tax of
12 \$50 on any passenger car as defined in Section 1-157 of the
13 Illinois Vehicle Code purchased within the metropolitan region
14 by or on behalf of an insurance company to replace a passenger
15 car of an insured person in settlement of a total loss claim.
16 The tax imposed may not become effective before the first day
17 of the month following the passage of the ordinance imposing
18 the tax and receipt of a certified copy of the ordinance by the
19 Department of Revenue. The Department of Revenue shall collect
20 the tax for the Authority in accordance with Sections 3-2002
21 and 3-2003 of the Illinois Vehicle Code.

22 The Department shall immediately pay over to the State
23 Treasurer, ex officio, as trustee, all taxes collected
24 hereunder.

25 As soon as possible after the first day of each month,
26 beginning January 1, 2011, upon certification of the Department

1 of Revenue, the Comptroller shall order transferred, and the
2 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
3 local sales tax increment, as defined in the Innovation
4 Development and Economy Act, collected under this Section
5 during the second preceding calendar month for sales within a
6 STAR bond district.

7 After the monthly transfer to the STAR Bonds Revenue Fund,
8 on or ~~on~~ or before the 25th day of each calendar month, the
9 Department shall prepare and certify to the Comptroller the
10 disbursement of stated sums of money to the Authority. The
11 amount to be paid to the Authority shall be the amount
12 collected hereunder during the second preceding calendar month
13 by the Department, less any amount determined by the Department
14 to be necessary for the payment of refunds, and less any
15 amounts that are transferred to the STAR Bonds Revenue Fund.

16 Within 10 days after receipt by the Comptroller of the
17 disbursement certification to the Authority provided for in
18 this Section to be given to the Comptroller by the Department,
19 the Comptroller shall cause the orders to be drawn for that
20 amount in accordance with the directions contained in the
21 certification.

22 (i) The Board may not impose any other taxes except as it
23 may from time to time be authorized by law to impose.

24 (j) A certificate of registration issued by the State
25 Department of Revenue to a retailer under the Retailers'
26 Occupation Tax Act or under the Service Occupation Tax Act

1 shall permit the registrant to engage in a business that is
2 taxed under the tax imposed under paragraphs (b), (e), (f) or
3 (g) of this Section and no additional registration shall be
4 required under the tax. A certificate issued under the Use Tax
5 Act or the Service Use Tax Act shall be applicable with regard
6 to any tax imposed under paragraph (c) of this Section.

7 (k) The provisions of any tax imposed under paragraph (c)
8 of this Section shall conform as closely as may be practicable
9 to the provisions of the Use Tax Act, including without
10 limitation conformity as to penalties with respect to the tax
11 imposed and as to the powers of the State Department of Revenue
12 to promulgate and enforce rules and regulations relating to the
13 administration and enforcement of the provisions of the tax
14 imposed. The taxes shall be imposed only on use within the
15 metropolitan region and at rates as provided in the paragraph.

16 (l) The Board in imposing any tax as provided in paragraphs
17 (b) and (c) of this Section, shall, after seeking the advice of
18 the State Department of Revenue, provide means for retailers,
19 users or purchasers of motor fuel for purposes other than those
20 with regard to which the taxes may be imposed as provided in
21 those paragraphs to receive refunds of taxes improperly paid,
22 which provisions may be at variance with the refund provisions
23 as applicable under the Municipal Retailers Occupation Tax Act.
24 The State Department of Revenue may provide for certificates of
25 registration for users or purchasers of motor fuel for purposes
26 other than those with regard to which taxes may be imposed as

1 provided in paragraphs (b) and (c) of this Section to
2 facilitate the reporting and nontaxability of the exempt sales
3 or uses.

4 (m) Any ordinance imposing or discontinuing any tax under
5 this Section shall be adopted and a certified copy thereof
6 filed with the Department on or before June 1, whereupon the
7 Department of Revenue shall proceed to administer and enforce
8 this Section on behalf of the Regional Transportation Authority
9 as of September 1 next following such adoption and filing.

10 Beginning January 1, 1992, an ordinance or resolution imposing
11 or discontinuing the tax hereunder shall be adopted and a
12 certified copy thereof filed with the Department on or before
13 the first day of July, whereupon the Department shall proceed
14 to administer and enforce this Section as of the first day of
15 October next following such adoption and filing. Beginning
16 January 1, 1993, an ordinance or resolution imposing,
17 increasing, decreasing, or discontinuing the tax hereunder
18 shall be adopted and a certified copy thereof filed with the
19 Department, whereupon the Department shall proceed to
20 administer and enforce this Section as of the first day of the
21 first month to occur not less than 60 days following such
22 adoption and filing. Any ordinance or resolution of the
23 Authority imposing a tax under this Section and in effect on
24 August 1, 2007 shall remain in full force and effect and shall
25 be administered by the Department of Revenue under the terms
26 and conditions and rates of tax established by such ordinance

1 or resolution until the Department begins administering and
2 enforcing an increased tax under this Section as authorized by
3 this amendatory Act of the 95th General Assembly. The tax rates
4 authorized by this amendatory Act of the 95th General Assembly
5 are effective only if imposed by ordinance of the Authority.

6 (n) The State Department of Revenue shall, upon collecting
7 any taxes as provided in this Section, pay the taxes over to
8 the State Treasurer as trustee for the Authority. The taxes
9 shall be held in a trust fund outside the State Treasury. On or
10 before the 25th day of each calendar month, the State
11 Department of Revenue shall prepare and certify to the
12 Comptroller of the State of Illinois and to the Authority (i)
13 the amount of taxes collected in each County other than Cook
14 County in the metropolitan region, (ii) the amount of taxes
15 collected within the City of Chicago, and (iii) the amount
16 collected in that portion of Cook County outside of Chicago,
17 each amount less the amount necessary for the payment of
18 refunds to taxpayers located in those areas described in items
19 (i), (ii), and (iii). Within 10 days after receipt by the
20 Comptroller of the certification of the amounts, the
21 Comptroller shall cause an order to be drawn for the payment of
22 two-thirds of the amounts certified in item (i) of this
23 subsection to the Authority and one-third of the amounts
24 certified in item (i) of this subsection to the respective
25 counties other than Cook County and the amount certified in
26 items (ii) and (iii) of this subsection to the Authority.

1 In addition to the disbursement required by the preceding
2 paragraph, an allocation shall be made in July 1991 and each
3 year thereafter to the Regional Transportation Authority. The
4 allocation shall be made in an amount equal to the average
5 monthly distribution during the preceding calendar year
6 (excluding the 2 months of lowest receipts) and the allocation
7 shall include the amount of average monthly distribution from
8 the Regional Transportation Authority Occupation and Use Tax
9 Replacement Fund. The distribution made in July 1992 and each
10 year thereafter under this paragraph and the preceding
11 paragraph shall be reduced by the amount allocated and
12 disbursed under this paragraph in the preceding calendar year.
13 The Department of Revenue shall prepare and certify to the
14 Comptroller for disbursement the allocations made in
15 accordance with this paragraph.

16 (o) Failure to adopt a budget ordinance or otherwise to
17 comply with Section 4.01 of this Act or to adopt a Five-year
18 Capital Program or otherwise to comply with paragraph (b) of
19 Section 2.01 of this Act shall not affect the validity of any
20 tax imposed by the Authority otherwise in conformity with law.

21 (p) At no time shall a public transportation tax or motor
22 vehicle parking tax authorized under paragraphs (b), (c) and
23 (d) of this Section be in effect at the same time as any
24 retailers' occupation, use or service occupation tax
25 authorized under paragraphs (e), (f) and (g) of this Section is
26 in effect.

1 Any taxes imposed under the authority provided in
2 paragraphs (b), (c) and (d) shall remain in effect only until
3 the time as any tax authorized by paragraphs (e), (f) or (g) of
4 this Section are imposed and becomes effective. Once any tax
5 authorized by paragraphs (e), (f) or (g) is imposed the Board
6 may not reimpose taxes as authorized in paragraphs (b), (c) and
7 (d) of the Section unless any tax authorized by paragraphs (e),
8 (f) or (g) of this Section becomes ineffective by means other
9 than an ordinance of the Board.

10 (q) Any existing rights, remedies and obligations
11 (including enforcement by the Regional Transportation
12 Authority) arising under any tax imposed under paragraphs (b),
13 (c) or (d) of this Section shall not be affected by the
14 imposition of a tax under paragraphs (e), (f) or (g) of this
15 Section.

16 (Source: P.A. 95-708, eff. 1-18-08; 96-339, eff. 7-1-10.)

17 Section 105. The Water Commission Act of 1985 is amended by
18 changing Section 4 as follows:

19 (70 ILCS 3720/4) (from Ch. 111 2/3, par. 254)

20 Sec. 4. (a) The board of commissioners of any county water
21 commission may, by ordinance, impose throughout the territory
22 of the commission any or all of the taxes provided in this
23 Section for its corporate purposes. However, no county water
24 commission may impose any such tax unless the commission

1 certifies the proposition of imposing the tax to the proper
 2 election officials, who shall submit the proposition to the
 3 voters residing in the territory at an election in accordance
 4 with the general election law, and the proposition has been
 5 approved by a majority of those voting on the proposition.

6 The proposition shall be in the form provided in Section 5
 7 or shall be substantially in the following form:

8 -----

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

14 -----

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

20 (b) The board of commissioners may impose a County Water
 21 Commission Retailers' Occupation Tax upon all persons engaged
 22 in the business of selling tangible personal property at retail
 23 in the territory of the commission at a rate of 1/4% of the
 24 gross receipts from the sales made in the course of such
 25 business within the territory. The tax imposed under this
 26 paragraph and all civil penalties that may be assessed as an

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

1 Penalty and Interest Act, as fully as if those provisions were
2 set forth herein.

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

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

20 For the purpose of determining whether a tax authorized
21 under this paragraph is applicable, a retail sale by a producer
22 of coal or other mineral mined in Illinois is a sale at retail
23 at the place where the coal or other mineral mined in Illinois
24 is extracted from the earth. This paragraph does not apply to
25 coal or other mineral when it is delivered or shipped by the
26 seller to the purchaser at a point outside Illinois so that the

1 sale is exempt under the Federal Constitution as a sale in
2 interstate or foreign commerce.

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

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

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

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

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

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

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

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

26 Nothing in this paragraph shall be construed to authorize a

1 county water commission to impose a tax upon the privilege of
2 engaging in any business which under the Constitution of the
3 United States may not be made the subject of taxation by the
4 State.

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

26 The Department shall have full power to administer and

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

1 are not inconsistent with this paragraph, as fully as if those
2 provisions were set forth herein.

3 Whenever the Department determines that a refund should be
4 made under this paragraph to a claimant instead of issuing a
5 credit memorandum, the Department shall notify the State
6 Comptroller, who shall cause the order to be drawn for the
7 amount specified, and to the person named, in the notification
8 from the Department. The refund shall be paid by the State
9 Treasurer out of a county water commission tax fund established
10 under paragraph (g) of this Section.

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

20 (f) Any ordinance imposing or discontinuing any tax under
21 this Section shall be adopted and a certified copy thereof
22 filed with the Department on or before June 1, whereupon the
23 Department of Revenue shall proceed to administer and enforce
24 this Section on behalf of the county water commission as of
25 September 1 next following the adoption and filing. Beginning
26 January 1, 1992, an ordinance or resolution imposing or

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

12 (g) The State Department of Revenue shall, upon collecting
13 any taxes as provided in this Section, pay the taxes over to
14 the State Treasurer as trustee for the commission. The taxes
15 shall be held in a trust fund outside the State Treasury.

16 As soon as possible after the first day of each month,
17 beginning January 1, 2011, upon certification of the Department
18 of Revenue, the Comptroller shall order transferred, and the
19 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
20 local sales tax increment, as defined in the Innovation
21 Development and Economy Act, collected under this Section
22 during the second preceding calendar month for sales within a
23 STAR bond district.

24 After the monthly transfer to the STAR Bonds Revenue Fund,
25 on ~~on~~ or before the 25th day of each calendar month, the State
26 Department of Revenue shall prepare and certify to the

1 Comptroller of the State of Illinois the amount to be paid to
2 the commission, which shall be the then balance in the fund,
3 less any amount determined by the Department to be necessary
4 for the payment of refunds, and less any amounts that are
5 transferred to the STAR Bonds Revenue Fund. Within 10 days
6 after receipt by the Comptroller of the certification of the
7 amount to be paid to the commission, the Comptroller shall
8 cause an order to be drawn for the payment for the amount in
9 accordance with the direction in the certification.

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

11 Section 995. No acceleration or delay. Where this Act makes
12 changes in a statute that is represented in this Act by text
13 that is not yet or no longer in effect (for example, a Section
14 represented by multiple versions), the use of that text does
15 not accelerate or delay the taking effect of (i) the changes
16 made by this Act or (ii) provisions derived from any other
17 Public Act.

18 Section 999. Effective date. This Act takes effect upon
19 becoming law, except that Section 63 takes effect on July 1,
20 2010 and Section 66 takes effect January 1, 2011.