



Sen. John O. Jones

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1 AMENDMENT TO SENATE BILL 2881

2 AMENDMENT NO. _____. Amend Senate Bill 2881 by replacing
3 everything after the enacting clause with the following:

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

1 to otherwise exercise the powers and authorities granted to
2 municipalities. It is further found and declared to be the
3 policy of the State, in the interest of promoting the health,
4 safety, morals, and general welfare of all the people of the
5 State, to provide incentives to create new job opportunities
6 and to promote major tourism, entertainment, retail, and
7 related destination projects within the State. It is further
8 found and declared:

9 (a) that it is in the public interest to limit the
10 portion of the aggregate proceeds of STAR bonds issued that
11 are derived from the State sales tax increment pledged to
12 pay STAR bonds in any STAR bond district to not more than
13 50% of the total development costs in the STAR bond
14 district as set forth in subsection (f) of Section 30;

15 (b) that as a result of the costs of land assemblage,
16 financing, infrastructure, and other project costs, the
17 private sector, without the assistance contemplated in
18 this Act, is unable to develop major tourism,
19 entertainment, retail, and related destination projects in
20 the State;

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

25 (d) that the eligible tracts of land, portions of which
26 have previously been surface or strip mined, present unique

1 development obstacles and are more likely to remain
2 underutilized and undeveloped, or developed in a piecemeal
3 manner resulting in inefficient and poorly planned
4 developments that do not maximize job creation, job
5 retention, tourism, and tax revenue generation within the
6 State;

7 (e) that there are multiple eligible areas in the State
8 that could benefit from this Act;

9 (f) that investment in major tourism, entertainment,
10 retail, and related destination projects within the State
11 would stimulate economic activity in the State, including
12 the creation and maintenance of jobs, the creation of new
13 and lasting infrastructure and other improvements, and the
14 attraction and retention of interstate tourists and
15 entertainment events that generate significant economic
16 activity;

17 (g) that this Act shall enhance and promote tourism in
18 Southern Illinois, including without limitation the
19 Southern Illinois Wine Trail;

20 (h) that the continual encouragement, development,
21 growth, and expansion of major tourism, entertainment,
22 retail, and related destination projects within the State
23 requires a cooperative and continuous partnership between
24 government and the public sector;

25 (i) that the State has a responsibility to help create
26 a favorable climate for new and improved job opportunities

1 for its citizens and to increase the tax base of the State
2 and its political subdivisions by encouraging development
3 by the private sector of major tourism, entertainment,
4 retail, and related destination projects within the State;

5 (j) that the stagnation of local tax bases and the loss
6 of job opportunities within the State has persisted despite
7 efforts of State and local authorities and private
8 organizations to create major tourism, entertainment,
9 retail, and related destination projects within the State;

10 (k) that the stagnation of local tax bases and the
11 persistent loss of job opportunities in the State may
12 continue and worsen if the State and its political
13 subdivisions are not able to provide additional incentives
14 to developers of major tourism, entertainment, retail, and
15 related destination projects;

16 (l) that the provision of additional incentives by the
17 State and its political subdivisions will relieve
18 conditions of unemployment, maintain existing levels of
19 employment, create new job opportunities, retain jobs
20 within the State, increase tourism and commerce within the
21 State, and increase the tax base of the State and its
22 political subdivisions;

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

1 (n) that the necessity in the public interest for the
2 provisions of this Act is hereby declared as a matter of
3 legislative determination.

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

7 "Base year" means the calendar year immediately prior to
8 the calendar year in which the STAR bond district is
9 established.

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

19 "County" means the county in which a proposed STAR bond
20 district is located.

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

23 "Department of Revenue" means the Department of Revenue of
24 the State of Illinois.

25 "Destination user" means an owner, operator, licensee,

1 co-developer, subdeveloper, or tenant (i) that operates a
2 business within a STAR bond district that is a retail store
3 having at least 150,000 square feet of sales floor area; (ii)
4 that at the time of opening does not have another Illinois
5 location within a 70 mile radius; (iii) that has an annual
6 average of not less than 30% of customers who travel from at
7 least 75 miles away or from out-of-state, as demonstrated by
8 data from a comparable existing store or stores, or, if there
9 is no comparable existing store, as demonstrated by an economic
10 analysis that shows that the proposed retailer will have an
11 annual average of not less than 30% of customers who travel
12 from at least 75 miles away or from out-of-state; and (iv) that
13 makes an initial capital investment, including project costs
14 and other direct costs, of not less than \$30,000,000 for such
15 retail store.

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

22 "Developer" means any individual, corporation, trust,
23 estate, partnership, limited liability partnership, limited
24 liability company, or other entity. The term does not include a
25 not-for-profit entity, political subdivision, or other agency
26 or instrumentality of the State.

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

4 "Economic impact study" means a study conducted by an
5 independent economist to project the financial benefit of the
6 proposed STAR bond project to the local, regional, and State
7 economies, consider the proposed adverse impacts on similar
8 projects and businesses, as well as municipalities within the
9 projected market area, and draw conclusions about the net
10 effect of the proposed STAR bond project on the local,
11 regional, and State economies. A copy of the economic impact
12 study shall be provided to the Director for review.

13 "Eligible area" means (i) any improved or vacant area that
14 (A) is contiguous and is not, in the aggregate, less than 250
15 acres nor more than 500 acres which must include only parcels
16 of real property directly and substantially benefited by the
17 proposed STAR bond district plan, (B) is adjacent to a federal
18 interstate highway, (C) is within one mile of 2 State highways,
19 (D) is within one mile of an entertainment user, or a major or
20 minor league sports stadium or other similar entertainment
21 venue that had an initial capital investment of at least
22 \$20,000,000, and (E) includes land that was previously surface
23 or strip mined, or (ii) any improved or vacant area that (A) is
24 contiguous and is not, in the aggregate, less than 400 acres
25 nor more than 700 acres and (B) is within one mile of exit 94 on
26 Interstate 57. The area may be bisected by streets, highways,

1 roads, alleys, railways, bike paths, streams, rivers, and other
2 waterways and still be deemed contiguous. In addition, in order
3 to constitute an eligible area one of the following
4 requirements must be satisfied and all of which are subject to
5 the review and approval of the Director as provided in
6 subsection (d) of Section 15:

7 (a) the governing body of the political subdivision
8 shall have determined that the area meets the requirements
9 of a "blighted area" as defined under the Tax Increment
10 Allocation Redevelopment Act; or

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

15 (c) the governing body of the political subdivision
16 shall make the following findings:

17 (i) that the vacant portions of the area have
18 remained vacant for at least one year, or that any
19 building located on a vacant portion of the property
20 was demolished within the last year and that the
21 building would have qualified under item (ii) of this
22 subsection;

23 (ii) if portions of the area are currently
24 developed, that the use, condition, and character of
25 the buildings on the property are not consistent with
26 the purposes set forth in Section 5;

1 (iii) that the STAR bond district is expected to
2 create or retain job opportunities within the
3 political subdivision;

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

6 (v) that without the availability of STAR bonds,
7 the projects described in the STAR bond district plan
8 would not be possible;

9 (vi) that the master developer meets high
10 standards of creditworthiness and financial strength
11 as demonstrated by one or more of the following: (i)
12 corporate debenture ratings of BBB or higher by
13 Standard & Poor's Corporation or Baa or higher by
14 Moody's Investors Service, Inc.; (ii) a letter from a
15 financial institution with assets of \$10,000,000 or
16 more attesting to the financial strength of the master
17 developer; or (iii) specific evidence of equity
18 financing for not less than 10% of the estimated total
19 STAR bond project costs;

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

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

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

26 "Entertainment user" means an owner, operator, licensee,

1 co-developer, subdeveloper, or tenant that operates a business
2 within a STAR bond district that has a primary use of providing
3 a venue for entertainment attractions, rides, or other
4 activities oriented toward the entertainment and amusement of
5 its patrons, occupies at least 20 acres of land in the STAR
6 bond district, and makes an initial capital investment,
7 including project costs and other direct and indirect costs, of
8 not less than \$25,000,000 for that venue.

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

11 "Infrastructure" means the public improvements and private
12 improvements that serve the public purposes set forth in
13 Section 5 of this Act and that benefit the STAR bond district
14 or any STAR bond projects, including, but not limited to,
15 streets, drives and driveways, traffic and directional signs
16 and signals, parking lots and parking facilities,
17 interchanges, highways, sidewalks, bridges, underpasses and
18 overpasses, bike and walking trails, sanitary storm sewers and
19 lift stations, drainage conduits, channels, levees, canals,
20 storm water detention and retention facilities, utilities and
21 utility connections, water mains and extensions, and street and
22 parking lot lighting and connections.

23 "Local sales taxes" means any locally-imposed taxes
24 received by a municipality, county, or other local governmental
25 entity arising from sales by retailers and servicemen within a
26 STAR bond district, including business district sales taxes and

1 STAR bond occupation taxes, and that portion of the net revenue
2 realized under the Retailers' Occupation Tax Act, the Use Tax
3 Act, the Service Use Tax Act, and the Service Occupation Tax
4 Act from transactions at places of business located within a
5 STAR bond district that is deposited into the Local Government
6 Tax Fund and the County and Mass Transit District Fund. For the
7 purpose of this Act, "local sales taxes" does not include (i)
8 any taxes authorized pursuant to the Local Mass Transit
9 District Act, the Metro-East Park and Recreation District Act,
10 or the Flood Prevention District Act for so long as the
11 applicable taxing district does not impose a tax on real
12 property or (ii) county school facility occupation taxes
13 imposed pursuant to Section 5-1006.7 of the Counties Code.

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

1 users that is in excess of the local sales tax paid by
2 taxpayers that are not destination users, destination hotels,
3 or entertainment users for the same month in the base year, as
4 determined by the Illinois Department of Revenue, and (iii) in
5 the case of a county in which a STAR bond district is formed
6 that is wholly within a municipality, that portion of the local
7 sales tax paid by taxpayers that are not destination users,
8 destination hotels, or entertainment users that is in excess of
9 the local sales tax paid by taxpayers that are not destination
10 users, destination hotels, or entertainment users for the same
11 month in the base year, as determined by the Illinois
12 Department of Revenue, but only if the corporate authorities of
13 the county adopts an ordinance, and files a copy with the
14 Department within the same time frames as required for STAR
15 bond occupation taxes under Section 31, that designates the
16 taxes referenced in this clause (iii) as part of the local
17 sales tax increment under this Act. "Local sales tax increment"
18 means, with respect to local sales taxes administered by a
19 municipality, county, or other unit of local government, that
20 portion of the local sales tax that is in excess of the local
21 sales tax for the same month in the base year, as determined by
22 the respective municipality, county, or other unit of local
23 government. If any portion of local sales taxes are, at the
24 time of formation of a STAR bond district, already subject to
25 tax increment financing under the Tax Increment Allocation
26 Redevelopment Act, then the local sales tax increment for such

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

19 "Market study" means a study to determine the ability of
20 the proposed STAR bond project to gain market share locally and
21 regionally and to remain profitable past the term of repayment
22 of STAR bonds.

23 "Master developer" means a developer cooperating with a
24 political subdivision to plan, develop, and implement a STAR
25 bond project plan for a STAR bond district. Subject to the
26 limitations of Section 25, the master developer may work with

1 and transfer certain development rights to other developers for
2 the purpose of implementing STAR bond project plans and
3 achieving the purposes of this Act. A master developer for a
4 STAR bond district shall be appointed by a political
5 subdivision in the resolution establishing the STAR bond
6 district. Except if the STAR bond district is located within
7 the corporate boundaries of Jefferson County, the master
8 developer must, at the time of appointment, own or have control
9 of, through purchase agreements, option contracts, or other
10 means, not less than 50% of the acreage within the STAR bond
11 district and the master developer or its affiliate must have
12 ownership or control on June 1, 2010.

13 "Master development agreement" means an agreement between
14 the master developer and the political subdivision to govern a
15 STAR bond district and any STAR bond projects.

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

18 "Pledged STAR revenues" means those sales tax and revenues
19 and other sources of funds pledged to pay debt service on STAR
20 bonds or to pay project costs pursuant to Section 30.
21 Notwithstanding any provision to the contrary, the following
22 revenues shall not constitute pledged STAR revenues or be
23 available to pay principal and interest on STAR bonds: any
24 State sales tax increment or local sales tax increment from a
25 retail entity initiating operations in a STAR bond district
26 while terminating operations at another Illinois location

1 within 25 miles of the STAR bond district. For purposes of this
2 paragraph, "terminating operations" means a closing of a retail
3 operation that is directly related to the opening of the same
4 operation or like retail entity owned or operated by more than
5 50% of the original ownership in a STAR bond district within
6 one year before or after initiating operations in the STAR bond
7 district, but it does not mean closing an operation for reasons
8 beyond the control of the retail entity, as documented by the
9 retail entity, subject to a reasonable finding by the
10 municipality (or county if such retail operation is not located
11 within a municipality) in which the terminated operations were
12 located that the closed location contained inadequate space,
13 had become economically obsolete, or was no longer a viable
14 location for the retailer or serviceman.

15 "Political subdivision" means a municipality or county
16 which undertakes to establish a STAR bond district pursuant to
17 the provisions of this Act.

18 "Project costs" means and includes the sum total of all
19 costs incurred or estimated to be incurred on or following the
20 date of establishment of a STAR bond district that are
21 reasonable or necessary to implement a STAR bond district plan
22 or any STAR bond project plans, or both, including costs
23 incurred for public improvements and private improvements that
24 serve the public purposes set forth in Section 5 of this Act.
25 Such costs include without limitation the following:

26 (a) costs of studies, surveys, development of plans and

1 specifications, formation, implementation, and
2 administration of a STAR bond district, STAR bond district
3 plan, any STAR bond projects, or any STAR bond project
4 plans, including, but not limited to, staff and
5 professional service costs for architectural, engineering,
6 legal, financial, planning, or other services, provided
7 however that no charges for professional services may be
8 based on a percentage of the tax increment collected and no
9 contracts for professional services, excluding
10 architectural and engineering services, may be entered
11 into if the terms of the contract extend beyond a period of
12 3 years;

13 (b) property assembly costs, including, but not
14 limited to, acquisition of land and other real property or
15 rights or interests therein, located within the boundaries
16 of a STAR bond district, demolition of buildings, site
17 preparation, site improvements that serve as an engineered
18 barrier addressing ground level or below ground
19 environmental contamination, including, but not limited
20 to, parking lots and other concrete or asphalt barriers,
21 the clearing and grading of land, and importing additional
22 soil and fill materials, or removal of soil and fill
23 materials from the site;

24 (c) subject to paragraph (d), costs of buildings and
25 other vertical improvements that are located within the
26 boundaries of a STAR bond district and owned by a political

1 subdivision or other public entity, including without
2 limitation police and fire stations, educational
3 facilities, and public restrooms and rest areas;

4 (c-1) costs of buildings and other vertical
5 improvements that are located within the boundaries of a
6 STAR bond district and owned by a destination user or
7 destination hotel; except that only 2 destination users in
8 a STAR bond district and one destination hotel are eligible
9 to include the cost of those vertical improvements as
10 project costs;

11 (c-5) costs of buildings; rides and attractions, which
12 include carousels, slides, roller coasters, displays,
13 models, towers, works of art, and similar theme and
14 amusement park improvements; and other vertical
15 improvements that are located within the boundaries of a
16 STAR bond district and owned by an entertainment user;
17 except that only one entertainment user in a STAR bond
18 district is eligible to include the cost of those vertical
19 improvements as project costs;

20 (d) costs of the design and construction of
21 infrastructure and public works located within the
22 boundaries of a STAR bond district that are reasonable or
23 necessary to implement a STAR bond district plan or any
24 STAR bond project plans, or both, except that project costs
25 shall not include the cost of constructing a new municipal
26 public building principally used to provide offices,

1 storage space, or conference facilities or vehicle
2 storage, maintenance, or repair for administrative, public
3 safety, or public works personnel and that is not intended
4 to replace an existing public building unless the political
5 subdivision makes a reasonable determination in a STAR bond
6 district plan or any STAR bond project plans, supported by
7 information that provides the basis for that
8 determination, that the new municipal building is required
9 to meet an increase in the need for public safety purposes
10 anticipated to result from the implementation of the STAR
11 bond district plan or any STAR bond project plans;

12 (e) costs of the design and construction of the
13 following improvements located outside the boundaries of a
14 STAR bond district, provided that the costs are essential
15 to further the purpose and development of a STAR bond
16 district plan and either (i) part of and connected to
17 sewer, water, or utility service lines that physically
18 connect to the STAR bond district or (ii) significant
19 improvements for adjacent offsite highways, streets,
20 roadways, and interchanges that are approved by the
21 Illinois Department of Transportation. No other cost of
22 infrastructure and public works improvements located
23 outside the boundaries of a STAR bond district may be
24 deemed project costs;

25 (f) costs of job training and retraining projects,
26 including the cost of "welfare to work" programs

1 implemented by businesses located within a STAR bond
2 district;

3 (g) financing costs, including, but not limited to, all
4 necessary and incidental expenses related to the issuance
5 of obligations and which may include payment of interest on
6 any obligations issued hereunder including interest
7 accruing during the estimated period of construction of any
8 improvements in a STAR bond district or any STAR bond
9 projects for which such obligations are issued and for not
10 exceeding 36 months thereafter and including reasonable
11 reserves related thereto;

12 (h) to the extent the political subdivision by written
13 agreement accepts and approves the same, all or a portion
14 of a taxing district's capital costs resulting from a STAR
15 bond district or STAR bond projects necessarily incurred or
16 to be incurred within a taxing district in furtherance of
17 the objectives of a STAR bond district plan or STAR bond
18 project plans;

19 (i) interest cost incurred by a developer for project
20 costs related to the acquisition, formation,
21 implementation, development, construction, and
22 administration of a STAR bond district, STAR bond district
23 plan, STAR bond projects, or any STAR bond project plans
24 provided that:

25 (i) payment of such costs in any one year may not
26 exceed 30% of the annual interest costs incurred by the

1 developer with regard to the STAR bond district or any
2 STAR bond projects during that year; and

3 (ii) the total of such interest payments paid
4 pursuant to this Act may not exceed 30% of the total
5 cost paid or incurred by the developer for a STAR bond
6 district or STAR bond projects, plus project costs,
7 excluding any property assembly costs incurred by a
8 political subdivision pursuant to this Act;

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

11 (k) costs of landscaping and plantings, retaining
12 walls and fences, man-made lakes and ponds, shelters,
13 benches, lighting, and similar amenities located within
14 the boundaries of a STAR bond district;

15 (l) costs of mounted building signs, site monument, and
16 pylon signs located within the boundaries of a STAR bond
17 district; or

18 (m) if included in the STAR bond district plan and
19 approved in writing by the Director, salaries or a portion
20 of salaries for local government employees to the extent
21 the same are directly attributable to the work of such
22 employees on the establishment and management of a STAR
23 bond district or any STAR bond projects.

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

26 (i) the cost of construction of buildings that are

1 privately owned or owned by a municipality and leased to a
2 developer or retail user for non-entertainment retail
3 uses;

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

6 (iii) property taxes for property located in the STAR
7 bond district;

8 (iv) lobbying costs; and

9 (v) general overhead or administrative costs of the
10 political subdivision that would still have been incurred
11 by the political subdivision if the political subdivision
12 had not established a STAR bond district.

13 "Project development agreement" means any one or more
14 agreements, including any amendments thereto, between a master
15 developer and any co-developer or subdeveloper in connection
16 with a STAR bond project, which project development agreement
17 may include the political subdivision as a party.

18 "Projected market area" means any area within the State in
19 which a STAR bond district or STAR bond project is projected to
20 have a significant fiscal or market impact as determined by the
21 Director.

22 "Resolution" means a resolution, order, ordinance, or
23 other appropriate form of legislative action of a political
24 subdivision or other applicable public entity approved by a
25 vote of a majority of a quorum at a meeting of the governing
26 body of the political subdivision or applicable public entity.

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

5 "STAR bond district" means the specific area declared to be
6 an eligible area as determined by the political subdivision,
7 and approved by the Director, in which the political
8 subdivision may develop one or more STAR bond projects.

9 "STAR bond district plan" means the preliminary or
10 conceptual plan that generally identifies the proposed STAR
11 bond project areas and identifies in a general manner the
12 buildings, facilities, and improvements to be constructed or
13 improved in each STAR bond project area.

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

16 "STAR bond project area" means the geographic area within a
17 STAR bond district in which there may be one or more STAR bond
18 projects.

19 "STAR bond project plan" means the written plan adopted by
20 a political subdivision for the development of a STAR bond
21 project in a STAR bond district; the plan may include, but is
22 not limited to, (i) project costs incurred prior to the date of
23 the STAR bond project plan and estimated future STAR bond
24 project costs, (ii) proposed sources of funds to pay those
25 costs, (iii) the nature and estimated term of any obligations
26 to be issued by the political subdivision to pay those costs,

1 (iv) the most recent equalized assessed valuation of the STAR
2 bond project area, (v) an estimate of the equalized assessed
3 valuation of the STAR bond district or applicable project area
4 after completion of a STAR bond project, (vi) a general
5 description of the types of any known or proposed developers,
6 users, or tenants of the STAR bond project or projects included
7 in the plan, (vii) a general description of the type,
8 structure, and character of the property or facilities to be
9 developed or improved, (viii) a description of the general land
10 uses to apply to the STAR bond project, and (ix) a general
11 description or an estimate of the type, class, and number of
12 employees to be employed in the operation of the STAR bond
13 project.

14 "State sales tax" means all of the net revenue realized
15 under the Retailers' Occupation Tax Act, the Use Tax Act, the
16 Service Use Tax Act, and the Service Occupation Tax Act from
17 transactions at places of business located within a STAR bond
18 district, excluding that portion of the net revenue realized
19 under the Retailers' Occupation Tax Act, the Use Tax Act, the
20 Service Use Tax Act, and the Service Occupation Tax Act from
21 transactions at places of business located within a STAR bond
22 district that is deposited into the Local Government Tax Fund
23 and the County and Mass Transit District Fund.

24 "State sales tax increment" means (i) 100% of that portion
25 of the State sales tax that is in excess of the State sales tax
26 for the same month in the base year, as determined by the

1 Department of Revenue, from transactions at up to 2 destination
2 users, one destination hotel, and one entertainment user
3 located within a STAR bond district, which destination users,
4 destination hotel, and entertainment user shall be designated
5 by the master developer and approved by the political
6 subdivision and the Director in conjunction with the applicable
7 STAR bond project approval, and (ii) 25% of that portion of the
8 State sales tax that is in excess of the State sales tax for
9 the same month in the base year, as determined by the
10 Department of Revenue, from all other transactions within a
11 STAR bond district. If any portion of State sales taxes are, at
12 the time of formation of a STAR bond district, already subject
13 to tax increment financing under the Tax Increment Allocation
14 Redevelopment Act, then the State sales tax increment for such
15 portion shall be frozen at the base year established in
16 accordance with this Act, and all future incremental increases
17 shall be included in the State sales tax increment under this
18 Act. Any party otherwise entitled to receipt of incremental
19 State sales tax revenues through an existing tax increment
20 financing district shall be entitled to continue to receive
21 such revenues up to the amount frozen in the base year. Nothing
22 in this Act shall affect the prior qualification of existing
23 redevelopment project costs incurred that are eligible for
24 reimbursement under the Tax Increment Allocation Redevelopment
25 Act. In such event, prior to approving a STAR bond district,
26 the political subdivision forming the STAR bond district shall

1 take such action as is necessary, including amending the
2 existing tax increment financing district redevelopment plan,
3 to carry out the provisions of this Act.

4 "Substantial change" means a change wherein the proposed
5 STAR bond project plan differs substantially in size, scope, or
6 use from the approved STAR bond district plan or STAR bond
7 project plan.

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

11 "Total development costs" means the aggregate public and
12 private investment in a STAR bond district, including project
13 costs and other direct and indirect costs related to the
14 development of the STAR bond district.

15 "Traditional retail use" means the operation of a business
16 that derives at least 90% of its annual gross revenue from
17 sales at retail, as that phrase is defined by Section 1 of the
18 Retailers' Occupation Tax Act, but does not include the
19 operations of destination users, entertainment users,
20 restaurants, hotels, retail uses within hotels, or any other
21 non-retail uses.

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

25 Section 15. Establishment of STAR bond district. The

1 governing body of a municipality may establish a STAR bond
2 district within an eligible area within the municipality or
3 partially outside the boundaries of the municipality in an
4 unincorporated area of the county. A STAR bond district which
5 is partially outside the boundaries of the municipality must
6 also be approved by the governing body of the county by the
7 passage of a resolution. The governing body of a county may
8 establish a STAR bond district in an eligible area in any
9 unincorporated area of the county.

10 (a) When a political subdivision proposes to establish a
11 STAR bond district, the political subdivision shall adopt a
12 resolution stating that the political subdivision is
13 considering the establishment of a STAR bond district. The
14 resolution shall:

15 (1) give notice, in the same manner as set forth in
16 item (2) of subsection (e) of Section 20, that a public
17 hearing will be held to consider the establishment of a
18 STAR bond district and fix the date, hour, and place of the
19 public hearing, which shall be at a location that is within
20 20 miles of the STAR bond district, in a facility that can
21 accommodate a large crowd, and in a facility that is
22 accessible to persons with disabilities;

23 (2) describe the proposed general boundaries of the
24 STAR bond district;

25 (3) describe the STAR bond district plan;

26 (4) require that a description and map of the proposed

1 STAR bond district are available for inspection at a time
2 and place designated;

3 (5) identify the master developer for the STAR bond
4 district; and

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

7 (b) Upon the conclusion of the public hearing the governing
8 body of the political subdivision may consider a resolution to
9 establish the STAR bond district.

10 (1) A resolution to establish a STAR bond district
11 shall:

12 (A) make findings that the proposed STAR bond
13 district is to be developed with one or more STAR bond
14 projects;

15 (B) make findings that the STAR bond district is an
16 eligible area;

17 (C) contain a STAR bond district plan that
18 identifies in a general manner the buildings and
19 facilities that are proposed to be constructed or
20 improved in subsequent STAR bond projects and that
21 includes plans for at least one destination user;

22 (D) contain the legal description of the STAR bond
23 district;

24 (E) appoint the master developer for the STAR bond
25 district; and

26 (F) establish the STAR bonds district, contingent

1 upon approval of the Director as set forth in
2 subsection (d).

3 (2) If the resolution is not adopted by the political
4 subdivision within 60 days from the conclusion of the
5 public hearing, then the STAR bond district shall not be
6 established.

7 (3) Upon adoption of a resolution establishing a STAR
8 bond district, the political subdivision shall send a
9 certified copy of such resolution to the Department of
10 Revenue.

11 (c) Upon the establishment of a STAR bond district, the
12 STAR bond district and any STAR bond projects shall be governed
13 by a master development agreement between the political
14 subdivision and the master developer. A STAR bond district that
15 is partially outside the boundaries of a municipality shall
16 only require one master development agreement; the agreement
17 shall be between the municipality and the master developer. In
18 no event shall there be more than one master development
19 agreement governing the terms and conditions of a STAR bond
20 district. The master development agreement shall require the
21 master developer to ensure compliance with the following
22 requirements to reduce the ecological impact of the STAR bond
23 district development: (i) inclusion of pollution prevention,
24 erosion, and sedimentation control plans during construction;
25 (ii) protection of endangered species' habitat and wetlands
26 mitigation; (iii) preservation of at least 20% of the STAR bond

1 district as green space, including lawns, parks, landscaped
2 areas, paths, lakes, ponds, and other water features; (iv)
3 promotion of the use of renewable energy to the extent
4 commercially feasible; (v) promotion of access to mass transit
5 and bicycle transportation; (vi) implementation of recycling
6 programs during construction and at completed STAR bond
7 projects; (vii) preservation of water quality and promotion of
8 water conservation through the use of techniques such as
9 reusing storm water and landscaping with native and
10 low-maintenance vegetation to reduce the need for irrigation
11 and fertilization; (viii) inclusion of comprehensive lighting
12 programs that reduce light pollution within the STAR bond
13 district; and (ix) promotion of shared parking between
14 different users to reduce the impact on project sites.

15 (d) Upon adoption of the resolution to establish a STAR
16 bond district, the political subdivision shall submit the
17 proposed STAR bond district to the Director for consideration.
18 The Director may only approve a STAR bond district if the
19 Director finds that: (i) the proposed STAR bond district is an
20 eligible area, (ii) the STAR bond district plan includes a
21 projected capital investment of at least \$100,000,000, (iii)
22 the STAR bond district plan is reasonably projected to produce
23 at least \$100,000,000 of annual gross sales revenues and 500
24 new jobs, (iv) the STAR bond district plan includes potential
25 destination users and a potential entertainment user, (v) the
26 creation of the STAR bond district and STAR bond district plan

1 are in accordance with the purpose of this Act and the public
2 interest, and (vi) the STAR bond district and STAR bond
3 district plan meet any other requirement that the Director
4 deems appropriate. If a proposed STAR bond district meets all
5 of the foregoing criteria, the Director shall not unreasonably
6 withhold its approval of the proposed STAR bond district. The
7 Director may only approve one STAR bond district within any
8 projected market area. However, the Director may approve
9 additional STAR bond districts in a single projected market
10 area provided that the Director finds that the additional STAR
11 bond district will not thwart the purposes of this Act. The
12 Director shall promptly send a copy of its written findings and
13 approval or denial of a STAR bond district to the requesting
14 political subdivision.

15 (e) Starting on the fifth anniversary of the first date of
16 distribution of State sales tax revenues from the first STAR
17 bond project in the STAR bond district and continuing each
18 anniversary thereafter, the Director shall, in consultation
19 with the political subdivision and the master developer,
20 determine the total number of new jobs created within the STAR
21 bond district, the total development cost to date, and the
22 master developer's compliance with its obligations under any
23 written agreements with the State. If, on the fifth anniversary
24 of the first date of distribution of State sales tax revenues
25 from the first STAR bond project in the STAR bond district, the
26 Director determines that the total development cost to date is

1 not equal to or greater than \$100,000,000, or that the master
2 developer is in breach of any written agreement with the State,
3 then no new STAR bonds may be issued in the STAR bond district
4 until the total development cost exceeds \$100,000,000 or the
5 breach of agreement is cured, or both. If, on the fifth
6 anniversary of the first date of distribution of State sales
7 tax revenues from the first STAR bond project in the STAR bond
8 district, there are not at least 500 jobs existing in the STAR
9 bond district, the State may require the master developer to
10 pay the State a penalty of \$1,500 per job under 500 each year
11 until the earlier of (i) the twenty-third anniversary of the
12 first date of distribution of State sales tax revenues from the
13 first STAR bond project in the STAR bond district, (ii) the
14 date that all STAR bonds issued in the STAR bond district have
15 been paid off, or (iii) the date that at least 500 jobs have
16 been created in the STAR bond district. Upon creation of 500
17 jobs in the STAR bond district, there shall not be an ongoing
18 obligation to maintain those jobs after the fifth anniversary
19 of the first date of distribution of State sales tax revenues
20 from the first STAR bond project in the STAR bond district, and
21 the master developer shall be relieved of any liability with
22 respect to job creation under this subsection. Notwithstanding
23 anything to the contrary in this subsection, the master
24 developer shall not be liable for the penalties set forth under
25 this subsection if the breach of agreement, failure to reach at
26 least \$100,000,000 in total development costs, or failure to

1 create 500 jobs is due to delays caused by force majeure, as
2 that term shall be defined in the master development agreement.

3 Section 20. Approval of STAR bond projects. The governing
4 body of a political subdivision may establish one or more STAR
5 bond projects in any STAR bond district. A STAR bond project
6 which is partially outside the boundaries of a municipality
7 must also be approved by the governing body of the county by
8 resolution.

9 (a) After the establishment of a STAR bond district, the
10 master developer may propose one or more STAR bond projects to
11 a political subdivision and the master developer shall, in
12 cooperation with the political subdivision, prepare a STAR bond
13 project plan in consultation with the planning commission of
14 the political subdivision, if any. The STAR bond project plan
15 may be implemented in separate development stages.

16 (b) Any political subdivision considering a STAR bond
17 project within a STAR bond district shall notify the
18 Department, which shall cause to be prepared an independent
19 feasibility study by a feasibility consultant with certified
20 copies provided to the political subdivision, the Director, and
21 the Department of Commerce and Economic Opportunity. The
22 feasibility study shall include the following:

23 (1) the estimated amount of pledged STAR revenues
24 expected to be collected in each year through the maturity
25 date of the proposed STAR bonds;

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

4 (3) visitation expectations;

5 (4) the unique quality of the project;

6 (5) an economic impact study;

7 (6) a market study;

8 (7) integration and collaboration with other resources
9 or businesses;

10 (8) the quality of service and experience provided, as
11 measured against national consumer standards for the
12 specific target market;

13 (9) project accountability, measured according to best
14 industry practices;

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

17 (11) an anticipated principal and interest payment
18 schedule on the STAR bonds.

19 The feasibility consultant, along with the independent
20 economist and any other consultants commissioned to perform the
21 studies and other analysis required by the feasibility study,
22 shall be selected by the Director with the approval of the
23 political subdivision. The consultants shall be retained by the
24 Director and the Department shall be reimbursed by the master
25 developer for the costs to retain the consultants.

26 The failure to include all information enumerated in this

1 subsection in the feasibility study for a STAR bond project
2 shall not affect the validity of STAR bonds issued pursuant to
3 this Act.

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

6 (1) a summary of the feasibility study;

7 (2) a reference to the STAR bond district plan that
8 identifies the STAR bond project area that is set forth in
9 the STAR bond project plan that is being considered;

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

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

16 (5) a copy of letters of intent to locate within the
17 STAR bond district signed by both the master developer and
18 the appropriate corporate officer of at least one
19 destination user for the first STAR bond project proposed
20 within the district; and

21 (6) any other information the governing body of the
22 political subdivision deems reasonable and necessary to
23 advise the public of the intent of the STAR bond project
24 plan.

25 (d) Before a political subdivision may hold a public
26 hearing to consider a STAR bond project plan, the political

1 subdivision must apply to the Department for approval of the
2 STAR bond project plan. An application for approval of a STAR
3 bond project plan must not be approved unless all of the
4 components of the feasibility study set forth in items (1)
5 through (11) of subsection (b) have been completed and
6 submitted to the Department for review. In addition to
7 reviewing all of the other elements of the STAR bond project
8 plan required under subsection (c), which must be included in
9 the application (which plan must include a letter or letters of
10 intent as required under subdivision (c) (5) in order to receive
11 Director approval), the Director must review the feasibility
12 study and consider all of the components of the feasibility
13 study set forth in items (1) through (11) of subsection (b) of
14 Section 20, including without limitation the economic impact
15 study and the financial benefit of the proposed STAR bond
16 project to the local, regional, and State economies, the
17 proposed adverse impacts on similar businesses and projects as
18 well as municipalities within the market area, and the net
19 effect of the proposed STAR bond project on the local,
20 regional, and State economies. In addition to the economic
21 impact study, the political subdivision must also submit to the
22 Department, as part of its application, the financial and other
23 information that substantiates the basis for the conclusion of
24 the economic impact study, in the form and manner as required
25 by the Department, so that the Department can verify the
26 results of the study. In addition to any other criteria in this

1 subsection, to approve the STAR bond project plan, the Director
2 must be satisfied that the proposed destination user is in fact
3 a true destination user and also find that the STAR bond
4 project plan is in accordance with the purpose of this Act and
5 the public interest. The Director shall either approve or deny
6 the STAR bond project plan based on the criteria in this
7 subsection.

8 (e) Upon a finding by the planning and zoning commission of
9 the political subdivision that the STAR bond project plan is
10 consistent with the intent of the comprehensive plan for the
11 development of the political subdivision and upon issuance of
12 written approval of the STAR bond project plan from the
13 Director pursuant to subsection (d) of Section 20, the
14 governing body of the political subdivision shall adopt a
15 resolution stating that the political subdivision is
16 considering the adoption of the STAR bond project plan. The
17 resolution shall:

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

21 (2) describe the general boundaries of the STAR bond
22 district within which the STAR bond project will be located
23 and the date of establishment of the STAR bond district;

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

26 (4) provide that the STAR bond project plan and map of

1 the area to be redeveloped or developed are available for
2 inspection during regular office hours in the offices of
3 the political subdivision; and

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

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

9 (1) The date fixed for the public hearing to consider
10 the adoption of the STAR bond project plan shall be not
11 less than 20 nor more than 90 days following the date of
12 the adoption of the resolution fixing the date of the
13 hearing.

14 (2) A copy of the political subdivision's resolution
15 providing for the public hearing shall be sent by certified
16 mail, return receipt requested, to the governing body of
17 the county. A copy of the political subdivision's
18 resolution providing for the public hearing shall be sent
19 by certified mail, return receipt requested, to each person
20 or persons in whose name the general taxes for the last
21 preceding year were paid on each parcel of land lying
22 within the proposed STAR bond project area within 10 days
23 following the date of the adoption of the resolution. The
24 resolution shall be published once in a newspaper of
25 general circulation in the political subdivision not less
26 than one week nor more than 3 weeks preceding the date

1 fixed for the public hearing. A map or aerial photo clearly
2 delineating the area of land proposed to be included within
3 the STAR bond project area shall be published with the
4 resolution.

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

9 (4) At the public hearing, a representative of the
10 political subdivision or master developer shall present
11 the STAR bond project plan. Following the presentation of
12 the STAR bond project plan, all interested persons shall be
13 given an opportunity to be heard. The governing body may
14 continue the date and time of the public hearing.

15 (g) Upon conclusion of the public hearing, the governing
16 body of the political subdivision may adopt the STAR bond
17 project plan by a resolution approving the STAR bond project
18 plan.

19 (h) After the adoption by the corporate authorities of the
20 political subdivision of a STAR bond project plan, the
21 political subdivision may enter into a project development
22 agreement if the master developer has requested the political
23 subdivision to be a party to the project development agreement
24 pursuant to subsection (b) of Section 25.

25 (i) Within 30 days after the adoption by the political
26 subdivision of a STAR bond project plan, the clerk of the

1 political subdivision shall transmit a copy of the legal
2 description of the land and a list of all new and existing
3 mailing addresses within the STAR bond district, a copy of the
4 resolution adopting the STAR bond project plan, and a map or
5 plat indicating the boundaries of the STAR bond project area to
6 the clerk, treasurer, and governing body of the county and to
7 the Department of Revenue. Within 30 days of creation of any
8 new mailing addresses within a STAR bond district, the clerk of
9 the political subdivision shall provide written notice of such
10 new addresses to the Department of Revenue.

11 If a certified copy of the resolution adopting the STAR
12 bond project plan is filed with the Department on or before the
13 first day of April, the Department, if all other requirements
14 of this subsection are met, shall proceed to collect and
15 allocate any local sales tax increment and any State sales tax
16 increment in accordance with the provisions of this Act as of
17 the first day of July next following the adoption and filing.
18 If a certified copy of the resolution adopting the STAR bond
19 project plan is filed with the Department after April 1 but on
20 or before the first day of October, the Department, if all
21 other requirements of this subsection are met, shall proceed to
22 collect and allocate any local sales tax increment and any
23 State sales tax increment in accordance with the provisions of
24 this Act as of the first day of January next following the
25 adoption and filing.

26 Any substantial changes to a STAR bond project plan as

1 adopted shall be subject to a public hearing following
2 publication of notice thereof in a newspaper of general
3 circulation in the political subdivision and approval by
4 resolution of the governing body of the political subdivision.

5 The Department of Revenue shall not collect or allocate any
6 local sales tax increment or State sales tax increment, until
7 the political subdivision also provides, in the manner
8 prescribed by the Department, the boundaries of the STAR bond
9 project area and each address in the STAR bond project area in
10 such a way that the Department can determine by its address
11 whether a business is located in the STAR bond project area.
12 The political subdivision must provide this boundary and
13 address information to the Department on or before April 1 for
14 administration and enforcement under this Act by the Department
15 beginning on the following July 1 and on or before October 1
16 for administration and enforcement under this Act by the
17 Department beginning on the following January 1. The Department
18 of Revenue shall not administer or enforce any change made to
19 the boundaries of a STAR bond project or any address change,
20 addition, or deletion until the political subdivision reports
21 the boundary change or address change, addition, or deletion to
22 the Department in the manner prescribed by the Department. The
23 political subdivision must provide this boundary change or
24 address change, addition, or deletion information to the
25 Department on or before April 1 for administration and
26 enforcement by the Department of the change, addition, or

1 deletion beginning on the following July 1 and on or before
2 October 1 for administration and enforcement by the Department
3 of the change, addition, or deletion beginning on the following
4 January 1. If a retailer is incorrectly included or excluded
5 from the list of those located in the STAR bond project, the
6 Department of Revenue shall be held harmless if it reasonably
7 relied on information provided by the political subdivision.

8 (j) Any STAR bond project must be approved by the political
9 subdivision prior to that date which is 23 years from the date
10 of the approval of the STAR bond district, provided however
11 that any amendments to such STAR bond project may occur
12 following such date.

13 (k) Any developer of a STAR bond project shall commence
14 work on the STAR bond project within 3 years from the date of
15 adoption of the STAR bond project plan. If the developer fails
16 to commence work on the STAR bond project within the 3-year
17 period, funding for the project shall cease and the developer
18 of the project or complex shall have one year to appeal to the
19 political subdivision for reapproval of the project and
20 funding. If the project is reapproved, the 3-year period for
21 commencement shall begin again on the date of the reapproval.

22 (l) After the adoption by the corporate authorities of the
23 political subdivision of a STAR bond project plan and approval
24 of the Director pursuant to subsection (d) of Section 20, the
25 political subdivision may authorize the issuance of the STAR
26 bonds in one or more series to finance the STAR bond project in

1 accordance with the provisions of this Act.

2 (m) The maximum maturity of STAR bonds issued to finance a
3 STAR bond project shall not exceed 23 years from the first date
4 of distribution of State sales tax revenues from such STAR bond
5 project to the political subdivision, unless the political
6 subdivision extends such maturity by resolution up to a maximum
7 of 35 years from such first distribution date. Any such
8 extension shall require the approval of the Director. In no
9 event shall the maximum maturity date for any STAR bonds exceed
10 that date which is 35 years from the first distribution date of
11 the first STAR bonds issued in a STAR bond district.

12 Section 25. Co-developers and subdevelopers. Upon approval
13 of a STAR bond project by the political subdivision, the master
14 developer may, subject to the approval of the Director and the
15 political subdivision, develop the STAR bond project on its own
16 or it may develop the STAR bond project with another developer,
17 which may include an assignment or transfer of development
18 rights.

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

22 (b) A master developer may enter into one or more
23 agreements with a co-developer or subdeveloper in connection
24 with a STAR bond project, and the master developer may request
25 that the political subdivision become a party to the project

1 development agreement, or the master developer may request that
2 the political subdivision amend its master development
3 agreement to provide for certain terms and conditions that may
4 be related to the co-developer or subdeveloper and the STAR
5 bond project. For any project development agreement which the
6 political subdivision would be a party or for any amendments to
7 the master development agreement, the terms and conditions must
8 be acceptable to both the master developer and the political
9 subdivision.

10 Section 30. STAR bonds; source of payment. Any political
11 subdivision shall have the power to issue STAR bonds in one or
12 more series to finance the undertaking of any STAR bond project
13 in accordance with the provisions of this Act and the Omnibus
14 Bond Acts. STAR bonds may be issued as revenue bonds, alternate
15 bonds, or general obligation bonds as defined in and subject to
16 the procedures provided in the Local Government Debt Reform
17 Act.

18 (a) STAR bonds may be made payable, both as to principal
19 and interest, from the following revenues, which to the extent
20 pledged by each respective political subdivision or other
21 public entity for such purpose shall constitute pledged STAR
22 revenues:

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

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

4 (3) STAR bond occupation taxes created pursuant to
5 Section 31 and designated as pledged STAR revenues by the
6 political subdivision;

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

9 (5) any special service area taxes collected within the
10 STAR bond district under the Special Service Area Tax Act,
11 may be used for the purposes of funding project costs or
12 paying debt service on STAR bonds in addition to the
13 purposes contained in the special service area plan;

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

15 (7) any other revenues appropriated by the political
16 subdivision; and

17 (8) any combination of these methods.

18 (b) The political subdivision may pledge the pledged STAR
19 revenues to the repayment of STAR bonds prior to,
20 simultaneously with, or subsequent to the issuance of the STAR
21 bonds.

22 (c) Bonds issued as revenue bonds shall not be general
23 obligations of the political subdivision, nor in any event
24 shall they give rise to a charge against its general credit or
25 taxing powers, or be payable out of any funds or properties
26 other than those set forth in subsection (a) and the bonds

1 shall so state on their face.

2 (d) For each STAR bond project financed with STAR bonds
3 payable from the pledged STAR revenues, the political
4 subdivision shall prepare and submit to the Department of
5 Revenue by June 1 of each year a report describing the status
6 of the STAR bond project, any expenditures of the proceeds of
7 STAR bonds that have occurred for the preceding calendar year,
8 and any expenditures of the proceeds of the bonds expected to
9 occur in the future, including the amount of pledged STAR
10 revenue, the amount of revenue that has been spent, the
11 projected amount of the revenue, and the anticipated use of the
12 revenue. Each annual report shall be accompanied by an
13 affidavit of the master developer certifying the contents of
14 the report as true to the best of the master developer's
15 knowledge. The Department of Revenue shall have the right, but
16 not the obligation, to request the Illinois Auditor General to
17 review the annual report and the political subdivision's
18 records containing the source information for the report for
19 the purpose of verifying the report's contents. If the Illinois
20 Auditor General declines the request for review, the Department
21 of Revenue shall have the right to select an independent
22 third-party auditor to conduct an audit of the annual report
23 and the political subdivision's records containing the source
24 information for the report. The reasonable cost of the audit
25 shall be paid by the master developer. The master development
26 agreement shall grant the Department of Revenue and the

1 Illinois Auditor General the right to review the records of the
2 political subdivision containing the source information for
3 the report.

4 (e) There is created in the State treasury a special fund
5 to be known as the STAR Bonds Revenue Fund. As soon as possible
6 after the first day of each month, beginning January 1, 2011,
7 upon certification of the Department of Revenue, the
8 Comptroller shall order transferred, and the Treasurer shall
9 transfer, from the General Revenue Fund to the STAR Bonds
10 Revenue Fund the State sales tax increment for the second
11 preceding month, less 3% of that amount, which shall be
12 transferred into the Tax Compliance and Administration Fund and
13 shall be used by the Department, subject to appropriation, to
14 cover the costs of the Department in administering the
15 Innovation Development and Economy Act. As soon as possible
16 after the first day of each month, beginning January 1, 2011,
17 upon certification of the Department of Revenue, the
18 Comptroller shall order transferred, and the Treasurer shall
19 transfer, from the Local Government Tax Fund to the STAR Bonds
20 Revenue Fund the local sales tax increment for the second
21 preceding month, as provided in Section 6z-18 of the State
22 Finance Act and from the County and Mass Transit District Fund
23 to the STAR Bonds Revenue Fund the local sales tax increment
24 for the second preceding month, as provided in Section 6z-20 of
25 the State Finance Act.

26 On or before the 25th day of each calendar month, beginning

1 on January 1, 2011, the Department shall prepare and certify to
2 the Comptroller the disbursement of stated sums of money out of
3 the STAR Bonds Revenue Fund to named municipalities and
4 counties, the municipalities and counties to be those entitled
5 to distribution of taxes or penalties paid to the Department
6 during the second preceding calendar month. The amount to be
7 paid to each municipality or county shall be the amount of the
8 State sales tax increment and the local sales tax increment
9 (not including credit memoranda or the amount transferred into
10 the Tax Compliance and Administration Fund) collected during
11 the second preceding calendar month by the Department from
12 retailers and servicemen on transactions at places of business
13 located within a STAR bond district in that municipality or
14 county, plus an amount the Department determines is necessary
15 to offset any amounts which were erroneously paid to a
16 different taxing body, and not including an amount equal to the
17 amount of refunds made during the second preceding calendar
18 month by the Department, and not including any amount which the
19 Department determines is necessary to offset any amounts which
20 are payable to a different taxing body but were erroneously
21 paid to the municipality or county. Within 10 days after
22 receipt, by the Comptroller, of the disbursement certification
23 to the municipalities and counties, provided for in this
24 Section to be given to the Comptroller by the Department, the
25 Comptroller shall cause the orders to be drawn for the
26 respective amounts in accordance with the directions contained

1 in such certification.

2 When certifying the amount of monthly disbursement to a
3 municipality or county under this subsection, the Department
4 shall increase or decrease that amount by an amount necessary
5 to offset any misallocation of previous disbursements. The
6 offset amount shall be the amount erroneously disbursed within
7 the 6 months preceding the time a misallocation is discovered.

8 (f) As of the seventh anniversary of the first date of
9 distribution of State sales tax revenues from the first STAR
10 bond project in the STAR bond district, and as of every fifth
11 anniversary thereafter until final maturity of all STAR bonds
12 issued in a STAR bond district, the portion of the aggregate
13 proceeds of STAR bonds issued to date that is derived from the
14 State sales tax increment pledged to pay STAR bonds in any STAR
15 bond district shall not exceed 50% of the total development
16 costs in the STAR bond district to date. The Illinois Auditor
17 General shall make the foregoing determination on said seventh
18 anniversary and every 5 years thereafter until final maturity
19 of all STAR bonds issued in a STAR bond district. If at any
20 time after the seventh anniversary of the first date of
21 distribution of State sales tax revenues from the first STAR
22 bond project in the STAR bond district the Illinois Auditor
23 General determines that the portion of the aggregate proceeds
24 of STAR bonds issued to date that is derived from the State
25 sales tax increment pledged to pay STAR bonds in any STAR bond
26 district has exceeded 50% of the total development costs in the

1 STAR bond district, no additional STAR bonds may be issued in
2 the STAR bond district until the percentage is reduced to 50%
3 or below. When the percentage has been reduced to 50% or below,
4 the master developer shall have the right, at its own cost, to
5 obtain a new audit prepared by an independent third-party
6 auditor verifying compliance and shall provide such audit to
7 the Illinois Auditor General for review and approval. Upon the
8 Illinois Auditor General's determination from the audit that
9 the percentage has been reduced to 50% or below, STAR bonds may
10 again be issued in the STAR bond district.

11 (g) Notwithstanding the provisions of the Tax Increment
12 Allocation Redevelopment Act, if any portion of property taxes
13 attributable to the increase in equalized assessed value within
14 a STAR bond district are, at the time of formation of the STAR
15 bond district, already subject to tax increment financing under
16 the Tax Increment Allocation Redevelopment Act, then the tax
17 increment for such portion shall be frozen at the base year
18 established in accordance with this Act, and all future
19 incremental increases over the base year shall not be subject
20 to tax increment financing under the Tax Increment Allocation
21 Redevelopment Act. Any party otherwise entitled to receipt of
22 incremental tax revenues through an existing tax increment
23 financing district shall be entitled to continue to receive
24 such revenues up to the amount frozen in the base year. Nothing
25 in this Act shall affect the prior qualification of existing
26 redevelopment project costs incurred that are eligible for

1 reimbursement under the Tax Increment Allocation Redevelopment
2 Act. In such event, prior to approving a STAR bond district,
3 the political subdivision forming the STAR bond district shall
4 take such action as is necessary, including amending the
5 existing tax increment financing district redevelopment plan,
6 to carry out the provisions of this Act.

7 Section 31. STAR bond occupation taxes.

8 (a) If the corporate authorities of a political subdivision
9 have established a STAR bond district and have elected to
10 impose a tax by ordinance pursuant to subsection (b) or (c) of
11 this Section, each year after the date of the adoption of the
12 ordinance and until all STAR bond project costs and all
13 political subdivision obligations financing the STAR bond
14 project costs, if any, have been paid in accordance with the
15 STAR bond project plans, but in no event longer than the
16 maximum maturity date of the last of the STAR bonds issued for
17 projects in the STAR bond district, all amounts generated by
18 the retailers' occupation tax and service occupation tax shall
19 be collected and the tax shall be enforced by the Department of
20 Revenue in the same manner as all retailers' occupation taxes
21 and service occupation taxes imposed in the political
22 subdivision imposing the tax. The corporate authorities of the
23 political subdivision shall deposit the proceeds of the taxes
24 imposed under subsections (b) and (c) into either (i) a special
25 fund held by the corporate authorities of the political

1 subdivision called the STAR Bonds Tax Allocation Fund for the
2 purpose of paying STAR bond project costs and obligations
3 incurred in the payment of those costs if such taxes are
4 designated as pledged STAR revenues by resolution or ordinance
5 of the political subdivision or (ii) the political
6 subdivision's general corporate fund if such taxes are not
7 designated as pledged STAR revenues by resolution or ordinance.

8 The tax imposed under this Section by a municipality may be
9 imposed only on the portion of a STAR bond district that is
10 within the boundaries of the municipality. For any part of a
11 STAR bond district that lies outside of the boundaries of that
12 municipality, the municipality in which the other part of the
13 STAR bond district lies (or the county, in cases where a
14 portion of the STAR bond district lies in the unincorporated
15 area of a county) is authorized to impose the tax under this
16 Section on that part of the STAR bond district.

17 (b) The corporate authorities of a political subdivision
18 that has established a STAR bond district under this Act may,
19 by ordinance or resolution, impose a STAR Bond Retailers'
20 Occupation Tax upon all persons engaged in the business of
21 selling tangible personal property, other than an item of
22 tangible personal property titled or registered with an agency
23 of this State's government, at retail in the STAR bond district
24 at a rate not to exceed 1% of the gross receipts from the sales
25 made in the course of that business, to be imposed only in
26 0.25% increments. The tax may not be imposed on 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
3 that has been prepared for immediate consumption),
4 prescription and nonprescription medicines, drugs, medical
5 appliances, modifications to a motor vehicle for the purpose of
6 rendering it usable by a disabled person, and insulin, urine
7 testing materials, syringes, and needles used by diabetics, for
8 human use.

9 The tax imposed under this subsection and all civil
10 penalties that may be assessed as an incident thereof shall be
11 collected and enforced by the Department of Revenue. The
12 certificate of registration that is issued by the Department to
13 a retailer under the Retailers' Occupation Tax Act shall permit
14 the retailer to engage in a business that is taxable under any
15 ordinance or resolution enacted pursuant to this subsection
16 without registering separately with the Department under such
17 ordinance or resolution or under this subsection. The
18 Department of Revenue shall have full power to administer and
19 enforce this subsection; to collect all taxes and penalties due
20 under this subsection 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 under this
23 subsection. In the administration of, and compliance with, this
24 subsection, the Department and persons who are subject to this
25 subsection shall have the same rights, remedies, privileges,
26 immunities, powers, and duties, and be subject to the same

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

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

13 (c) If a tax has been imposed under subsection (b), a STAR
14 Bond Service Occupation Tax shall also be imposed upon all
15 persons engaged, in the STAR bond district, in the business of
16 making sales of service, who, as an incident to making those
17 sales of service, transfer tangible personal property within
18 the STAR bond district, either in the form of tangible personal
19 property or in the form of real estate as an incident to a sale
20 of service. The tax shall be imposed at the same rate as the
21 tax imposed in subsection (b) and shall not exceed 1% of the
22 selling price of tangible personal property so transferred
23 within the STAR bond district, to be imposed only in 0.25%
24 increments. The tax may not be imposed on food for human
25 consumption that is to be consumed off the premises where it is
26 sold (other than alcoholic beverages, soft drinks, and food

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

7 The tax imposed under this subsection and all civil
8 penalties that may be assessed as an incident thereof shall be
9 collected and enforced by the Department of Revenue. The
10 certificate of registration that is issued by the Department to
11 a retailer under the Retailers' Occupation Tax Act or under the
12 Service Occupation Tax Act shall permit the registrant to
13 engage in a business that is taxable under any ordinance or
14 resolution enacted pursuant to this subsection without
15 registering separately with the Department under that
16 ordinance or resolution or under this subsection. The
17 Department of Revenue shall have full power to administer and
18 enforce this subsection; to collect all taxes and penalties due
19 under this subsection; to dispose of taxes and penalties so
20 collected in the manner hereinafter provided; and to determine
21 all rights to credit memoranda arising on account of the
22 erroneous payment of tax or penalty 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, and be subject to the same conditions,

1 restrictions, limitations, penalties, exclusions, exemptions,
2 and definitions of terms and employ the same modes of procedure
3 as are prescribed in Sections 2, 2a through 2d, 3 through 3-50
4 (in respect to all provisions therein other than the State rate
5 of tax), 4 (except that the reference to the State shall be to
6 the STAR bond district), 5, 7, 8 (except that the jurisdiction
7 to which the tax shall be a debt to the extent indicated in
8 that Section 8 shall be the political subdivision), 9 (except
9 as to the disposition of taxes and penalties collected, and
10 except that the returned merchandise credit for this tax may
11 not be taken against any State tax), 10, 11, 12 (except the
12 reference therein to Section 2b of the Retailers' Occupation
13 Tax Act), 13 (except that any reference to the State shall mean
14 the political subdivision), the first paragraph of Section 15,
15 and Sections 16, 17, 18, 19 and 20 of the Service Occupation
16 Tax Act and all provisions of the Uniform Penalty and Interest
17 Act, as fully as if those provisions were set forth herein.

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

20 (d) Persons subject to any tax imposed under this Section
21 may reimburse themselves for their seller's tax liability under
22 this Section by separately stating the tax as an additional
23 charge, which charge may be stated in combination, in a single
24 amount, with State taxes that sellers are required to collect
25 under the Use Tax Act, in accordance with such bracket
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 STAR bond retailers' occupation tax fund.

8 The Department shall immediately pay over to the State
9 Treasurer, ex officio, as trustee, all taxes, penalties, and
10 interest collected under this Section for deposit into the STAR
11 bond retailers' occupation tax fund. On or before the 25th day
12 of each calendar month, the Department shall prepare and
13 certify to the Comptroller the disbursement of stated sums of
14 money to named political subdivisions from the STAR bond
15 retailers' occupation tax fund, the political subdivisions to
16 be those from which retailers have paid taxes or penalties
17 under this Section to the Department during the second
18 preceding calendar month. The amount to be paid to each
19 political subdivision shall be the amount (not including credit
20 memoranda) collected under this Section during the second
21 preceding calendar month by the Department plus an amount the
22 Department determines is necessary to offset any amounts that
23 were erroneously paid to a different taxing body, and not
24 including an amount equal to the amount of refunds made during
25 the second preceding calendar month by the Department, less 3%
26 of that amount, which shall be deposited into the Tax

1 Compliance and Administration Fund and shall be used by the
2 Department, subject to appropriation, to cover the costs of the
3 Department in administering and enforcing the provisions of
4 this Section, on behalf of such political subdivision, and not
5 including any amount that the Department determines is
6 necessary to offset any amounts that were payable to a
7 different taxing body but were erroneously paid to the
8 political subdivision. Within 10 days after receipt by the
9 Comptroller of the disbursement certification to the political
10 subdivisions provided for in this Section to be given to the
11 Comptroller by the Department, the Comptroller shall cause the
12 orders to be drawn for the respective amounts in accordance
13 with the directions contained in the certification. The
14 proceeds of the tax paid to political subdivisions under this
15 Section shall be deposited into either (i) the STAR Bonds Tax
16 Allocation Fund by the political subdivision if the political
17 subdivision has designated them as pledged STAR revenues by
18 resolution or ordinance or (ii) the political subdivision's
19 general corporate fund if the political subdivision has not
20 designated them as pledged STAR revenues.

21 An ordinance or resolution imposing or discontinuing the
22 tax under this Section or effecting a change in the rate
23 thereof shall either (i) be adopted and a certified copy
24 thereof filed with the Department on or before the first day of
25 April, whereupon the Department, if all other requirements of
26 this Section are met, shall proceed to administer and enforce

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

8 The Department of Revenue shall not administer or enforce
9 an ordinance imposing, discontinuing, or changing the rate of
10 the tax under this Section, until the political subdivision
11 also provides, in the manner prescribed by the Department, the
12 boundaries of the STAR bond district and each address in the
13 STAR bond district in such a way that the Department can
14 determine by its address whether a business is located in the
15 STAR bond district. The political subdivision must provide this
16 boundary and address information to the Department on or before
17 April 1 for administration and enforcement of the tax under
18 this Section by the Department beginning on the following July
19 1 and on or before October 1 for administration and enforcement
20 of the tax under this Section by the Department beginning on
21 the following January 1. The Department of Revenue shall not
22 administer or enforce any change made to the boundaries of a
23 STAR bond district or any address change, addition, or deletion
24 until the political subdivision reports the boundary change or
25 address change, addition, or deletion to the Department in the
26 manner prescribed by the Department. The political subdivision

1 must provide this boundary change or address change, addition,
2 or deletion information to the Department on or before April 1
3 for administration and enforcement by the Department of the
4 change, addition, or deletion beginning on the following July 1
5 and on or before October 1 for administration and enforcement
6 by the Department of the change, addition, or deletion
7 beginning on the following January 1. The retailers in the STAR
8 bond district shall be responsible for charging the tax imposed
9 under this Section. If a retailer is incorrectly included or
10 excluded from the list of those required to collect the tax
11 under this Section, both the Department of Revenue and the
12 retailer shall be held harmless if they reasonably relied on
13 information provided by the political subdivision.

14 A political subdivision that imposes the tax under this
15 Section must submit to the Department of Revenue any other
16 information as the Department may require that is necessary for
17 the administration and enforcement of the tax.

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

24 Nothing in this Section shall be construed to authorize the
25 political subdivision to impose a tax upon the privilege of
26 engaging in any business which under the Constitution of the

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

3 (e) When STAR bond project costs, including, without
4 limitation, all political subdivision obligations financing
5 STAR bond project costs, have been paid, any surplus funds then
6 remaining in the STAR Bonds Tax Allocation Fund shall be
7 distributed to the treasurer of the political subdivision for
8 deposit into the political subdivision's general corporate
9 fund. Upon payment of all STAR bond project costs and
10 retirement of obligations, but in no event later than the
11 maximum maturity date of the last of the STAR bonds issued in
12 the STAR bond district, the political subdivision shall adopt
13 an ordinance immediately rescinding the taxes imposed pursuant
14 to this Section and file a certified copy of the ordinance with
15 the Department in the form and manner as described in this
16 Section.

17 Section 33. STAR Bonds School Improvement and Operations
18 Trust Fund.

19 (a) The STAR Bonds School Improvement and Operations Trust
20 Fund is created as a trust fund in the State treasury. Deposits
21 into the Trust Fund shall be made as provided under this
22 Section. Moneys in the Trust Fund shall be used by the
23 Department of Revenue only for the purpose of making payments
24 to school districts in educational service regions that include
25 or are adjacent to the STAR bond district. Moneys in the Trust

1 Fund are not subject to appropriation and shall be used solely
2 as provided in this Section. All deposits into the Trust Fund
3 shall be held in the Trust Fund by the State Treasurer as ex
4 officio custodian separate and apart from all public moneys or
5 funds of this State and shall be administered by the Department
6 exclusively for the purposes set forth in this Section. All
7 moneys in the Trust Fund shall be invested and reinvested by
8 the State Treasurer. All interest accruing from these
9 investments shall be deposited in the Trust Fund.

10 (b) Upon approval of a STAR bond district, the political
11 subdivision shall immediately transmit to the county clerk of
12 the county in which the district is located a certified copy of
13 the ordinance creating the district, a legal description of the
14 district, a map of the district, identification of the year
15 that the county clerk shall use for determining the total
16 initial equalized assessed value of the district consistent
17 with subsection (c), and a list of the parcel or tax
18 identification number of each parcel of property included in
19 the district.

20 (c) Upon approval of a STAR bond district, the county clerk
21 immediately thereafter shall determine (i) the most recently
22 ascertained equalized assessed value of each lot, block, tract,
23 or parcel of real property within the STAR bond district, from
24 which shall be deducted the homestead exemptions under Article
25 15 of the Property Tax Code, which value shall be the initial
26 equalized assessed value of each such piece of property, and

1 (ii) the total equalized assessed value of all taxable real
2 property within the district by adding together the most
3 recently ascertained equalized assessed value of each taxable
4 lot, block, tract, or parcel of real property within the
5 district, from which shall be deducted the homestead exemptions
6 under Article 15 of the Property Tax Code, and shall certify
7 that amount as the total initial equalized assessed value of
8 the taxable real property within the STAR bond district.

9 (d) In reference to any STAR bond district created within
10 any political subdivision, and in respect to which the county
11 clerk has certified the total initial equalized assessed value
12 of the property in the area, the political subdivision may
13 thereafter request the clerk in writing to adjust the initial
14 equalized value of all taxable real property within the STAR
15 bond district by deducting therefrom the exemptions under
16 Article 15 of the Property Tax Code applicable to each lot,
17 block, tract, or parcel of real property within the STAR bond
18 district. The county clerk shall immediately after the written
19 request to adjust the total initial equalized value is received
20 determine the total homestead exemptions in the STAR bond
21 district as provided under Article 15 of the Property Tax Code
22 by adding together the homestead exemptions provided by said
23 Article on each lot, block, tract, or parcel of real property
24 within the STAR bond district and then shall deduct the total
25 of said exemptions from the total initial equalized assessed
26 value. The county clerk shall then promptly certify that amount

1 as the total initial equalized assessed value as adjusted of
2 the taxable real property within the STAR bond district.

3 (e) The county clerk or other person authorized by law
4 shall compute the tax rates for each taxing district with all
5 or a portion of its equalized assessed value located in the
6 STAR bond district. The rate per cent of tax determined shall
7 be extended to the current equalized assessed value of all
8 property in the district in the same manner as the rate per
9 cent of tax is extended to all other taxable property in the
10 taxing district.

11 (f) Beginning with the assessment year in which the first
12 destination user in the first STAR bond project in a STAR bond
13 district makes its first retail sales and for each assessment
14 year thereafter until final maturity of the last STAR bonds
15 issued in the district, the county clerk or other person
16 authorized by law shall determine the increase in equalized
17 assessed value of all real property within the STAR bond
18 district by subtracting the initial equalized assessed value of
19 all property in the district certified under subsection (c)
20 from the current equalized assessed value of all property in
21 the district. Each year, the property taxes arising from the
22 increase in equalized assessed value in the STAR bond district
23 shall be determined for each taxing district and shall be
24 certified to the county collector.

25 (g) Beginning with the year in which taxes are collected
26 based on the assessment year in which the first destination

1 user in the first STAR bond project in a STAR bond district
2 makes its first retail sales and for each year thereafter until
3 final maturity of the last STAR bonds issued in the district,
4 the county collector shall, within 30 days after receipt of
5 property taxes, transmit to the Department to be deposited into
6 the STAR Bonds School Improvement and Operations Trust Fund 15%
7 of property taxes attributable to the increase in equalized
8 assessed value within the STAR bond district from each taxing
9 district as certified in subsection (f).

10 (h) The Department shall pay to the regional superintendent
11 of schools whose educational service region includes Franklin
12 and Williamson Counties, for each year for which money is
13 remitted to the Department and paid into the STAR Bonds School
14 Improvement and Operations Trust Fund with respect to a STAR
15 bond district located in those counties, the money in the Fund
16 generated from the property taxes attributable to the increase
17 in equalized assessed value within the STAR bond district from
18 each taxing district as certified in subsection (f) and as
19 provided in this Section. The Department shall pay to the
20 regional superintendent of schools whose educational service
21 region includes Jefferson County, for each year for which money
22 is remitted to the Department and paid into the STAR Bonds
23 School Improvement and Operations Trust Fund with respect to a
24 STAR bond district located in that county, the money in the
25 Fund generated from the property taxes attributable to the
26 increase in equalized assessed value within the STAR bond

1 district from each taxing district as certified in subsection
2 (f) and as provided in this Section. The amount paid to each
3 school district shall be allocated proportionately, based on
4 each qualifying school district's fall enrollment for the
5 then-current school year, such that the school district with
6 the largest fall enrollment receives the largest proportionate
7 share of money paid out of the Fund or by any other method or
8 formula that the regional superintendent of schools deems fit,
9 equitable, and in the public interest. The regional
10 superintendent may allocate moneys to school districts that are
11 outside of his or her educational service region or to other
12 regional superintendents.

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

17 (i) In any year that an assessment appeal is filed, the
18 extension of taxes on any assessment so appealed shall not be
19 delayed. In the case of an assessment that is altered, any
20 taxes extended upon the unauthorized assessment or part thereof
21 shall be abated, or, if already paid, shall be refunded with
22 interest as provided in Section 23-20 of the Property Tax Code.
23 In the case of an assessment appeal, the county collector shall
24 notify the Department that an assessment appeal has been filed
25 and the amount of the tax that would have been deposited in the
26 STAR Bond School Improvement Fund. The county collector shall

1 hold that amount in a separate fund until the appeal process is
2 final. After the appeal process is finalized, the county
3 collector shall transmit to the Department the amount of tax
4 that remains, if any, after all required refunds are made. The
5 Department shall pay any amount deposited into the Trust Fund
6 under this Section in the same proportion as determined for
7 payments for that taxable year under subsection (h).

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

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

24 The full faith and credit of the State, any department,
25 authority, public corporation or quasi-public corporation of

1 the State, any State college or university, or any other public
2 agency created by the State shall not be pledged for any
3 payment under any obligation authorized by this Act.

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

10 (a) The addition or removal of land to or from a STAR bond
11 district shall require the consent of the master developer of
12 the STAR bond district.

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

19 (c) If a political subdivision has undertaken a STAR bond
20 project within a STAR bond district, and the political
21 subdivision desires to subsequently remove more than a de
22 minimus amount of real property from the STAR bond district,
23 then prior to any removal of property the political subdivision
24 must provide a revised feasibility study showing that the
25 pledged STAR revenues from the resulting STAR bond district

1 within which the STAR bond project is located are estimated to
2 be sufficient to pay the project costs. If the revenue from the
3 resulting STAR bond district is insufficient to pay the project
4 costs, then the property may not be removed from the STAR bond
5 district. Any removal of real property from a STAR bond
6 district shall be approved by a resolution of the governing
7 body of the political subdivision.

8 Section 45. Restrictions. STAR bond districts may lie
9 within an enterprise zone, but no portion of a STAR bond
10 project shall be financed with funds allocated pursuant to the
11 Illinois Enterprise Zone Act. STAR bond districts may overlay
12 and benefit from existing tax increment financing districts
13 created pursuant to the Tax Increment Allocation Redevelopment
14 Act, but no portion of a STAR bond project shall be financed
15 with tax increment financing under said Act. During any period
16 of time that STAR bonds are outstanding for a STAR bond
17 district, a developer may not use any land located in the STAR
18 bond district for any (i) retail store whose primary business
19 is the sale of automobiles, including trucks and other
20 automotive vehicles with 4 wheels designed for passenger
21 transportation on public streets and thoroughfares or (ii)
22 multi-screen motion picture theater complexes containing more
23 than 12 auditoriums for viewing motion pictures. No STAR bond
24 district may contain more than 900,000 square feet of floor
25 space devoted to traditional retail use.

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

12 (a) The bond trustee, escrow agent, or paying agent shall
13 keep such sales and use tax reports and the information
14 contained therein confidential, but may use such information
15 for purposes of allocating and depositing the sales and use tax
16 revenues in connection with the bonds used to finance project
17 costs in such STAR bond district. Except as otherwise provided
18 herein, the sales and use tax reports received by the bond
19 trustee, escrow agent, or paying agent shall be subject to the
20 provisions of Chapter 35 of the Illinois Compiled Statutes,
21 including Section 3 of the Retailers' Occupation Tax Act and
22 Section 9 of the Use Tax Act.

23 (b) The political subdivision shall determine when the
24 amount of sales tax and other revenues that have been collected
25 and distributed to the bond debt service or reserve fund is

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

11 Section 52. Review committee. Upon the seventh anniversary
12 of the first date of distribution of State sales tax revenues
13 from the first STAR bond project in the State, a 6-member STAR
14 bonds review committee shall be formed consisting of one
15 appointee of each of the Director, the Director of the
16 Department of Commerce and Economic Opportunity, the President
17 of the Senate, the Senate Minority Leader, the Speaker of the
18 House, and the House Minority Leader. The review committee
19 shall evaluate the success of all STAR bond districts then
20 existing in the State and make a determination of the
21 comprehensive economic benefits and detriments of STAR bonds in
22 the State as a whole. In making its determination, the review
23 committee shall examine available data regarding job creation,
24 sales revenues, and capital investment in STAR bond districts;
25 development that has occurred and is planned in areas adjacent

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

18 Section 55. Severability. If any provision of this Act or
19 the application thereof to any persons or circumstances is held
20 invalid, such invalidity shall not affect other provisions or
21 application of the Act that can be given effect without the
22 invalid provisions or application and to this end the
23 provisions of this Act are declared to be severable.

24 Section 57. Rules. The Department of Revenue shall have the

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

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

18 Section 62. Powers of political subdivisions. The
19 provisions of this Act are intended to be supplemental and in
20 addition to all other power or authority granted to political
21 subdivisions, shall be construed liberally, and shall not be
22 construed as a limitation of any power or authority otherwise
23 granted. In addition to the powers a political subdivision may
24 have under other provisions of law, a political subdivision

1 shall have all of the following powers in connection with a
2 STAR bond district:

3 (a) To make and enter into all contracts necessary or
4 incidental to the implementation and furtherance of a STAR
5 bond district plan.

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

14 (c) To clear any area within a STAR bond district by
15 demolition or removal of any existing buildings,
16 structures, fixtures, utilities, or improvements and to
17 clear and grade land.

18 (d) To install, repair, construct, reconstruct, extend
19 or relocate public streets, public utilities, and other
20 public site improvements located both within and outside
21 the boundaries of a STAR bond district that are essential
22 to the preparation of a STAR bond district for use in
23 accordance with a STAR bond district plan.

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

1 (f) To install or construct any public buildings,
2 structures, works, streets, improvements, utilities, or
3 fixtures within a STAR bond district.

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

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

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

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

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

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

3 (20 ILCS 663/20)

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

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

13 (20 ILCS 663/25)

14 Sec. 25. Certification of qualified equity investments.

15 (a) A qualified community development entity that seeks to
16 have an equity investment or long-term debt security designated
17 as a qualified equity investment and eligible for tax credits
18 under this Section shall apply to the Department. The qualified
19 community development entity must submit an application on a
20 form that the Department provides that includes:

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

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

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

8 (4) A description of the proposed amount, structure,
9 and purchaser of the equity investment or long-term debt
10 security.

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

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

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

19 (b) Within 30 days after receipt of a completed application
20 containing the information necessary for the Department to
21 certify a potential qualified equity investment, including the
22 payment of the application fee, the Department shall grant or
23 deny the application in full or in part. If the Department
24 denies any part of the application, it shall inform the
25 qualified community development entity of the grounds for the
26 denial. If the qualified community development entity provides

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

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

22 (d) The Department shall certify qualified equity
23 investments in the order applications are received by the
24 Department. Applications received on the same day shall be
25 deemed to have been received simultaneously. For applications
26 received on the same day and deemed complete, the Department

1 shall certify, consistent with remaining tax credit capacity,
2 qualified equity investments in proportionate percentages
3 based upon the ratio of the amount of qualified equity
4 investment requested in an application to the total amount of
5 qualified equity investments requested in all applications
6 received on the same day.

7 (e) Once the Department has certified qualified equity
8 investments that, on a cumulative basis, are eligible for
9 \$20,000,000 ~~\$10,000,000~~ in tax credits, the Department may not
10 certify any more qualified equity investments. If a pending
11 request cannot be fully certified, the Department shall certify
12 the portion that may be certified unless the qualified
13 community development entity elects to withdraw its request
14 rather than receive partial credit.

15 (f) Within 30 days after receiving notice of certification,
16 the qualified community development entity shall issue the
17 qualified equity investment and receive cash in the amount of
18 the certified amount. The qualified community development
19 entity must provide the Department with evidence of the receipt
20 of the cash investment within 10 business days after receipt.
21 If the qualified community development entity does not receive
22 the cash investment and issue the qualified equity investment
23 within 30 days following receipt of the certification notice,
24 the certification shall lapse and the entity may not issue the
25 qualified equity investment without reapplying to the
26 Department for certification. A certification that lapses

1 reverts back to the Department and may be reissued only in
2 accordance with the application process outline in this Section
3 25.

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

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

7 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

8 Sec. 3-1. Jurisdiction of Auditor General. The Auditor
9 General has jurisdiction over all State agencies to make post
10 audits and investigations authorized by or under this Act or
11 the Constitution.

12 The Auditor General has jurisdiction over local government
13 agencies and private agencies only:

14 (a) to make such post audits authorized by or under
15 this Act as are necessary and incidental to a post audit of
16 a State agency or of a program administered by a State
17 agency involving public funds of the State, but this
18 jurisdiction does not include any authority to review local
19 governmental agencies in the obligation, receipt,
20 expenditure or use of public funds of the State that are
21 granted without limitation or condition imposed by law,
22 other than the general limitation that such funds be used
23 for public purposes;

24 (b) to make investigations authorized by or under this

1 Act or the Constitution; and

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

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

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

20 In addition to the foregoing, the Auditor General must also
21 conduct a financial audit of the Illinois Sports Facilities
22 Authority's expenditures of public funds in connection with the
23 reconstruction, renovation, remodeling, extension, or
24 improvement of all or substantially all of any existing
25 "facility", as that term is defined in the Illinois Sports
26 Facilities Authority Act.

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

7 The Auditor General is authorized to conduct financial and
8 compliance audits of the Illinois Distance Learning Foundation
9 and the Illinois Conservation Foundation.

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

21 The Auditor General shall conduct a financial and
22 compliance and program audit of distributions from the
23 Municipal Economic Development Fund during the immediately
24 preceding calendar year pursuant to Section 8-403.1 of the
25 Public Utilities Act at no cost to the city, village, or
26 incorporated town that received the distributions.

1 The Auditor General must conduct an audit of the Health
2 Facilities and Services Review Board pursuant to Section 19.5
3 of the Illinois Health Facilities Planning Act.

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

18 The Auditor General must conduct audits of the Rend Lake
19 Conservancy District as provided in Section 25.5 of the River
20 Conservancy Districts Act.

21 The Auditor General must conduct financial audits of the
22 Southeastern Illinois Economic Development Authority as
23 provided in Section 70 of the Southeastern Illinois Economic
24 Development Authority Act.

25 The Auditor General shall conduct a compliance audit in
26 accordance with subsections (d) and (f) of Section 30 of the

1 Innovation Development and Economy Act.

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

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

6 (30 ILCS 105/5.756 new)

7 Sec. 5.756. The STAR Bonds Revenue Fund.

8 (30 ILCS 105/5.758 new)

9 Sec. 5.758. STAR Bonds School Improvement and Operations
10 Trust Fund.

11 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

12 Sec. 6z-18. A portion of the money paid into the Local
13 Government Tax Fund from sales of food for human consumption
14 which is to be consumed off the premises where it is sold
15 (other than alcoholic beverages, soft drinks and food which has
16 been prepared for immediate consumption) and prescription and
17 nonprescription medicines, drugs, medical appliances and
18 insulin, urine testing materials, syringes and needles used by
19 diabetics, which occurred in municipalities, shall be
20 distributed to each municipality based upon the sales which
21 occurred in that municipality. The remainder shall be
22 distributed to each county based upon the sales which occurred

1 in the unincorporated area of that county.

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

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

26 For the purpose of determining allocation to the local

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

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

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 during the second
23 preceding calendar month for sales within a STAR bond district
24 and deposited into the Local Government Tax Fund, less 3% of
25 that amount, which shall be transferred into the Tax Compliance
26 and Administration Fund and shall be used by the Department,

1 subject to appropriation, to cover the costs of the Department
2 in administering the Innovation Development and Economy Act.

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 municipalities
7 and counties, the municipalities and counties to be those
8 entitled to distribution of taxes or penalties paid to the
9 Department during the second preceding calendar month. The
10 amount to be paid to each municipality or county shall be the
11 amount (not including credit memoranda) collected during the
12 second preceding calendar month by the Department and paid into
13 the Local Government Tax Fund, plus an amount the Department
14 determines is necessary to offset any amounts which were
15 erroneously paid to a different taxing body, and not including
16 an amount equal to the amount of refunds made during the second
17 preceding calendar month by the Department, and not including
18 any amount which the Department determines is necessary to
19 offset any amounts which are payable to a different taxing body
20 but were erroneously paid to the municipality or county, and
21 not including any amounts that are transferred to the STAR
22 Bonds Revenue Fund. Within 10 days after receipt, by the
23 Comptroller, of the disbursement certification to the
24 municipalities and counties, provided for in this Section to be
25 given to the Comptroller by the Department, the Comptroller
26 shall cause the orders to be drawn for the respective amounts

1 in accordance with the directions contained in such
2 certification.

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

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

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

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

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

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

23 Of the money received from the 6.25% general use tax rate
24 on tangible personal property which is purchased outside
25 Illinois at retail from a retailer and which is titled or
26 registered by any agency of this State's government and paid

1 into the County and Mass Transit District Fund, the amount for
2 which Illinois addresses for titling or registration purposes
3 are given as being in each county having more than 3,000,000
4 inhabitants shall be distributed into the Regional
5 Transportation Authority tax fund, created pursuant to Section
6 4.03 of the Regional Transportation Authority Act. The
7 remainder of the money paid from such sales shall be
8 distributed to each county based on sales for which Illinois
9 addresses for titling or registration purposes are given as
10 being located in the county. Any money paid into the Regional
11 Transportation Authority Occupation and Use Tax Replacement
12 Fund from the County and Mass Transit District Fund prior to
13 January 14, 1991, which has not been paid to the Authority
14 prior to that date, shall be transferred to the Regional
15 Transportation Authority tax fund.

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

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 during the second
4 preceding calendar month for sales within a STAR bond district
5 and deposited into the County and Mass Transit District Fund,
6 less 3% of that amount, which shall be transferred into the Tax
7 Compliance and Administration Fund and shall be used by the
8 Department, subject to appropriation, to cover the costs of the
9 Department in administering the Innovation Development and
10 Economy Act.

11 After the monthly transfer to the STAR Bonds Revenue Fund,
12 on ~~or~~ or before the 25th day of each calendar month, the
13 Department shall prepare and certify to the Comptroller the
14 disbursement of stated sums of money to the Regional
15 Transportation Authority and to named counties, the counties to
16 be those entitled to distribution, as hereinabove provided, of
17 taxes or penalties paid to the Department during the second
18 preceding calendar month. The amount to be paid to the Regional
19 Transportation Authority and each county having 3,000,000 or
20 fewer inhabitants shall be the amount (not including credit
21 memoranda) collected during the second preceding calendar
22 month by the Department and paid into the County and Mass
23 Transit District Fund, plus an amount the Department determines
24 is necessary to offset any amounts which were erroneously paid
25 to a different taxing body, and not including an amount equal
26 to the amount of refunds made during the second preceding

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

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

20 The provisions directing the distributions from the
21 special fund in the State Treasury provided for in this Section
22 and from the Regional Transportation Authority tax fund created
23 by Section 4.03 of the Regional Transportation Authority Act
24 shall constitute an irrevocable and continuing appropriation
25 of all amounts as provided herein. The State Treasurer and
26 State Comptroller are hereby authorized to make distributions

1 as provided in this Section.

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

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

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

14 (35 ILCS 5/220 new)

15 Sec. 220. Angel investment credit.

16 (a) As used in this Section:

17 "Applicant" means a corporation, partnership, limited
18 liability company, or a natural person that makes an investment
19 in a qualified new business venture. The term "applicant" does
20 not include a corporation, partnership, limited liability
21 company, or a natural person who has a direct or indirect
22 ownership interest of at least 51% in the profits, capital, or
23 value of the investment or a related member.

24 "Claimant" means a applicant certified by the Department

1 who files a claim for a credit under this Section.

2 "Department" means the Department of Commerce and Economic
3 Opportunity.

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

6 "Related member" means a person that, with respect to the
7 investment, is any one of the following,

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

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

20 (3) A corporation, and any party related to the
21 corporation in a manner that would require an attribution
22 of stock from the corporation under the attribution rules
23 of Section 318 of the Internal Revenue Code, if the
24 applicant and any other related member own, in the
25 aggregate, directly, indirectly, beneficially, or
26 constructively, at least 50% of the value of the

1 corporation's outstanding stock.

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

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

17 (b) For taxable years beginning after December 31, 2010,
18 and ending on or before December 31, 2016, subject to the
19 limitations provided in this Section, a claimant may claim, as
20 a credit against the tax imposed under subsections (a) and (b)
21 of Section 201 of this Act, an amount equal to 25% of the
22 claimant's investment made directly in a qualified new business
23 venture. The credit under this Section may not exceed the
24 taxpayer's Illinois income tax liability for the taxable year.
25 If the amount of the credit exceeds the tax liability for the
26 year, the excess may be carried forward and applied to the tax

1 liability of the 5 taxable years following the excess credit
2 year. The credit shall be applied to the earliest year for
3 which there is a tax liability. If there are credits from more
4 than one tax year that are available to offset a liability, the
5 earlier credit shall be applied first. In the case of a
6 partnership or Subchapter S Corporation, the credit is allowed
7 to the partners or shareholders in accordance with the
8 determination of income and distributive share of income under
9 Sections 702 and 704 and Subchapter S of the Internal Revenue
10 Code.

11 (c) The maximum amount of an applicant's investment that
12 may be used as the basis for a credit under this Section is
13 \$2,000,000 for each investment made directly in a qualified new
14 business venture.

15 (d) The Department shall implement a program to certify an
16 applicant for an angel investment credit. Upon satisfactory
17 review, the Department shall issue a tax credit certificate
18 stating the amount of the tax credit to which the applicant is
19 entitled. The Department shall annually certify that the
20 claimant's investment has been made and remains in the
21 qualified new business venture for no less than 3 years. If an
22 investment for which a claimant is allowed a credit under
23 subsection (b) is held by the claimant for less than 3 years,
24 or, if within that period of time the qualified new business
25 venture is moved from the State of Illinois, the claimant shall
26 pay to the Department of Revenue, in the manner prescribed by

1 the Department of Revenue, the amount of the credit that the
2 claimant received related to the investment.

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

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

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

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

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

26 (B) it is undertaking pre-commercialization

1 activity related to proprietary technology that
2 includes conducting research, developing a new product
3 or business process, or developing a service that is
4 principally reliant on applying proprietary
5 technology;

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

15 (5) it has fewer than 100 employees;

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

19 (7) it has received not more than (i) \$10,000,000 in
20 aggregate private equity investment in cash or (ii)
21 \$4,000,000 in investments that qualified for tax credits
22 under this Section.

23 (f) The Department, in consultation with the Department of
24 Revenue, shall adopt rules to administer this Section. The
25 aggregate amount of the tax credits that may be claimed under
26 this Section for investments made in qualified new business

1 ventures shall be limited at \$10,000,000 per calendar year.

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

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

8 (1) This report must include, for each tax credit
9 certificate awarded:

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

12 (B) the name and address of the qualified new
13 business venture that received the investment giving
14 rise to the credit and the county in which the
15 qualified new business venture is located; and

16 (C) the date of approval by the Department of the
17 applications for the tax credit certificate.

18 (2) The report must also include:

19 (A) the total number of applicants and amount for
20 tax credit certificates awarded under this Section in
21 the prior calendar year;

22 (B) the total number of applications and amount for
23 which tax credit certificates were issued in the prior
24 calendar year; and

25 (C) the total tax credit certificates and amount
26 authorized under this Section for all calendar years.

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

3 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

4 Sec. 5-1006. Home Rule County Retailers' Occupation Tax
5 Law. Any county that is a home rule unit may impose a tax upon
6 all persons engaged in the business of selling tangible
7 personal property, other than an item of tangible personal
8 property titled or registered with an agency of this State's
9 government, at retail in the county on the gross receipts from
10 such sales made in the course of their business. If imposed,
11 this tax shall only be imposed in 1/4% increments. On and after
12 September 1, 1991, this additional tax may not be imposed on
13 the sales of food for human consumption which is to be consumed
14 off the premises where it is sold (other than alcoholic
15 beverages, soft drinks and food which has been prepared for
16 immediate consumption) and prescription and nonprescription
17 medicines, drugs, medical appliances and insulin, urine
18 testing materials, syringes and needles used by diabetics. The
19 tax imposed by a home rule county pursuant to this Section and
20 all civil penalties that may be assessed as an incident thereof
21 shall be collected and enforced by the State Department of
22 Revenue. The certificate of registration that is issued by the
23 Department to a retailer under the Retailers' Occupation Tax
24 Act shall permit the retailer to engage in a business that 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 of
9 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, 1k, 1m, 1n, 2 through 2-65 (in respect to all
17 provisions therein other than the State rate of tax), 4, 5, 5a,
18 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,
19 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
20 Section 3-7 of the Uniform Penalty and Interest Act, as fully
21 as if those provisions were set forth herein.

22 No tax may be imposed by a home rule county pursuant to
23 this Section unless the county also imposes a tax at the same
24 rate pursuant to Section 5-1007.

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

1 their seller's tax liability hereunder by separately stating
2 such tax as an additional charge, which charge may be stated in
3 combination, in a single amount, with State tax which sellers
4 are required to collect under the Use Tax Act, pursuant to such
5 bracket schedules as 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 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 home rule county retailers' occupation tax
13 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 ~~or~~ 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 counties, the
3 counties to be those from which retailers have paid taxes or
4 penalties hereunder to the Department during the second
5 preceding calendar month. The amount to be paid to each county
6 shall be the amount (not including credit memoranda) collected
7 hereunder during the second preceding calendar month by the
8 Department plus an amount the Department determines is
9 necessary to offset any amounts that were erroneously paid to a
10 different taxing body, and not including an amount equal to the
11 amount of refunds made during the second preceding calendar
12 month by the Department on behalf of such county, and not
13 including any amount which the Department determines is
14 necessary to offset any amounts which were payable to a
15 different taxing body but were erroneously paid to the county,
16 and not including any amounts that are transferred to the STAR
17 Bonds Revenue Fund. Within 10 days after receipt, by the
18 Comptroller, of the disbursement certification to the counties
19 provided for in this Section to be given to the Comptroller by
20 the Department, the Comptroller shall cause the orders to be
21 drawn for the respective amounts in accordance with the
22 directions contained in the certification.

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

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

12 For the purpose of determining the local governmental unit
13 whose tax is applicable, a retail sale by a producer of coal or
14 other mineral mined in Illinois is a sale at retail at the
15 place where the coal or other mineral mined in Illinois is
16 extracted from the earth. This paragraph does not apply to coal
17 or other mineral when it is delivered or shipped by the seller
18 to the purchaser at a point outside Illinois so that the sale
19 is exempt under the United States Constitution as a sale in
20 interstate or foreign commerce.

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

25 An ordinance or resolution imposing or discontinuing a tax
26 hereunder or effecting a change in the rate thereof shall be

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

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

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

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

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

12 (55 ILCS 5/5-1006.5)

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

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

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

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

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

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

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

26 "To pay for public safety purposes, shall (name of

1 county) be authorized to impose an increase on its share of
2 local sales taxes by (insert rate)?"

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

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

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

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

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

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

26 For the purposes of the paragraph, "public safety

1 purposes" means crime prevention, detention, fire
2 fighting, police, medical, ambulance, or other emergency
3 services.

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

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

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

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

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

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

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

26 As additional information on the ballot below the

1 question shall appear the following:

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

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

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

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

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

19 As additional information on the ballot below the
20 question shall appear the following:

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

24 The county board may also opt to establish a sunset
25 provision at which time the additional sales tax would
26 cease being collected, if not terminated earlier by a vote

1 of the county board. If the county board votes to include a
2 sunset provision, the proposition for public facilities
3 purposes shall be in substantially the following form:

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

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

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

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

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

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

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

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

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

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

5 (b) If a tax has been imposed under subsection (a), a
6 service occupation tax shall also be imposed at the same rate
7 upon all persons engaged, in the county, in the business of
8 making sales of service, who, as an incident to making those
9 sales of service, transfer tangible personal property within
10 the county as an incident to a sale of service. This tax may
11 not be imposed on sales of food for human consumption that is
12 to be consumed off the premises where it is sold (other than
13 alcoholic beverages, soft drinks, and food prepared for
14 immediate consumption) and prescription and non-prescription
15 medicines, drugs, medical appliances and insulin, urine
16 testing materials, syringes, and needles used by diabetics. The
17 tax imposed under this subsection and all civil penalties that
18 may be assessed as an incident thereof shall be collected and
19 enforced by the Department of Revenue. The Department has full
20 power to administer and enforce this subsection; to collect all
21 taxes and penalties due hereunder; to dispose of taxes and
22 penalties so collected in the manner hereinafter provided; and
23 to determine all rights to credit memoranda arising on account
24 of the erroneous payment of tax or penalty hereunder. In the
25 administration of, and compliance with this subsection, the
26 Department and persons who are subject to this paragraph 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, exclusions, exemptions,
4 and definitions of terms, and (iii) employ the same modes of
5 procedure as are prescribed in Sections 2 (except that the
6 reference to State in the definition of supplier maintaining a
7 place of business in this State shall mean the county), 2a, 2b,
8 2c, 3 through 3-50 (in respect to all provisions therein other
9 than the State rate of tax), 4 (except that the reference to
10 the State shall be to the county), 5, 7, 8 (except that the
11 jurisdiction to which the tax shall be a debt to the extent
12 indicated in that Section 8 shall be the county), 9 (except as
13 to the disposition of taxes and penalties collected), 10, 11,
14 12 (except the reference therein to Section 2b of the
15 Retailers' Occupation Tax Act), 13 (except that any reference
16 to the State shall mean the county), Section 15, 16, 17, 18, 19
17 and 20 of the Service Occupation Tax Act and Section 3-7 of the
18 Uniform Penalty and Interest Act, as fully as if those
19 provisions were set forth herein.

20 Persons subject to any tax imposed under the authority
21 granted in this subsection may reimburse themselves for their
22 serviceman's 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 that servicemen are
25 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 subsection 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 County Public Safety or Transportation
9 Retailers' Occupation Fund.

10 Nothing in this subsection shall be construed to authorize
11 the county 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 (c) The Department shall immediately pay over to the State
15 Treasurer, ex officio, as trustee, all taxes and penalties
16 collected under this Section to be deposited into the County
17 Public Safety or Transportation Retailers' Occupation Tax
18 Fund, which shall be an unappropriated trust fund held outside
19 of the State treasury.

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

26 In addition to the disbursement required by the preceding

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

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

24 (e) Nothing in this Section shall be construed to authorize
25 a county to impose a tax upon the privilege of engaging in any
26 business that under the Constitution of the United States may

1 not be made the subject of taxation by this State.

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

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

20 (g) When certifying the amount of a monthly disbursement to
21 a county under this Section, the Department shall increase or
22 decrease the amounts by an amount necessary to offset any
23 miscalculation of previous disbursements. The offset amount
24 shall be the amount erroneously disbursed within the previous 6
25 months from the time a miscalculation is discovered.

26 (h) This Section may be cited as the "Special County

1 Occupation Tax For Public Safety, Public Facilities, or
2 Transportation Law".

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

26 (j) The Department may promulgate rules to implement Public

1 ~~Act 95-1002 this amendatory Act of the 95th General Assembly~~
2 only to the extent necessary to apply the existing rules for
3 the Special County Retailers' Occupation Tax for Public Safety
4 to this new purpose for public facilities.

5 (Source: P.A. 95-474, eff. 1-1-08; 95-1002, eff. 11-20-08;
6 96-124, eff. 8-4-09; 96-622, eff. 8-24-09; revised 11-3-09.)

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

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

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

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

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

15 The county clerk shall certify the question to the proper
16 election authority, who shall submit the proposition at an
17 election in accordance with the general election law.

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

20 "To pay for public safety 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 safety
7 purposes shall be in substantially the following form:

8 "To pay for public safety 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 the purposes of the paragraph, "public safety
21 purposes" means crime prevention, detention, fire
22 fighting, police, medical, ambulance, or other emergency
23 services.

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

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

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

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

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

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

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

20 As additional information on the ballot below the
21 question shall appear the following:

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

1 vote of the county board."

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

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

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

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

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

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

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

24 "To pay for public facilities purposes, shall (name of
25 county) be authorized to impose an increase on its share of
26 local sales taxes by (insert rate) for a period not to

1 exceed (insert number of years)?"

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

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

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

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

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

26 This additional tax may not be imposed on the sales of food

1 for human consumption that is to be consumed off the premises
2 where it is sold (other than alcoholic beverages, soft drinks,
3 and food which has been prepared for immediate consumption) and
4 prescription and non-prescription medicines, drugs, medical
5 appliances and insulin, urine testing materials, syringes, and
6 needles used by diabetics. The tax imposed by a county under
7 this Section and all civil penalties that may be assessed as an
8 incident of the tax shall be collected and enforced by the
9 Illinois Department of Revenue and deposited into a special
10 fund created for that purpose. The certificate of registration
11 that is issued by the Department to a retailer under the
12 Retailers' Occupation Tax Act shall permit the retailer to
13 engage in a business that is taxable without registering
14 separately with the Department under an ordinance or resolution
15 under this Section. The Department has full power to administer
16 and enforce this Section, to collect all taxes and penalties
17 due under this Section, to dispose of taxes and penalties so
18 collected in the manner provided in this Section, and to
19 determine all rights to credit memoranda arising on account of
20 the erroneous payment of a tax or penalty under this Section.
21 In the administration of and compliance with this Section, the
22 Department and persons who are subject to this Section shall
23 (i) have the same rights, remedies, privileges, immunities,
24 powers, and duties, (ii) be subject to the same conditions,
25 restrictions, limitations, penalties, and definitions of
26 terms, and (iii) employ the same modes of procedure as are

1 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
2 1n, 2 through 2-70 (in respect to all provisions contained in
3 those Sections other than the State rate of tax), 2a, 2b, 2c, 3
4 (except provisions relating to transaction returns and quarter
5 monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,
6 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of
7 the Retailers' Occupation Tax Act and Section 3-7 of the
8 Uniform Penalty and Interest Act as if those provisions were
9 set forth in this Section.

10 Persons subject to any tax imposed under the authority
11 granted in this Section may reimburse themselves for their
12 sellers' 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 which sellers are required
15 to collect under the Use Tax Act, pursuant to such bracketed
16 schedules as the Department may prescribe.

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

25 (b) If a tax has been imposed under subsection (a), a
26 service occupation tax shall also be imposed at the same rate

1 upon all persons engaged, in the county, in the business of
2 making sales of service, who, as an incident to making those
3 sales of service, transfer tangible personal property within
4 the county as an incident to a sale of service. This tax may
5 not be imposed on sales of food for human consumption that is
6 to be consumed off the premises where it is sold (other than
7 alcoholic beverages, soft drinks, and food prepared for
8 immediate consumption) and prescription and non-prescription
9 medicines, drugs, medical appliances and insulin, urine
10 testing materials, syringes, and needles used by diabetics. The
11 tax imposed under this subsection and all civil penalties that
12 may be assessed as an incident thereof shall be collected and
13 enforced by the Department of Revenue. The Department has full
14 power to administer and enforce this subsection; to collect all
15 taxes and penalties due hereunder; to dispose of taxes and
16 penalties so collected in the manner hereinafter provided; and
17 to determine all rights to credit memoranda arising on account
18 of the erroneous payment of tax or penalty hereunder. In the
19 administration of, and compliance with this subsection, the
20 Department and persons who are subject to this paragraph shall
21 (i) have the same rights, remedies, privileges, immunities,
22 powers, and duties, (ii) be subject to the same conditions,
23 restrictions, limitations, penalties, exclusions, exemptions,
24 and definitions of terms, and (iii) employ the same modes of
25 procedure as are prescribed in Sections 2 (except that the
26 reference to State in the definition of supplier maintaining a

1 place of business in this State shall mean the county), 2a, 2b,
2 2c, 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 county), 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 county), 9 (except as
7 to the disposition of taxes and penalties collected), 10, 11,
8 12 (except the reference therein to Section 2b of the
9 Retailers' Occupation Tax Act), 13 (except that any reference
10 to the State shall mean the county), Section 15, 16, 17, 18, 19
11 and 20 of the Service Occupation Tax Act and Section 3-7 of the
12 Uniform Penalty and Interest Act, as fully as if those
13 provisions were set forth herein.

14 Persons subject to any tax imposed under the authority
15 granted in this subsection may reimburse themselves for their
16 serviceman's 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 that servicemen are
19 authorized to collect under the Service Use Tax Act, in
20 accordance with such bracket schedules as the Department may
21 prescribe.

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

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

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

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

22 After the monthly transfer to the STAR Bonds Revenue Fund,
23 on ~~on~~ 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 have paid taxes or penalties to the Department during

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

20 In addition to the disbursement required by the preceding
21 paragraph, an allocation shall be made in March of each year to
22 each county that received more than \$500,000 in disbursements
23 under the preceding paragraph in the preceding calendar year.
24 The allocation shall be in an amount equal to the average
25 monthly distribution made to each such county under the
26 preceding paragraph during the preceding calendar year

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

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

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

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

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

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

19 (g) When certifying the amount of a monthly disbursement to
20 a county under this Section, the Department shall increase or
21 decrease the amounts by an amount necessary to offset any
22 miscalculation of previous disbursements. The offset amount
23 shall be the amount erroneously disbursed within the previous 6
24 months from the time a miscalculation is discovered.

25 (h) This Section may be cited as the "Special County
26 Occupation Tax For Public Safety, Public Facilities, or

1 Transportation Law".

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

25 (j) The Department may promulgate rules to implement Public
26 Act 95-1002 ~~this amendatory Act of the 95th General Assembly~~

1 only to the extent necessary to apply the existing rules for
2 the Special County Retailers' Occupation Tax for Public Safety
3 to this new purpose for public facilities.

4 (Source: P.A. 95-474, eff. 1-1-08; 95-1002, eff. 11-20-08;
5 96-124, eff. 8-4-09; 96-622, eff. 8-24-09; 96-845, eff. 7-1-12;
6 revised 12-30-09.)

7 (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

8 Sec. 5-1007. Home Rule County Service Occupation Tax Law.
9 The corporate authorities of a home rule county may impose a
10 tax upon all persons engaged, in such county, in the business
11 of making sales of service at the same rate of tax imposed
12 pursuant to Section 5-1006 of the selling price of all tangible
13 personal property transferred by such servicemen 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. If imposed, such
16 tax shall only be imposed in 1/4% increments. On and after
17 September 1, 1991, this additional tax may not be imposed on
18 the sales of food for human consumption which is to be consumed
19 off the premises where it is sold (other than alcoholic
20 beverages, soft drinks and food which has been prepared for
21 immediate consumption) and prescription and nonprescription
22 medicines, drugs, medical appliances and insulin, urine
23 testing materials, syringes and needles used by diabetics. The
24 tax imposed by a home rule county pursuant to this Section and
25 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 which is issued by the
3 Department to a retailer under the Retailers' Occupation Tax
4 Act or under the Service Occupation Tax Act shall permit such
5 registrant to engage in a business which is taxable under any
6 ordinance or resolution enacted pursuant to this Section
7 without registering separately with the Department under such
8 ordinance or resolution or under this Section. The Department
9 shall have full power to administer and enforce this Section;
10 to collect all taxes and penalties due hereunder; to dispose of
11 taxes and penalties so collected in the manner hereinafter
12 provided; and to determine all rights to credit memoranda
13 arising on account of the erroneous payment of tax or penalty
14 hereunder. In the administration of, and compliance with, this
15 Section the Department and persons who are subject to this
16 Section shall have the same rights, remedies, privileges,
17 immunities, powers and duties, and be subject to the same
18 conditions, restrictions, limitations, penalties and
19 definitions of terms, and employ the same modes of procedure,
20 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
21 respect to all provisions therein other than the State rate of
22 tax), 4 (except that the reference to the State shall be to the
23 taxing county), 5, 7, 8 (except that the jurisdiction to which
24 the tax shall be a debt to the extent indicated in that Section
25 8 shall be the taxing county), 9 (except as to the disposition
26 of taxes and penalties collected, and except that the returned

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

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

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

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

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

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 Section
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 disbursement of stated sums of money to named counties, the
16 counties to be those from which suppliers and servicemen have
17 paid taxes or penalties hereunder to the Department during the
18 second preceding calendar month. The amount to be paid to each
19 county shall be the amount (not including credit memoranda)
20 collected hereunder during the second preceding calendar month
21 by the Department, and not including an amount equal to the
22 amount of refunds made during the second preceding calendar
23 month by the Department on behalf of such county, and not
24 including any amounts that are transferred to the STAR Bonds
25 Revenue Fund. Within 10 days after receipt, by the Comptroller,
26 of the disbursement certification to the counties provided for

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

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

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

23 An ordinance or resolution imposing or discontinuing a tax
24 hereunder or effecting a change in the rate thereof shall be
25 adopted and a certified copy thereof filed with the Department
26 on or before the first day of June, whereupon the Department

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

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

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

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

7 (65 ILCS 5/8-4-1) (from Ch. 24, par. 8-4-1)

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

1 Notice of any such election shall contain the amount of the
2 bond issue, purpose for which issued, and maximum rate of
3 interest.

4 However, without the submission of the question of issuing
5 bonds to the electors, the corporate authorities of any
6 municipality may authorize the issuance of any of the following
7 bonds:

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

9 (2) Bonds to fund or refund any existing judgment
10 indebtedness;

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

17 (4) Bonds issued by any municipality under Sections 8-4-15
18 through 8-4-23, 11-23-1 through 11-23-12, 11-25-1 through
19 11-26-6, 11-71-1 through 11-71-10, 11-74.4-1 through
20 11-74.4-11, 11-74.5-1 through 11-74.5-15, 11-94-1 through
21 11-94-7, 11-102-1 through 11-102-10, 11-103-11 through
22 11-103-15, 11-118-1 through 11-118-6, 11-119-1 through
23 11-119-5, 11-129-1 through 11-129-7, 11-133-1 through
24 11-133-4, 11-139-1 through 11-139-12, 11-141-1 through
25 11-141-18 of this Code or 10-801 through 10-808 of the Illinois
26 Highway Code, as amended;

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

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

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

11 (8) Bonds issued by any municipality under Sections 15 and
12 46 of the "Environmental Protection Act", approved June 29,
13 1970;

14 (9) Bonds issued by the corporate authorities of any
15 municipality under the provisions of Section 8-4-25 of this
16 Article 8;

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

19 (11) Bonds issued under the provisions of "An Act to
20 provide the manner of levying or imposing taxes for the
21 provision of special services to areas within the boundaries of
22 home rule units and nonhome rule municipalities and counties",
23 approved September 21, 1973;

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

25 (13) Bonds to finance the cost of the acquisition,
26 construction or improvement of water or wastewater treatment

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

11 (14) Bonds issued by any municipality pursuant to Section
12 11-113.1-1;

13 (15) Bonds issued under Sections 11-74.6-1 through
14 11-74.6-45, the Industrial Jobs Recovery Law of this Code.

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

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

20 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

21 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax
22 Act. The corporate authorities of a home rule municipality may
23 impose a tax upon all persons engaged in the business of
24 selling tangible personal property, other than an item of
25 tangible personal property titled or registered with an agency

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

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

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

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

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

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

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

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.

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

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

16 In addition to the disbursement required by the preceding
17 paragraph and in order to mitigate delays caused by
18 distribution procedures, an allocation shall, if requested, be
19 made within 10 days after January 14, 1991, and in November of
20 1991 and each year thereafter, to each municipality that
21 received more than \$500,000 during the preceding fiscal year,
22 (July 1 through June 30) whether collected by the municipality
23 or disbursed by the Department as required by this Section.
24 Within 10 days after January 14, 1991, participating
25 municipalities shall notify the Department in writing of their
26 intent to participate. In addition, for the initial

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

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 United States 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 An ordinance or resolution imposing or discontinuing a tax
13 hereunder or effecting a change in the rate thereof shall be
14 adopted and a certified copy thereof filed with the Department
15 on or before the first day of June, whereupon the Department
16 shall proceed to administer and enforce this Section as of the
17 first day of September next following the adoption and filing.
18 Beginning January 1, 1992, an ordinance or resolution imposing
19 or discontinuing the 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 July,
22 whereupon the Department shall proceed to administer and
23 enforce this Section as of the first day of October next
24 following such adoption and filing. Beginning January 1, 1993,
25 an ordinance or resolution imposing or discontinuing the tax
26 hereunder or effecting a change in the rate thereof shall be

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

23 When certifying the amount of a monthly disbursement to a
24 municipality under this Section, the Department shall increase
25 or decrease the amount by an amount necessary to offset any
26 misallocation of previous disbursements. The offset amount

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

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

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

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

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

23 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

24 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
25 Occupation Tax Act. The corporate authorities of a non-home

1 rule municipality may impose a tax upon all persons engaged in
2 the business of selling tangible personal property, other than
3 on an item of tangible personal property which is titled and
4 registered by an agency of this State's Government, at retail
5 in the municipality for expenditure on public infrastructure or
6 for property tax relief or both as defined in Section 8-11-1.2
7 if approved by referendum as provided in Section 8-11-1.1, of
8 the gross receipts from such sales made in the course of such
9 business. The tax imposed may not be more than 1% and may be
10 imposed only in 1/4% increments. The tax may not be imposed on
11 the sale of food for human consumption that is to be consumed
12 off the premises where it is sold (other than alcoholic
13 beverages, soft drinks, and food that has been prepared for
14 immediate consumption) and prescription and nonprescription
15 medicines, drugs, medical appliances, and insulin, urine
16 testing materials, syringes, and needles used by diabetics. The
17 tax imposed by a municipality pursuant to this Section and all
18 civil penalties that may be assessed as an incident thereof
19 shall be collected and enforced by the State Department of
20 Revenue. The certificate of registration which is issued by the
21 Department to a retailer under the Retailers' Occupation Tax
22 Act shall permit such retailer to engage in a business which is
23 taxable under any ordinance or resolution enacted pursuant to
24 this Section without registering separately with the
25 Department under such ordinance or resolution or under this
26 Section. The Department shall have full power to administer and

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

19 No municipality may impose a tax under this Section unless
20 the municipality also imposes a tax at the same rate under
21 Section 8-11-1.4 of this Code.

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

1 are required to collect under the Use Tax Act, pursuant to such
2 bracket schedules as the Department may prescribe.

3 Whenever the Department determines that a refund should be
4 made under this Section 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 such notification
8 from the Department. Such refund shall be paid by the State
9 Treasurer out of the non-home rule municipal retailers'
10 occupation tax fund.

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

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

22 After the monthly transfer to the STAR Bonds Revenue Fund,
23 on ~~on~~ 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 named municipalities,
26 the municipalities to be those from which retailers have paid

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

21 For the purpose of determining the local governmental unit
22 whose tax is applicable, a retail sale, by a producer of coal
23 or other mineral mined in Illinois, is a sale at retail at the
24 place where the coal or other mineral mined in Illinois is
25 extracted from the earth. This paragraph does not apply to coal
26 or other mineral when it is delivered or shipped by the seller

1 to the purchaser at a point outside Illinois so that the sale
2 is exempt under the Federal Constitution as a sale in
3 interstate or foreign commerce.

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

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

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

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

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

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

23 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

24 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation
25 Tax Act. The corporate authorities of a non-home rule

1 municipality may impose a tax upon all persons engaged, in such
2 municipality, in the business of making sales of service for
3 expenditure on public infrastructure or for property tax relief
4 or both as defined in Section 8-11-1.2 if approved by
5 referendum as provided in Section 8-11-1.1, of the selling
6 price of all tangible personal property transferred by such
7 servicemen either in the form of tangible personal property or
8 in the form of real estate as an incident to a sale of service.
9 The tax imposed may not be more than 1% and may be imposed only
10 in 1/4% increments. The tax may not be imposed on the sale of
11 food for human consumption that is to be consumed off the
12 premises where it is sold (other than alcoholic beverages, soft
13 drinks, and food that has been prepared for immediate
14 consumption) and prescription and nonprescription medicines,
15 drugs, medical appliances, and insulin, urine testing
16 materials, syringes, and needles used by diabetics. The tax
17 imposed by a municipality pursuant to this Section and all
18 civil penalties that may be assessed as an incident thereof
19 shall be collected and enforced by the State Department of
20 Revenue. The certificate of registration which is issued by the
21 Department to a retailer under the Retailers' Occupation Tax
22 Act or under the Service Occupation Tax Act shall permit such
23 registrant to engage in a business which is taxable under any
24 ordinance or resolution enacted pursuant to this Section
25 without registering separately with the Department under such
26 ordinance or resolution or under this Section. The Department

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

1 No municipality may impose a tax under this Section unless
2 the municipality also imposes a tax at the same rate under
3 Section 8-11-1.3 of this Code.

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

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

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

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

1 Development and Economy Act, collected under this Section
2 during the second preceding calendar month for sales within a
3 STAR bond district.

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

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

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

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

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

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

12 (65 ILCS 5/8-11-1.6)

13 Sec. 8-11-1.6. Non-home rule municipal retailers
14 occupation tax; municipalities between 20,000 and 25,000. The
15 corporate authorities of a non-home rule municipality with a
16 population of more than 20,000 but less than 25,000 that has,
17 prior to January 1, 1987, established a Redevelopment Project
18 Area that has been certified as a State Sales Tax Boundary and
19 has issued bonds or otherwise incurred indebtedness to pay for
20 costs in excess of \$5,000,000, which is secured in part by a
21 tax increment allocation fund, in accordance with the
22 provisions of Division 11-74.4 of this Code may, by passage of
23 an ordinance, impose a tax upon all persons engaged in the
24 business of selling tangible personal property, other than on
25 an item of tangible personal property that is titled and

1 registered by an agency of this State's Government, at retail
2 in the municipality. This tax may not be imposed on the sales
3 of food for human consumption that is to be consumed off the
4 premises where it is sold (other than alcoholic beverages, soft
5 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. If imposed,
9 the tax shall only be imposed in .25% increments of the gross
10 receipts from such sales made in the course of business. Any
11 tax imposed by a municipality under this Sec. and all civil
12 penalties that may be assessed as an incident thereof shall be
13 collected and enforced by the State Department of Revenue. An
14 ordinance imposing a tax hereunder or effecting a change in the
15 rate thereof shall be adopted and a certified copy thereof
16 filed with the Department on or before the first day of
17 October, whereupon the Department shall proceed to administer
18 and enforce this Section as of the first day of January next
19 following such adoption and filing. The certificate of
20 registration that is issued by the Department to a retailer
21 under the Retailers' Occupation Tax Act shall permit the
22 retailer to engage in a business that is taxable under any
23 ordinance or resolution enacted under this Section without
24 registering separately with the Department under the ordinance
25 or resolution or under this Section. The Department shall have
26 full power to administer and enforce this Section, to collect

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

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

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

1 are required to collect under the Use Tax Act, pursuant to such
2 bracket schedules as the Department may prescribe.

3 Whenever the Department determines that a refund should be
4 made under this Section 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 Non-Home Rule Municipal Retailers'
10 Occupation Tax Fund, which is hereby created.

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

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

22 After the monthly transfer to the STAR Bonds Revenue Fund,
23 on ~~on~~ 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 named municipalities,
26 the municipalities to be those from which retailers have paid

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

21 For the purpose of determining the local governmental unit
22 whose tax is applicable, a retail sale by a producer of coal or
23 other mineral mined in Illinois is a sale at retail at the
24 place where the coal or other mineral mined in Illinois is
25 extracted from the earth. This paragraph does not apply to coal
26 or other mineral when it is delivered or shipped by the seller

1 to the purchaser at a point outside Illinois so that the sale
2 is exempt under the federal Constitution as a sale in
3 interstate or foreign commerce.

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

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

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

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

18 (65 ILCS 5/8-11-1.7)

19 Sec. 8-11-1.7. Non-home rule municipal service occupation
20 tax; municipalities between 20,000 and 25,000. The corporate
21 authorities of a non-home rule municipality with a population
22 of more than 20,000 but less than 25,000 as determined by the
23 last preceding decennial census that has, prior to January 1,
24 1987, established a Redevelopment Project Area that has been
25 certified as a State Sales Tax Boundary and has issued bonds or

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

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

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

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

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

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

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.

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

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

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

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

14 (65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)

15 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax
16 Act. The corporate authorities of a home rule municipality may
17 impose a tax upon all persons engaged, in such municipality, in
18 the business of making sales of service at the same rate of tax
19 imposed pursuant to Section 8-11-1, of the selling price of all
20 tangible personal property transferred by such servicemen
21 either in the form of tangible personal property or in the form
22 of real estate as an incident to a sale of service. If imposed,
23 such tax shall only be imposed in 1/4% increments. On and after
24 September 1, 1991, this additional tax may not be imposed on
25 the sales of food for human consumption which is to be consumed

1 off the premises where it is sold (other than alcoholic
2 beverages, soft drinks and food which has been prepared for
3 immediate consumption) and prescription and nonprescription
4 medicines, drugs, medical appliances and insulin, urine
5 testing materials, syringes and needles used by diabetics. The
6 tax imposed by a home rule municipality pursuant to this
7 Section and all civil penalties that may be assessed as an
8 incident thereof shall be collected and enforced by the State
9 Department of Revenue. The certificate of registration which is
10 issued by the Department to a retailer under the Retailers'
11 Occupation Tax Act or under the Service Occupation Tax Act
12 shall permit such registrant to engage in a business which is
13 taxable under any ordinance or resolution enacted pursuant to
14 this Section without registering separately with the
15 Department under such ordinance or resolution or under this
16 Section. The Department shall have full power to administer and
17 enforce this Section; to collect all taxes and penalties due
18 hereunder; to dispose of taxes and penalties so collected in
19 the manner hereinafter provided, and to determine all rights to
20 credit memoranda arising on account of the erroneous payment of
21 tax or penalty hereunder. In the administration of, and
22 compliance with, this Section the Department and persons who
23 are subject to this Section shall have the same rights,
24 remedies, privileges, immunities, powers and duties, and be
25 subject to the same conditions, restrictions, limitations,
26 penalties and definitions of terms, and employ the same modes

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

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

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

1 Act, pursuant to such bracket schedules as the Department may
2 prescribe.

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

10 The Department shall forthwith 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 ~~on~~ 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 suppliers and
26 servicemen have paid taxes or penalties hereunder to the

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

15 In addition to the disbursement required by the preceding
16 paragraph and in order to mitigate delays caused by
17 distribution procedures, an allocation shall, if requested, be
18 made within 10 days after January 14, 1991, and in November of
19 1991 and each year thereafter, to each municipality that
20 received more than \$500,000 during the preceding fiscal year,
21 (July 1 through June 30) whether collected by the municipality
22 or disbursed by the Department as required by this Section.
23 Within 10 days after January 14, 1991, participating
24 municipalities shall notify the Department in writing of their
25 intent to participate. In addition, for the initial
26 distribution, participating municipalities shall certify to

1 the Department the amounts collected by the municipality for
2 each month under its home rule occupation and service
3 occupation tax during the period July 1, 1989 through June 30,
4 1990. The allocation within 10 days after January 14, 1991,
5 shall be in an amount equal to the monthly average of these
6 amounts, excluding the 2 months of highest receipts. Monthly
7 average for the period of July 1, 1990 through June 30, 1991
8 will be determined as follows: the amounts collected by the
9 municipality under its home rule occupation and service
10 occupation tax during the period of July 1, 1990 through
11 September 30, 1990, plus amounts collected by the Department
12 and paid to such municipality through June 30, 1991, excluding
13 the 2 months of highest receipts. The monthly average for each
14 subsequent period of July 1 through June 30 shall be an amount
15 equal to the monthly distribution made to each such
16 municipality under the preceding paragraph during this period,
17 excluding the 2 months of highest receipts. The distribution
18 made in November 1991 and each year thereafter under this
19 paragraph and the preceding paragraph shall be reduced by the
20 amount allocated and disbursed under this paragraph in the
21 preceding period of July 1 through June 30. The Department
22 shall prepare and certify to the Comptroller for disbursement
23 the allocations made in accordance with this paragraph.

24 Nothing in this Section shall be construed to authorize a
25 municipality to impose a tax upon the privilege of engaging in
26 any business which under the constitution of the United States

1 may not be made the subject of taxation by this State.

2 An ordinance or resolution imposing or discontinuing a tax
3 hereunder or effecting a change in the rate thereof shall be
4 adopted and a certified copy thereof filed with the Department
5 on or before the first day of June, whereupon the Department
6 shall proceed to administer and enforce this Section as of the
7 first day of September next following such adoption and filing.
8 Beginning January 1, 1992, an ordinance or resolution imposing
9 or discontinuing the tax hereunder or effecting a change in the
10 rate thereof shall be adopted and a certified copy thereof
11 filed with the Department on or before the first day of July,
12 whereupon the Department shall proceed to administer and
13 enforce this Section as of the first day of October next
14 following such adoption and filing. Beginning January 1, 1993,
15 an ordinance or resolution imposing or discontinuing the tax
16 hereunder or effecting a change in the rate thereof shall be
17 adopted and a certified copy thereof filed with the Department
18 on or before the first day of October, whereupon the Department
19 shall proceed to administer and enforce this Section as of the
20 first day of January next following such adoption and filing.
21 However, a municipality located in a county with a population
22 in excess of 3,000,000 that elected to become a home rule unit
23 at the general primary election in 1994 may adopt an ordinance
24 or resolution imposing the tax under this Section and file a
25 certified copy of the ordinance or resolution with the
26 Department on or before July 1, 1994. The Department shall then

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

13 Any unobligated balance remaining in the Municipal
14 Retailers' Occupation Tax Fund on December 31, 1989, which fund
15 was abolished by Public Act 85-1135, and all receipts of
16 municipal tax as a result of audits of liability periods prior
17 to January 1, 1990, shall be paid into the Local Government Tax
18 Fund, for distribution as provided by this Section prior to the
19 enactment of Public Act 85-1135. All receipts of municipal tax
20 as a result of an assessment not arising from an audit, for
21 liability periods prior to January 1, 1990, shall be paid into
22 the Local Government Tax Fund for distribution before July 1,
23 1990, as provided by this Section prior to the enactment of
24 Public Act 85-1135, and on and after July 1, 1990, all such
25 receipts shall be distributed as provided in Section 6z-18 of
26 the State Finance Act.

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

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

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

7 (65 ILCS 5/11-74.3-6)

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

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

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

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

1 human use.

2 The tax imposed under this subsection and all civil
3 penalties that may be assessed as an incident thereof shall be
4 collected and enforced by the Department of Revenue. The
5 certificate of registration that is issued by the Department to
6 a retailer under the Retailers' Occupation Tax Act shall permit
7 the retailer to engage in a business that is taxable under any
8 ordinance or resolution enacted pursuant to this subsection
9 without registering separately with the Department under such
10 ordinance or resolution or under this subsection. The
11 Department of Revenue shall have full power to administer and
12 enforce this subsection; to collect all taxes and penalties due
13 under this subsection in the manner hereinafter provided; and
14 to determine all rights to credit memoranda arising on account
15 of the erroneous payment of tax or penalty under this
16 subsection. In the administration of, and compliance with, this
17 subsection, the Department and persons who are subject to this
18 subsection 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 1, 1a through 1o, 2
23 through 2-65 (in respect to all provisions therein other than
24 the State rate of tax), 2c through 2h, 3 (except as to the
25 disposition of taxes and penalties collected), 4, 5, 5a, 5c,
26 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11,

1 12, 13, and 14 of the Retailers' Occupation Tax Act and all
2 provisions of the Uniform Penalty and Interest Act, as fully as
3 if those provisions were set forth herein.

4 Persons subject to any tax imposed under this subsection
5 may reimburse themselves for their seller's tax liability under
6 this subsection 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, in accordance with such bracket
10 schedules as the Department may prescribe.

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

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

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

1 local sales tax increment, as defined in the Innovation
2 Development and Economy Act, collected under this subsection
3 during the second preceding calendar month for sales within a
4 STAR bond district.

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

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

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

25 The Department of Revenue shall not administer or enforce
26 an ordinance imposing, discontinuing, or changing the rate of

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

1 A municipality that imposes the tax under this subsection
2 must submit to the Department of Revenue any other information
3 as the Department may require for the administration and
4 enforcement of the tax.

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

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

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

17 (c) If a tax has been imposed under subsection (b), a
18 Business District Service Occupation Tax shall also be imposed
19 upon all persons engaged, in the business district, in the
20 business of making sales of service, who, as an incident to
21 making those sales of service, transfer tangible personal
22 property within the business district, either in the form of
23 tangible personal property or in the form of real estate as an
24 incident to a sale of service. The tax shall be imposed at the
25 same rate as the tax imposed in subsection (b) and shall not
26 exceed 1% of the selling price of tangible personal property so

1 transferred within the business district, to be imposed only in
2 0.25% increments. The tax may not be imposed on food for human
3 consumption that is to be consumed off the premises where it is
4 sold (other than alcoholic beverages, soft drinks, and food
5 that has been prepared for immediate consumption),
6 prescription and nonprescription medicines, drugs, medical
7 appliances, modifications to a motor vehicle for the purpose of
8 rendering it usable by a disabled person, and insulin, urine
9 testing materials, syringes, and needles used by diabetics, for
10 human use.

11 The tax imposed under this subsection and all civil
12 penalties that may be assessed as an incident thereof shall be
13 collected and enforced by the Department of Revenue. The
14 certificate of registration which is issued by the Department
15 to a retailer under the Retailers' Occupation Tax Act or under
16 the Service Occupation Tax Act shall permit such registrant to
17 engage in a business which is taxable under any ordinance or
18 resolution enacted pursuant to this subsection without
19 registering separately with the Department under such
20 ordinance or resolution or under this subsection. The
21 Department of Revenue shall have full power to administer and
22 enforce this subsection; to collect all taxes and penalties due
23 under this subsection; to dispose of taxes and penalties so
24 collected in the manner hereinafter provided; and to determine
25 all rights to credit memoranda arising on account of the
26 erroneous payment of tax or penalty under this subsection. In

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

22 Persons subject to any tax imposed under the authority
23 granted in this subsection may reimburse themselves for their
24 serviceman's tax liability hereunder by separately stating the
25 tax as an additional charge, which charge may be stated in
26 combination, in a single amount, with State tax that servicemen

1 are authorized to collect under the Service Use Tax Act, in
2 accordance with such bracket schedules as the Department may
3 prescribe.

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

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

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 subsection
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 ~~or~~ or before the 25th day of each calendar month, the
26 Department shall prepare and certify to the Comptroller the

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

26 An ordinance or resolution imposing or discontinuing the

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

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

1 business district until the municipality reports the boundary
2 change to the Department in the manner prescribed by the
3 Department. The municipality must provide this boundary change
4 information to the Department on or before April 1 for
5 administration and enforcement by the Department of the change
6 beginning on the following July 1 and on or before October 1
7 for administration and enforcement by the Department of the
8 change beginning on the following January 1. The retailers in
9 the business district shall be responsible for charging the tax
10 imposed under this subsection. If a retailer is incorrectly
11 included or excluded from the list of those required to collect
12 the tax under this subsection, both the Department of Revenue
13 and the retailer shall be held harmless if they reasonably
14 relied on information provided by the municipality.

15 A municipality that imposes the tax under this subsection
16 must submit to the Department of Revenue any other information
17 as the Department may require for the administration and
18 enforcement of the tax.

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

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

25 (d) By ordinance, a municipality that has established a
26 business district under this Division 74.3 may impose an

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

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

1 modes of procedure as are employed with respect to a tax
2 adopted by the municipality under Section 8-3-14 of this Code.

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

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

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

15 (e) Obligations issued pursuant to subsection (14) of
16 Section 11-74.3-3 shall be retired in the manner provided in
17 the ordinance authorizing the issuance of those obligations by
18 the receipts of taxes levied as authorized in subsections (12)
19 and (13) of Section 11-74.3-3. The ordinance shall pledge all
20 of the amounts in and to be deposited in the Business District
21 Tax Allocation Fund to the payment of business district project
22 costs and obligations. Obligations issued pursuant to
23 subsection (14) of Section 11-74.3-3 may be sold at public or
24 private sale at a price determined by the corporate authorities
25 of the municipality and no referendum approval of the electors
26 shall be required as a condition to the issuance of those

1 obligations. The ordinance authorizing the obligations may
2 require that the obligations contain a recital that they are
3 issued pursuant to subsection (14) of Section 11-74.3-3 and
4 this recital shall be conclusive evidence of their validity and
5 of the regularity of their issuance. The corporate authorities
6 of the municipality may also issue its obligations to refund,
7 in whole or in part, obligations previously issued by the
8 municipality under the authority of this Code, whether at or
9 prior to maturity. All obligations issued pursuant to
10 subsection (14) of Section 11-74.3-3 shall not be regarded as
11 indebtedness of the municipality issuing the obligations for
12 the purpose of any limitation imposed by law.

13 (f) When business district costs, including, without
14 limitation, all municipal obligations financing business
15 district project costs incurred under Section 11-74.3-3 have
16 been paid, any surplus funds then remaining in the Business
17 District Tax Allocation Fund shall be distributed to the
18 municipal treasurer for deposit into the municipal general
19 corporate fund. Upon payment of all business district project
20 costs and retirement of obligations, but in no event more than
21 23 years after the date of adoption of the ordinance approving
22 the business district development or redevelopment plan, the
23 municipality shall adopt an ordinance immediately rescinding
24 the taxes imposed pursuant to subsections (12) and (13) of
25 Section 11-74.3-3.

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

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

3 (70 ILCS 210/13) (from Ch. 85, par. 1233)

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

7 (b) By ordinance the Authority shall, as soon as
8 practicable after the effective date of this amendatory Act of
9 1991, impose a Metropolitan Pier and Exposition Authority
10 Retailers' Occupation Tax upon all persons engaged in the
11 business of selling tangible personal property at retail within
12 the territory described in this subsection at the rate of 1.0%
13 of the gross receipts (i) from the sale of food, alcoholic
14 beverages, and soft drinks sold for consumption on the premises
15 where sold and (ii) from the sale of food, alcoholic beverages,
16 and soft drinks sold for consumption off the premises where
17 sold by a retailer whose principal source of gross receipts is
18 from the sale of food, alcoholic beverages, and soft drinks
19 prepared for immediate consumption.

20 The tax imposed under this subsection and all civil
21 penalties that may be assessed as an incident to that tax shall
22 be collected and enforced by the Illinois Department of
23 Revenue. The Department shall have full power to administer and
24 enforce this subsection, to collect all taxes and penalties so

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

22 Persons subject to any tax imposed under the authority
23 granted in this subsection may reimburse themselves for their
24 seller's tax liability under this subsection by separately
25 stating that tax as an additional charge, which charge may be
26 stated in combination, in a single amount, with State taxes

1 that sellers are required to collect under the Use Tax Act,
2 pursuant to bracket schedules as the Department may prescribe.
3 The retailer filing the return shall, at the time of filing the
4 return, pay to the Department the amount of tax imposed under
5 this subsection, less a discount of 1.75%, which is allowed to
6 reimburse the retailer for the expenses incurred in keeping
7 records, preparing and filing returns, remitting the tax, and
8 supplying data to the Department on request.

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

18 Nothing in this subsection authorizes the Authority to
19 impose a tax upon the privilege of engaging in any business
20 that under the Constitution of the United States may not be
21 made the subject of taxation by this State.

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 of the State Treasury.

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

26 A certificate of registration issued by the Illinois

1 Department of Revenue to a retailer under the Retailers'
2 Occupation Tax Act shall permit the registrant to engage in a
3 business that is taxed under the tax imposed under this
4 subsection, and no additional registration shall be required
5 under the ordinance imposing the tax or under this subsection.

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

12 The tax authorized to be levied under this subsection may
13 be levied within all or any part of the following described
14 portions of the metropolitan area:

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

1 then north and west along the county line to the point of
2 beginning; and

3 (2) that portion of the City of Chicago located within
4 the following area: Beginning at the intersection of West
5 55th Street with Central Avenue, then east along West 55th
6 Street to its intersection with South Cicero Avenue, then
7 south along South Cicero Avenue to its intersection with
8 West 63rd Street, then west along West 63rd Street to its
9 intersection with South Central Avenue, then north along
10 South Central Avenue to the point of beginning; and

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

26 The tax authorized to be levied under this subsection may

1 also be levied on food, alcoholic beverages, and soft drinks
2 sold on boats and other watercraft departing from and returning
3 to the shoreline of Lake Michigan (including Navy Pier and all
4 other improvements fixed to land, docks, or piers) described in
5 item (3).

6 (c) By ordinance the Authority shall, as soon as
7 practicable after the effective date of this amendatory Act of
8 1991, impose an occupation tax upon all persons engaged in the
9 corporate limits of the City of Chicago in the business of
10 renting, leasing, or letting rooms in a hotel, as defined in
11 the Hotel Operators' Occupation Tax Act, at a rate of 2.5% of
12 the gross rental receipts from the renting, leasing, or letting
13 of hotel rooms within the City of Chicago, excluding, however,
14 from gross rental receipts the proceeds of renting, leasing, or
15 letting to permanent residents of a hotel, as defined in that
16 Act. Gross rental receipts shall not include charges that are
17 added on account of the liability arising from any tax imposed
18 by the State or any governmental agency on the occupation of
19 renting, leasing, or letting rooms in a hotel.

20 The tax imposed by the Authority under this subsection and
21 all civil penalties that may be assessed as an incident to that
22 tax shall be collected and enforced by the Illinois Department
23 of Revenue. The certificate of registration that is issued by
24 the Department to a lessor under the Hotel Operators'
25 Occupation Tax Act shall permit that registrant to engage in a
26 business that is taxable under any ordinance enacted under this

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

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

1 Authority.

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

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

18 The Department shall forthwith pay over to the State
19 Treasurer, ex officio, as trustee for the Authority, all taxes
20 and penalties collected under this subsection for deposit into
21 a trust fund held outside the State Treasury. On or before the
22 25th day of each calendar month, the Department shall certify
23 to the Comptroller the amounts to be paid under subsection (g)
24 of this Section, which shall be the amounts (not including
25 credit memoranda) collected under this subsection during the
26 second preceding calendar month by the Department, less any

1 amounts determined by the Department to be necessary for
2 payment of refunds. Within 10 days after receipt by the
3 Comptroller of the Department's certification, the Comptroller
4 shall cause the orders to be drawn for such amounts, and the
5 Treasurer shall administer those amounts as required in
6 subsection (g).

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

14 (d) By ordinance the Authority shall, as soon as
15 practicable after the effective date of this amendatory Act of
16 1991, impose a tax upon all persons engaged in the business of
17 renting automobiles in the metropolitan area at the rate of 6%
18 of the gross receipts from that business, except that no tax
19 shall be imposed on the business of renting automobiles for use
20 as taxicabs or in livery service. The tax imposed under this
21 subsection and all civil penalties that may be assessed as an
22 incident to that tax shall be collected and enforced by the
23 Illinois Department of Revenue. The certificate of
24 registration issued by the Department to a retailer under the
25 Retailers' Occupation Tax Act or under the Automobile Renting
26 Occupation and Use Tax Act shall permit that person to engage

1 in a business that is taxable under any ordinance enacted under
2 this subsection without registering separately with the
3 Department under that ordinance or under this subsection. The
4 Department shall have full power to administer and enforce this
5 subsection, to collect all taxes and penalties due under this
6 subsection, to dispose of taxes and penalties so collected in
7 the manner provided in this subsection, and to determine all
8 rights to credit memoranda arising on account of the erroneous
9 payment of tax or penalty under this subsection. In the
10 administration of and compliance with this subsection, the
11 Department and persons who are subject to this subsection shall
12 have the same rights, remedies, privileges, immunities,
13 powers, and duties, be subject to the same conditions,
14 restrictions, limitations, penalties, and definitions of
15 terms, and employ the same modes of procedure as are prescribed
16 in Sections 2 and 3 (in respect to all provisions of those
17 Sections other than the State rate of tax; and in respect to
18 the provisions of the Retailers' Occupation Tax Act referred to
19 in those Sections, except as to the disposition of taxes and
20 penalties collected, except for the provision allowing
21 retailers a deduction from the tax to cover certain costs, and
22 except that credit memoranda issued under this subsection may
23 not be used to discharge any State tax liability) of the
24 Automobile Renting Occupation and Use Tax Act, as fully as if
25 provisions contained in those Sections of that Act were set
26 forth in this subsection.

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

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

18 The Department shall forthwith pay over to the State
19 Treasurer, ex officio, as trustee, all taxes and penalties
20 collected under this subsection for deposit into a trust fund
21 held outside the State Treasury. On or before the 25th day of
22 each calendar month, the Department shall certify to the
23 Comptroller the amounts to be paid under subsection (g) of this
24 Section (not including credit memoranda) collected under this
25 subsection during the second preceding calendar month by the
26 Department, less any amount determined by the Department to be

1 necessary for payment of refunds. Within 10 days after receipt
2 by the Comptroller of the Department's certification, the
3 Comptroller shall cause the orders to be drawn for such
4 amounts, and the Treasurer shall administer those amounts as
5 required in subsection (g).

6 Nothing in this subsection authorizes the Authority to
7 impose a tax upon the privilege of engaging in any business
8 that under the Constitution of the United States may not be
9 made the subject of taxation by this State.

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

17 (e) By ordinance the Authority shall, as soon as
18 practicable after the effective date of this amendatory Act of
19 1991, impose a tax upon the privilege of using in the
20 metropolitan area an automobile that is rented from a rentor
21 outside Illinois and is titled or registered with an agency of
22 this State's government at a rate of 6% of the rental price of
23 that automobile, except that no tax shall be imposed on the
24 privilege of using automobiles rented for use as taxicabs or in
25 livery service. The tax shall be collected from persons whose
26 Illinois address for titling or registration purposes is given

1 as being in the metropolitan area. The tax shall be collected
2 by the Department of Revenue for the Authority. The tax must be
3 paid to the State or an exemption determination must be
4 obtained from the Department of Revenue before the title or
5 certificate of registration for the property may be issued. The
6 tax or proof of exemption may be transmitted to the Department
7 by way of the State agency with which or State officer with
8 whom the tangible personal property must be titled or
9 registered if the Department and that agency or State officer
10 determine that this procedure will expedite the processing of
11 applications for title or registration.

12 The Department shall have full power to administer and
13 enforce this subsection, to collect all taxes, penalties, and
14 interest due under this subsection, to dispose of taxes,
15 penalties, and interest so collected in the manner provided in
16 this subsection, and to determine all rights to credit
17 memoranda or refunds arising on account of the erroneous
18 payment of tax, penalty, or interest under this subsection. In
19 the administration of and compliance with this subsection, the
20 Department and persons who are subject to this subsection shall
21 have the same rights, remedies, privileges, immunities,
22 powers, and duties, be subject to the same conditions,
23 restrictions, limitations, penalties, and definitions of
24 terms, and employ the same modes of procedure as are prescribed
25 in Sections 2 and 4 (except provisions pertaining to the State
26 rate of tax; and in respect to the provisions of the Use Tax

1 Act referred to in that Section, except provisions concerning
2 collection or refunding of the tax by retailers, except the
3 provisions of Section 19 pertaining to claims by retailers,
4 except the last paragraph concerning refunds, and except that
5 credit memoranda issued under this subsection may not be used
6 to discharge any State tax liability) of the Automobile Renting
7 Occupation and Use Tax Act, as fully as if provisions contained
8 in those Sections of that Act were set forth in this
9 subsection.

10 Whenever the Department determines that a refund should be
11 made under this subsection to a claimant instead of issuing a
12 credit memorandum, the Department shall notify the State
13 Comptroller, who shall cause a warrant 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 Metropolitan Pier and Exposition Authority
17 trust fund held by the State Treasurer as trustee for the
18 Authority.

19 The Department shall forthwith pay over to the State
20 Treasurer, ex officio, as trustee, all taxes, penalties, and
21 interest collected under this subsection for deposit into a
22 trust fund held outside the State Treasury. On or before the
23 25th day of each calendar month, the Department shall certify
24 to the State Comptroller the amounts to be paid under
25 subsection (g) of this Section, which shall be the amounts (not
26 including credit memoranda) collected under this subsection

1 during the second preceding calendar month by the Department,
2 less any amounts determined by the Department to be necessary
3 for payment of refunds. Within 10 days after receipt by the
4 State Comptroller of the Department's certification, the
5 Comptroller shall cause the orders to be drawn for such
6 amounts, and the Treasurer shall administer those amounts as
7 required in subsection (g).

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

14 (f) By ordinance the Authority shall, as soon as
15 practicable after the effective date of this amendatory Act of
16 1991, impose an occupation tax on all persons, other than a
17 governmental agency, engaged in the business of providing
18 ground transportation for hire to passengers in the
19 metropolitan area at a rate of (i) \$2 per taxi or livery
20 vehicle departure with passengers for hire from commercial
21 service airports in the metropolitan area, (ii) for each
22 departure with passengers for hire from a commercial service
23 airport in the metropolitan area in a bus or van operated by a
24 person other than a person described in item (iii): \$9 per bus
25 or van with a capacity of 1-12 passengers, \$18 per bus or van
26 with a capacity of 13-24 passengers, and \$27 per bus or van

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

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

19 In the ordinance imposing the tax, the Authority may
20 designate a method or methods for persons subject to the tax to
21 reimburse themselves for the tax liability arising under the
22 ordinance (i) by separately stating the full amount of the tax
23 liability as an additional charge to passengers departing the
24 airports, (ii) by separately stating one-half of the tax
25 liability as an additional charge to both passengers departing
26 from and to passengers arriving at the airports, or (iii) by

1 some other method determined by the Authority.

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

9 (g) Amounts deposited from the proceeds of taxes imposed by
10 the Authority under subsections (b), (c), (d), (e), and (f) of
11 this Section and amounts deposited under Section 19 of the
12 Illinois Sports Facilities Authority Act shall be held in a
13 trust fund outside the State Treasury and shall be administered
14 by the Treasurer as follows: first, an amount necessary for the
15 payment of refunds shall be retained in the trust fund; second,
16 the balance of the proceeds deposited in the trust fund during
17 fiscal year 1993 shall be retained in the trust fund during
18 that year and thereafter shall be administered as a reserve to
19 fund the deposits required in item "third"; third, beginning
20 July 20, 1993, and continuing each month thereafter, provided
21 that the amount requested in the certificate of the Chairman of
22 the Authority filed under Section 8.25f of the State Finance
23 Act has been appropriated for payment to the Authority, 1/8 of
24 the annual amount requested in that certificate together with
25 any cumulative deficiencies shall be transferred from the trust
26 fund into the McCormick Place Expansion Project Fund in the

1 State Treasury until 100% of the amount requested in that
2 certificate plus any cumulative deficiencies in the amounts
3 transferred into the McCormick Place Expansion Project Fund
4 under this item "third", have been so transferred; fourth, the
5 balance shall be maintained in the trust fund; fifth, on July
6 20, 1994, and on July 20 of each year thereafter the Treasurer
7 shall calculate for the previous fiscal year the surplus
8 revenues in the trust fund and pay that amount to the
9 Authority. "Surplus revenues" shall mean the difference
10 between the amount in the trust fund on June 30 of the fiscal
11 year previous to the current fiscal year (excluding amounts
12 retained for refunds under item "first") minus the amount
13 deposited in the trust fund during fiscal year 1993 under item
14 "second". Moneys received by the Authority under item "fifth"
15 may be used solely for the purposes of paying debt service on
16 the bonds and notes issued by the Authority, including early
17 redemption of those bonds or notes, and for the purposes of
18 repair, replacement, and improvement of the grounds,
19 buildings, and facilities of the Authority; provided that any
20 moneys in excess of \$50,000,000 held by the Authority as of
21 June 30 in any fiscal year and received by the Authority under
22 item "fifth" shall be used solely for paying the debt service
23 on or early redemption of the Authority's bonds or notes. When
24 bonds and notes issued under Section 13.2, or bonds or notes
25 issued to refund those bonds and notes, are no longer
26 outstanding, the balance in the trust fund shall be paid to the

1 Authority.

2 (h) The ordinances imposing the taxes authorized by this
3 Section shall be repealed when bonds and notes issued under
4 Section 13.2 or bonds and notes issued to refund those bonds
5 and notes are no longer outstanding.

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

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

9 (70 ILCS 750/25)

10 Sec. 25. Flood prevention retailers' and service
11 occupation taxes.

12 (a) If the Board of Commissioners of a flood prevention
13 district determines that an emergency situation exists
14 regarding levee repair or flood prevention, and upon an
15 ordinance confirming the determination adopted by the
16 affirmative vote of a majority of the members of the county
17 board of the county in which the district is situated, the
18 county may impose a flood prevention retailers' occupation tax
19 upon all persons engaged in the business of selling tangible
20 personal property at retail within the territory of the
21 district to provide revenue to pay the costs of providing
22 emergency levee repair and flood prevention and to secure the
23 payment of bonds, notes, and other evidences of indebtedness
24 issued under this Act for a period not to exceed 25 years or as

1 required to repay the bonds, notes, and other evidences of
2 indebtedness issued under this Act. The tax rate shall be 0.25%
3 of the gross receipts from all taxable sales made in the course
4 of that business. The tax imposed under this Section and all
5 civil penalties that may be assessed as an incident thereof
6 shall be collected and enforced by the State Department of
7 Revenue. The Department shall have full power to administer and
8 enforce this Section; to collect all 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 hereunder.

12 In the administration of and compliance with this
13 subsection, the Department and persons who are subject to this
14 subsection (i) have the same rights, remedies, privileges,
15 immunities, powers, and duties, (ii) are subject to the same
16 conditions, restrictions, limitations, penalties, and
17 definitions of terms, and (iii) shall employ the same modes of
18 procedure as are set forth in Sections 1 through 10, 2 through
19 2-70 (in respect to all provisions contained in those Sections
20 other than the State rate of tax), 2a through 2h, 3 (except as
21 to the disposition of taxes and penalties collected), 4, 5, 5a,
22 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10,
23 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and
24 all provisions of the Uniform Penalty and Interest Act as if
25 those provisions were set forth in this subsection.

26 Persons subject to any tax imposed under this Section may

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

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

9 (b) If a tax has been imposed under subsection (a), a flood
10 prevention service occupation tax shall also be imposed upon
11 all persons engaged within the territory of the district in the
12 business of making sales of service, who, as an incident to
13 making the sales of service, transfer tangible personal
14 property, either in the form of tangible personal property or
15 in the form of real estate as an incident to a sale of service
16 to provide revenue to pay the costs of providing emergency
17 levee repair and flood prevention and to secure the payment of
18 bonds, notes, and other evidences of indebtedness issued under
19 this Act for a period not to exceed 25 years or as required to
20 repay the bonds, notes, and other evidences of indebtedness.
21 The tax rate shall be 0.25% of the selling price of all
22 tangible personal property transferred.

23 The tax imposed under this subsection and all civil
24 penalties that may be assessed as an incident thereof shall be
25 collected and enforced by the State Department of Revenue. The
26 Department shall have full power to administer and enforce this

1 subsection; to collect all taxes and penalties due hereunder;
2 to dispose of taxes and penalties collected in the manner
3 hereinafter provided; and to determine all rights to credit
4 memoranda arising on account of the erroneous payment of tax or
5 penalty hereunder.

6 In the administration of and compliance with this
7 subsection, the Department and persons who are subject to this
8 subsection shall (i) have the same rights, remedies,
9 privileges, immunities, powers, and duties, (ii) be subject to
10 the same conditions, restrictions, limitations, penalties, and
11 definitions of terms, and (iii) employ the same modes of
12 procedure as are set forth in Sections 2 (except that the
13 reference to State in the definition of supplier maintaining a
14 place of business in this State means the district), 2a through
15 2d, 3 through 3-50 (in respect to all provisions contained in
16 those Sections other than the State rate of tax), 4 (except
17 that the reference to the State shall be to the district), 5,
18 7, 8 (except that the jurisdiction to which the tax is a debt
19 to the extent indicated in that Section 8 is the district), 9
20 (except as to the disposition of taxes and penalties
21 collected), 10, 11, 12 (except the reference therein to Section
22 2b of the Retailers' Occupation Tax Act), 13 (except that any
23 reference to the State means the district), Section 15, 16, 17,
24 18, 19, and 20 of the Service Occupation Tax Act and all
25 provisions of the Uniform Penalty and Interest Act, as fully as
26 if those provisions were set forth herein.

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

8 (c) The taxes imposed in subsections (a) and (b) may not be
9 imposed on personal property titled or registered with an
10 agency of the State; food for human consumption that is to be
11 consumed off the premises where it is sold (other than
12 alcoholic beverages, soft drinks, and food that has been
13 prepared for immediate consumption); prescription and
14 non-prescription medicines, drugs, and medical appliances;
15 modifications to a motor vehicle for the purpose of rendering
16 it usable by a disabled person; or insulin, urine testing
17 materials, and syringes and needles used by diabetics.

18 (d) Nothing in this Section shall be construed to authorize
19 the district to impose a tax upon the privilege of engaging in
20 any business that under the Constitution of the United States
21 may not be made the subject of taxation by the State.

22 (e) The certificate of registration that is issued by the
23 Department to a retailer under the Retailers' Occupation Tax
24 Act or a serviceman under the Service Occupation Tax Act
25 permits the retailer or serviceman to engage in a business that
26 is taxable without registering separately with the Department

1 under an ordinance or resolution under this Section.

2 (f) The Department shall immediately pay over to the State
3 Treasurer, ex officio, as trustee, all taxes and penalties
4 collected under this Section to be deposited into the Flood
5 Prevention Occupation Tax Fund, which shall be an
6 unappropriated trust fund held outside the State treasury.

7 As soon as possible after the first day of each month,
8 beginning January 1, 2011, upon certification of the Department
9 of Revenue, the Comptroller shall order transferred, and the
10 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
11 local sales tax increment, as defined in the Innovation
12 Development and Economy Act, collected under this Section
13 during the second preceding calendar month for sales within a
14 STAR bond district. The Department shall make this
15 certification only if the flood prevention district imposes a
16 tax on real property as provided in the definition of "local
17 sales taxes" under the Innovation Development and Economy Act.

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

1 Department, (i) less 2% of that amount, which shall be
2 deposited into the Tax Compliance and Administration Fund and
3 shall be used by the Department in administering and enforcing
4 the provisions of this Section on behalf of the county, (ii)
5 plus an amount that the Department determines is necessary to
6 offset any amounts that were erroneously paid to a different
7 taxing body; (iii) less an amount equal to the amount of
8 refunds made during the second preceding calendar month by the
9 Department on behalf of the county; ~~and~~ (iv) less any amount
10 that the Department determines is necessary to offset any
11 amounts that were payable to a different taxing body but were
12 erroneously paid to the county; and (v) less any amounts that
13 are transferred to the STAR Bonds Revenue Fund. When certifying
14 the amount of a monthly disbursement to a county under this
15 Section, the Department shall increase or decrease the amounts
16 by an amount necessary to offset any miscalculation of previous
17 disbursements within the previous 6 months from the time a
18 miscalculation is discovered.

19 Within 10 days after receipt by the Comptroller from the
20 Department of the disbursement certification to the counties
21 provided for in this Section, the Comptroller shall cause the
22 orders to be drawn for the respective amounts in accordance
23 with directions contained in the certification.

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

1 who shall cause the order to be drawn for the amount specified
2 and to the person named in the notification from the
3 Department. The refund shall be paid by the Treasurer out of
4 the Flood Prevention Occupation Tax Fund.

5 (g) If a county imposes a tax under this Section, then the
6 county board shall, by ordinance, discontinue the tax upon the
7 payment of all indebtedness of the flood prevention district.
8 The tax shall not be discontinued until all indebtedness of the
9 District has been paid.

10 (h) Any ordinance imposing the tax under this Section, or
11 any ordinance that discontinues the tax, must be certified by
12 the county clerk and filed with the Illinois Department of
13 Revenue either (i) on or before the first day of April,
14 whereupon the Department shall proceed to administer and
15 enforce the tax or change in the rate as of the first day of
16 July next following the filing; or (ii) on or before the first
17 day of October, whereupon the Department shall proceed to
18 administer and enforce the tax or change in the rate as of the
19 first day of January next following the filing.

20 (j) County Flood Prevention Occupation Tax Fund. All
21 proceeds received by a county from a tax distribution under
22 this Section must be maintained in a special fund known as the
23 [name of county] flood prevention occupation tax fund. The
24 county shall, at the direction of the flood prevention
25 district, use moneys in the fund to pay the costs of providing
26 emergency levee repair and flood prevention and to pay bonds,

1 notes, and other evidences of indebtedness issued under this
2 Act.

3 (k) This Section may be cited as the Flood Prevention
4 Occupation Tax Law.

5 (Source: P.A. 95-719, eff. 5-21-08; 95-723, eff. 6-23-08.)

6 Section 85. The Metro-East Park and Recreation District Act
7 is amended by changing Section 30 as follows:

8 (70 ILCS 1605/30)

9 Sec. 30. Taxes.

10 (a) The board shall impose a tax upon all persons engaged
11 in the business of selling tangible personal property, other
12 than personal property titled or registered with an agency of
13 this State's government, at retail in the District on the gross
14 receipts from the sales made in the course of business. This
15 tax shall be imposed only at the rate of one-tenth of one per
16 cent.

17 This additional tax may not be imposed on the sales of food
18 for human consumption that is to be consumed off the premises
19 where it is sold (other than alcoholic beverages, soft drinks,
20 and food which has been prepared for immediate consumption) and
21 prescription and non-prescription medicines, drugs, medical
22 appliances, and insulin, urine testing materials, syringes,
23 and needles used by diabetics. The tax imposed by the Board
24 under this Section and all civil penalties that may be assessed

1 as an incident of the tax shall be collected and enforced by
2 the Department of Revenue. The certificate of registration that
3 is issued by the Department to a retailer under the Retailers'
4 Occupation Tax Act shall permit the retailer to engage in a
5 business that is taxable without registering separately with
6 the Department under an ordinance or resolution under this
7 Section. The Department has full power to administer and
8 enforce this Section, to collect all taxes and penalties due
9 under this Section, to dispose of taxes and penalties so
10 collected in the manner provided in this Section, and to
11 determine all rights to credit memoranda arising on account of
12 the erroneous payment of a tax or penalty under this Section.
13 In the administration of and compliance with this Section, the
14 Department and persons who are subject to this Section shall
15 (i) have the same rights, remedies, privileges, immunities,
16 powers, and duties, (ii) be subject to the same conditions,
17 restrictions, limitations, penalties, and definitions of
18 terms, and (iii) employ the same modes of procedure as are
19 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
20 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions contained
21 in those Sections other than the State rate of tax), 2-15
22 through 2-70, 2a, 2b, 2c, 3 (except provisions relating to
23 transaction returns and quarter monthly payments), 4, 5, 5a,
24 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,
25 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act
26 and the Uniform Penalty and Interest Act as if those provisions

1 were set forth in this Section.

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

9 Whenever the Department determines that a refund should be
10 made under this Section to a claimant instead of issuing a
11 credit memorandum, the Department shall notify the State
12 Comptroller, who shall cause the order to be drawn for the
13 amount specified and to the person named in the notification
14 from the Department. The refund shall be paid by the State
15 Treasurer out of the State Metro-East Park and Recreation
16 District Fund.

17 (b) If a tax has been imposed under subsection (a), a
18 service occupation tax shall also be imposed at the same rate
19 upon all persons engaged, in the District, in the business of
20 making sales of service, who, as an incident to making those
21 sales of service, transfer tangible personal property within
22 the District as an incident to a sale of service. This tax may
23 not be imposed on sales of food for human consumption that is
24 to be consumed off the premises where it is sold (other than
25 alcoholic beverages, soft drinks, and food prepared for
26 immediate consumption) and prescription and non-prescription

1 medicines, drugs, medical appliances, and insulin, urine
2 testing materials, syringes, and needles used by diabetics. The
3 tax imposed under this subsection and all civil penalties that
4 may be assessed as an incident thereof shall be collected and
5 enforced by the Department of Revenue. The Department has full
6 power to administer and enforce this subsection; to collect all
7 taxes and penalties due hereunder; to dispose of taxes and
8 penalties so collected in the manner hereinafter provided; and
9 to determine all rights to credit memoranda arising on account
10 of the erroneous payment of tax or penalty hereunder. In the
11 administration of, and compliance with this subsection, the
12 Department and persons who are subject to this paragraph shall
13 (i) have the same rights, remedies, privileges, immunities,
14 powers, and duties, (ii) be subject to the same conditions,
15 restrictions, limitations, penalties, exclusions, exemptions,
16 and definitions of terms, and (iii) employ the same modes of
17 procedure as are prescribed in Sections 2 (except that the
18 reference to State in the definition of supplier maintaining a
19 place of business in this State shall mean the District), 2a,
20 2b, 2c, 3 through 3-50 (in respect to all provisions therein
21 other than the State rate of tax), 4 (except that the reference
22 to the State shall be to the District), 5, 7, 8 (except that
23 the jurisdiction to which the tax shall be a debt to the extent
24 indicated in that Section 8 shall be the District), 9 (except
25 as to the disposition of taxes and penalties collected), 10,
26 11, 12 (except the reference therein to Section 2b of the

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

6 Persons subject to any tax imposed under the authority
7 granted in this subsection may reimburse themselves for their
8 serviceman's 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 that servicemen are
11 authorized to collect under the Service Use Tax Act, in
12 accordance with such bracket schedules as the Department may
13 prescribe.

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 the 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 State Metro-East Park and Recreation
21 District Fund.

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

26 (c) The Department shall immediately pay over to the State

1 Treasurer, ex officio, as trustee, all taxes and penalties
2 collected under this Section to be deposited into the State
3 Metro-East Park and Recreation District Fund, which shall be an
4 unappropriated trust fund held outside of the State treasury.

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. The Department shall make this
13 certification only if the Metro East Park and Recreation
14 District imposes a tax on real property as provided in the
15 definition of "local sales taxes" under the Innovation
16 Development and Economy Act.

17 After the monthly transfer to the STAR Bonds Revenue Fund,
18 on ~~or~~ or before the 25th day of each calendar month, the
19 Department shall prepare and certify to the Comptroller the
20 disbursement of stated sums of money pursuant to Section 35 of
21 this Act to the District from which retailers have paid taxes
22 or penalties to the Department during the second preceding
23 calendar month. The amount to be paid to the District shall be
24 the amount (not including credit memoranda) collected under
25 this Section during the second preceding calendar month by the
26 Department plus an amount the Department determines is

1 necessary to offset any amounts that were erroneously paid to a
2 different taxing body, and not including (i) an amount equal to
3 the amount of refunds made during the second preceding calendar
4 month by the Department on behalf of the District, ~~and~~ (ii) any
5 amount that the Department determines is necessary to offset
6 any amounts that were payable to a different taxing body but
7 were erroneously paid to the District, and (iii) any amounts
8 that are transferred to the STAR Bonds Revenue Fund. Within 10
9 days after receipt by the Comptroller of the disbursement
10 certification to the District provided for in this Section to
11 be given to the Comptroller by the Department, the Comptroller
12 shall cause the orders to be drawn for the respective amounts
13 in accordance with directions contained in the certification.

14 (d) For the purpose of determining whether a tax authorized
15 under this Section is applicable, a retail sale by a producer
16 of coal or another mineral mined in Illinois is a sale at
17 retail at the place where the coal or other mineral mined in
18 Illinois is extracted from the earth. This paragraph does not
19 apply to coal or another mineral when it is delivered or
20 shipped by the seller to the purchaser at a point outside
21 Illinois so that the sale is exempt under the United States
22 Constitution as a sale in interstate or foreign commerce.

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

1 (f) An ordinance imposing a tax under this Section or an
2 ordinance extending the imposition of a tax to an additional
3 county or counties shall be certified by the board and filed
4 with the Department of Revenue either (i) on or before the
5 first day of April, whereupon the Department shall proceed to
6 administer and enforce the tax as of the first day of July next
7 following the filing; or (ii) on or before the first day of
8 October, whereupon the Department shall proceed to administer
9 and enforce the tax as of the first day of January next
10 following the filing.

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

17 (Source: P.A. 91-103, eff. 7-13-99.)

18 Section 90. The Local Mass Transit District Act is amended
19 by changing Section 5.01 as follows:

20 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

21 Sec. 5.01. Metro East Mass Transit District; use and
22 occupation taxes.

23 (a) The Board of Trustees of any Metro East Mass Transit
24 District may, by ordinance adopted with the concurrence of

1 two-thirds of the then trustees, impose throughout the District
2 any or all of the taxes and fees provided in this Section. All
3 taxes and fees imposed under this Section shall be used only
4 for public mass transportation systems, and the amount used to
5 provide mass transit service to unserved areas of the District
6 shall be in the same proportion to the total proceeds as the
7 number of persons residing in the unserved areas is to the
8 total population of the District. Except as otherwise provided
9 in this Act, taxes imposed under this Section and civil
10 penalties imposed incident thereto shall be collected and
11 enforced by the State Department of Revenue. The Department
12 shall have the power to administer and enforce the taxes and to
13 determine all rights for refunds for erroneous payments of the
14 taxes.

15 (b) The Board may impose a Metro East Mass Transit District
16 Retailers' Occupation Tax upon all persons engaged in the
17 business of selling tangible personal property at retail in the
18 district at a rate of 1/4 of 1%, or as authorized under
19 subsection (d-5) of this Section, of the gross receipts from
20 the sales made in the course of such business within the
21 district. The tax imposed under this Section and all civil
22 penalties that may be assessed as an incident thereof shall be
23 collected and enforced by the State Department of Revenue. The
24 Department shall have full power to administer and enforce this
25 Section; to collect all taxes and penalties so collected in the
26 manner hereinafter provided; and to determine all rights to

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

17 Persons subject to any tax imposed under the Section may
18 reimburse themselves for their seller's tax liability
19 hereunder by separately stating the tax as an additional
20 charge, which charge may be stated in combination, in a single
21 amount, with State taxes that sellers are required to collect
22 under the Use Tax Act, in accordance with such bracket
23 schedules as the Department may prescribe.

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

1 Comptroller, who shall cause the warrant to be drawn for the
2 amount specified, and to the person named, in the notification
3 from the Department. The refund shall be paid by the State
4 Treasurer out of the Metro East Mass Transit District tax fund
5 established under paragraph (h) of this Section.

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

8 For the purpose of determining whether a tax authorized
9 under this Section is applicable, a retail sale, by a producer
10 of coal or other mineral mined in Illinois, is a sale at retail
11 at the place where the coal or other mineral mined in Illinois
12 is extracted from the earth. This paragraph does not apply to
13 coal or other mineral when it is delivered or shipped by the
14 seller to the purchaser at a point outside Illinois so that the
15 sale is exempt under the Federal Constitution as a sale in
16 interstate or foreign commerce.

17 No tax shall be imposed or collected under this subsection
18 on the sale of a motor vehicle in this State to a resident of
19 another state if that motor vehicle will not be titled in this
20 State.

21 Nothing in this Section shall be construed to authorize the
22 Metro East Mass Transit District to impose a tax upon the
23 privilege of engaging in any business which under the
24 Constitution of the United States may not be made the subject
25 of taxation by this State.

26 (c) If a tax has been imposed under subsection (b), a Metro

1 East Mass Transit District Service Occupation Tax shall also be
2 imposed upon all persons engaged, in the district, in the
3 business of making sales of service, who, as an incident to
4 making those sales of service, transfer tangible personal
5 property within the District, either in the form of tangible
6 personal property or in the form of real estate as an incident
7 to a sale of service. The tax rate shall be 1/4%, or as
8 authorized under subsection (d-5) of this Section, of the
9 selling price of tangible personal property so transferred
10 within the district. The tax imposed under this paragraph and
11 all 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 paragraph; to collect all taxes and penalties due
15 hereunder; to dispose of taxes and penalties so collected in
16 the manner hereinafter provided; and to determine all rights to
17 credit memoranda arising on account of the erroneous payment of
18 tax or penalty hereunder. In the administration of, and
19 compliance with this paragraph, the Department and persons who
20 are subject to this paragraph shall have the same rights,
21 remedies, privileges, immunities, powers and duties, and be
22 subject to the same conditions, restrictions, limitations,
23 penalties, exclusions, exemptions and definitions of terms and
24 employ the same modes of procedure as are prescribed in
25 Sections 1a-1, 2 (except that the reference to State in the
26 definition of supplier maintaining a place of business in this

1 State shall mean the Authority), 2a, 3 through 3-50 (in respect
2 to all provisions therein other than the State rate of tax), 4
3 (except that the reference to the State shall be to the
4 Authority), 5, 7, 8 (except that the jurisdiction to which the
5 tax shall be a debt to the extent indicated in that Section 8
6 shall be the District), 9 (except as to the disposition of
7 taxes and penalties collected, and except that the returned
8 merchandise credit for this tax may not be taken against any
9 State tax), 10, 11, 12 (except the reference therein to Section
10 2b of the Retailers' Occupation Tax Act), 13 (except that any
11 reference to the State shall mean the District), the first
12 paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service
13 Occupation Tax Act and Section 3-7 of the Uniform Penalty and
14 Interest Act, as fully as if those provisions were set forth
15 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, which 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, in
22 accordance with such bracket schedules as the Department may
23 prescribe.

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

1 Comptroller, who shall cause the warrant to be drawn for the
2 amount specified, and to the person named, in the notification
3 from the Department. The refund shall be paid by the State
4 Treasurer out of the Metro East Mass Transit District tax fund
5 established under paragraph (h) of this Section.

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

10 (d) If a tax has been imposed under subsection (b), a Metro
11 East Mass Transit District Use Tax shall also be imposed upon
12 the privilege of using, in the district, any item of tangible
13 personal property that is purchased outside the district at
14 retail from a retailer, and that is titled or registered with
15 an agency of this State's government, at a rate of 1/4%, or as
16 authorized under subsection (d-5) of this Section, of the
17 selling price of the tangible personal property within the
18 District, as "selling price" is defined in the Use Tax Act. The
19 tax shall be collected from persons whose Illinois address for
20 titling or registration purposes is given as being in the
21 District. The tax shall be collected by the Department of
22 Revenue for the Metro East Mass Transit District. The tax must
23 be paid to the State, or an exemption determination must be
24 obtained from the Department of Revenue, before the title or
25 certificate of registration for the property may be issued. The
26 tax or proof of exemption may be transmitted to the Department

1 by way of the State agency with which, or the State officer
2 with whom, the tangible personal property must be titled or
3 registered if the Department and the State agency or State
4 officer determine that this procedure will expedite the
5 processing of applications for title or registration.

6 The Department shall have full power to administer and
7 enforce this paragraph; to collect all taxes, penalties and
8 interest due hereunder; to dispose of taxes, penalties and
9 interest so collected in the manner hereinafter provided; and
10 to determine all rights to credit memoranda or refunds arising
11 on account of the erroneous payment of tax, penalty or interest
12 hereunder. In the administration of, and compliance with, this
13 paragraph, the Department and persons who are subject to this
14 paragraph 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 2 (except the
19 definition of "retailer maintaining a place of business in this
20 State"), 3 through 3-80 (except provisions pertaining to the
21 State rate of tax, and except provisions concerning collection
22 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,
23 19 (except the portions pertaining to claims by retailers and
24 except the last paragraph concerning refunds), 20, 21 and 22 of
25 the Use Tax Act and Section 3-7 of the Uniform Penalty and
26 Interest Act, that are not inconsistent with this paragraph, as

1 fully as if those provisions were set forth herein.

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 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 Metro East Mass Transit District tax fund
9 established under paragraph (h) of this Section.

10 (d-5) (A) The county board of any county participating in
11 the Metro East Mass Transit District may authorize, by
12 ordinance, a referendum on the question of whether the tax
13 rates for the Metro East Mass Transit District Retailers'
14 Occupation Tax, the Metro East Mass Transit District Service
15 Occupation Tax, and the Metro East Mass Transit District Use
16 Tax for the District should be increased from 0.25% to 0.75%.
17 Upon adopting the ordinance, the county board shall certify the
18 proposition to the proper election officials who shall submit
19 the proposition to the voters of the District at the next
20 election, in accordance with the general election law.

21 The proposition shall be in substantially the following
22 form:

23 Shall the tax rates for the Metro East Mass Transit
24 District Retailers' Occupation Tax, the Metro East Mass
25 Transit District Service Occupation Tax, and the Metro East
26 Mass Transit District Use Tax be increased from 0.25% to

1 0.75%?

2 (B) Two thousand five hundred electors of any Metro East
3 Mass Transit District may petition the Chief Judge of the
4 Circuit Court, or any judge of that Circuit designated by the
5 Chief Judge, in which that District is located to cause to be
6 submitted to a vote of the electors the question whether the
7 tax rates for the Metro East Mass Transit District Retailers'
8 Occupation Tax, the Metro East Mass Transit District Service
9 Occupation Tax, and the Metro East Mass Transit District Use
10 Tax for the District should be increased from 0.25% to 0.75%.

11 Upon submission of such petition the court shall set a date
12 not less than 10 nor more than 30 days thereafter for a hearing
13 on the sufficiency thereof. Notice of the filing of such
14 petition and of such date shall be given in writing to the
15 District and the County Clerk at least 7 days before the date
16 of such hearing.

17 If such petition is found sufficient, the court shall enter
18 an order to submit that proposition at the next election, in
19 accordance with general election law.

20 The form of the petition shall be in substantially the
21 following form: To the Circuit Court of the County of (name of
22 county):

23 We, the undersigned electors of the (name of transit
24 district), respectfully petition your honor to submit to a
25 vote of the electors of (name of transit district) the
26 following proposition:

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 Name	Address, with Street and Number.
7
8

9 (C) The votes shall be recorded as "YES" or "NO". If a
 10 majority of all votes cast on the proposition are for the
 11 increase in the tax rates, the Metro East Mass Transit District
 12 shall begin imposing the increased rates in the District, and
 13 the Department of Revenue shall begin collecting the increased
 14 amounts, as provided under this Section. An ordinance imposing
 15 or discontinuing a tax hereunder or effecting a change in the
 16 rate thereof shall be adopted and a certified copy thereof
 17 filed with the Department on or before the first day of
 18 October, whereupon the Department shall proceed to administer
 19 and enforce this Section as of the first day of January next
 20 following the adoption and filing, or on or before the first
 21 day of April, whereupon the Department shall proceed to
 22 administer and enforce this Section as of the first day of July
 23 next following the adoption and filing.

24 (D) If the voters have approved a referendum under this
 25 subsection, before November 1, 1994, to increase the tax rate
 26 under this subsection, the Metro East Mass Transit District

1 Board of Trustees may adopt by a majority vote an ordinance at
2 any time before January 1, 1995 that excludes from the rate
3 increase tangible personal property that is titled or
4 registered with an agency of this State's government. The
5 ordinance excluding titled or registered tangible personal
6 property from the rate increase must be filed with the
7 Department at least 15 days before its effective date. At any
8 time after adopting an ordinance excluding from the rate
9 increase tangible personal property that is titled or
10 registered with an agency of this State's government, the Metro
11 East Mass Transit District Board of Trustees may adopt an
12 ordinance applying the rate increase to that tangible personal
13 property. The ordinance shall be adopted, and a certified copy
14 of that ordinance shall be filed with the Department, on or
15 before October 1, whereupon the Department shall proceed to
16 administer and enforce the rate increase against tangible
17 personal property titled or registered with an agency of this
18 State's government as of the following January 1. After
19 December 31, 1995, any reimposed rate increase in effect under
20 this subsection shall no longer apply to tangible personal
21 property titled or registered with an agency of this State's
22 government. Beginning January 1, 1996, the Board of Trustees of
23 any Metro East Mass Transit District may never reimpose a
24 previously excluded tax rate increase on tangible personal
25 property titled or registered with an agency of this State's
26 government. After July 1, 2004, if the voters have approved a

1 referendum under this subsection to increase the tax rate under
2 this subsection, the Metro East Mass Transit District Board of
3 Trustees may adopt by a majority vote an ordinance that
4 excludes from the rate increase tangible personal property that
5 is titled or registered with an agency of this State's
6 government. The ordinance excluding titled or registered
7 tangible personal property from the rate increase shall be
8 adopted, and a certified copy of that ordinance shall be filed
9 with the Department on or before October 1, whereupon the
10 Department shall administer and enforce this exclusion from the
11 rate increase as of the following January 1, or on or before
12 April 1, whereupon the Department shall administer and enforce
13 this exclusion from the rate increase as of the following July
14 1. The Board of Trustees of any Metro East Mass Transit
15 District may never reimpose a previously excluded tax rate
16 increase on tangible personal property titled or registered
17 with an agency of this State's government.

18 (d-6) If the Board of Trustees of any Metro East Mass
19 Transit District has imposed a rate increase under subsection
20 (d-5) and filed an ordinance with the Department of Revenue
21 excluding titled property from the higher rate, then that Board
22 may, by ordinance adopted with the concurrence of two-thirds of
23 the then trustees, impose throughout the District a fee. The
24 fee on the excluded property shall not exceed \$20 per retail
25 transaction or an amount equal to the amount of tax excluded,
26 whichever is less, on tangible personal property that is titled

1 or registered with an agency of this State's government.
2 Beginning July 1, 2004, the fee shall apply only to titled
3 property that is subject to either the Metro East Mass Transit
4 District Retailers' Occupation Tax or the Metro East Mass
5 Transit District Service Occupation Tax. No fee shall be
6 imposed or collected under this subsection on the sale of a
7 motor vehicle in this State to a resident of another state if
8 that motor vehicle will not be titled in this State.

9 (d-7) Until June 30, 2004, if a fee has been imposed under
10 subsection (d-6), a fee shall also be imposed upon the
11 privilege of using, in the district, any item of tangible
12 personal property that is titled or registered with any agency
13 of this State's government, in an amount equal to the amount of
14 the fee imposed under subsection (d-6).

15 (d-7.1) Beginning July 1, 2004, any fee imposed by the
16 Board of Trustees of any Metro East Mass Transit District under
17 subsection (d-6) and all civil penalties that may be assessed
18 as an incident of the fees shall be collected and enforced by
19 the State Department of Revenue. Reference to "taxes" in this
20 Section shall be construed to apply to the administration,
21 payment, and remittance of all fees under this Section. For
22 purposes of any fee imposed under subsection (d-6), 4% of the
23 fee, penalty, and interest received by the Department in the
24 first 12 months that the fee is collected and enforced by the
25 Department and 2% of the fee, penalty, and interest following
26 the first 12 months shall be deposited into the Tax Compliance

1 and Administration Fund and shall be used by the Department,
2 subject to appropriation, to cover the costs of the Department.
3 No retailers' discount shall apply to any fee imposed under
4 subsection (d-6).

5 (d-8) No item of titled property shall be subject to both
6 the higher rate approved by referendum, as authorized under
7 subsection (d-5), and any fee imposed under subsection (d-6) or
8 (d-7).

9 (d-9) (Blank).

10 (d-10) (Blank).

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) (Blank).

21 (g) Any ordinance imposing or discontinuing any tax under
22 this Section shall be adopted and a certified copy thereof
23 filed with the Department on or before June 1, whereupon the
24 Department of Revenue shall proceed to administer and enforce
25 this Section on behalf of the Metro East Mass Transit District
26 as of September 1 next following such adoption and filing.

1 Beginning January 1, 1992, an ordinance or resolution imposing
2 or discontinuing the tax hereunder shall be adopted and a
3 certified copy thereof filed with the Department on or before
4 the first day of July, whereupon the Department shall proceed
5 to administer and enforce this Section as of the first day of
6 October next following such adoption and filing. Beginning
7 January 1, 1993, except as provided in subsection (d-5) of this
8 Section, an ordinance or resolution imposing or discontinuing
9 the tax hereunder shall be adopted and a certified copy thereof
10 filed with the Department on or before the first day of
11 October, whereupon the Department shall proceed to administer
12 and enforce this Section as of the first day of January next
13 following such adoption and filing, or, beginning January 1,
14 2004, on or before the first day of April, whereupon the
15 Department shall proceed to administer and enforce this Section
16 as of the first day of July next following the adoption and
17 filing.

18 (h) Except as provided in subsection (d-7.1), the State
19 Department of Revenue shall, upon collecting any taxes as
20 provided in this Section, pay the taxes over to the State
21 Treasurer as trustee for the District. The taxes shall be held
22 in a trust fund outside the State Treasury.

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

1 local sales tax increment, as defined in the Innovation
2 Development and Economy Act, collected under this Section
3 during the second preceding calendar month for sales within a
4 STAR bond district. The Department shall make this
5 certification only if the local mass transit district imposes a
6 tax on real property as provided in the definition of "local
7 sales taxes" under the Innovation Development and Economy Act.

8 After the monthly transfer to the STAR Bonds Revenue Fund,
9 on ~~on~~ or before the 25th day of each calendar month, the State
10 Department of Revenue shall prepare and certify to the
11 Comptroller of the State of Illinois the amount to be paid to
12 the District, which shall be the then balance in the fund, less
13 any amount determined by the Department to be necessary for the
14 payment of refunds, and less any amounts that are transferred
15 to the STAR Bonds Revenue Fund. Within 10 days after receipt by
16 the Comptroller of the certification of the amount to be paid
17 to the District, the Comptroller shall cause an order to be
18 drawn for payment for the amount in accordance with the
19 direction in the certification.

20 (Source: P.A. 95-331, eff. 8-21-07; 96-328, eff. 8-11-09.)

21 Section 100. The Regional Transportation Authority Act is
22 amended by changing Section 4.03 as follows:

23 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

24 (Text of Section before amendment by P.A. 96-339)

1 Sec. 4.03. Taxes.

2 (a) In order to carry out any of the powers or purposes of
3 the Authority, the Board may by ordinance adopted with the
4 concurrence of 12 of the then Directors, impose throughout the
5 metropolitan region any or all of the taxes provided in this
6 Section. Except as otherwise provided in this Act, taxes
7 imposed under this Section and civil penalties imposed incident
8 thereto shall be collected and enforced by the State Department
9 of Revenue. The Department shall have the power to administer
10 and enforce the taxes and to determine all rights for refunds
11 for erroneous payments of the taxes. Nothing in this amendatory
12 Act of the 95th General Assembly is intended to invalidate any
13 taxes currently imposed by the Authority. The increased vote
14 requirements to impose a tax shall only apply to actions taken
15 after the effective date of this amendatory Act of the 95th
16 General Assembly.

17 (b) The Board may impose a public transportation tax upon
18 all persons engaged in the metropolitan region in the business
19 of selling at retail motor fuel for operation of motor vehicles
20 upon public highways. The tax shall be at a rate not to exceed
21 5% of the gross receipts from the sales of motor fuel in the
22 course of the business. As used in this Act, the term "motor
23 fuel" shall have the same meaning as in the Motor Fuel Tax Law.
24 The Board may provide for details of the tax. The provisions of
25 any tax shall conform, as closely as may be practicable, to the
26 provisions of the Municipal Retailers Occupation Tax Act,

1 including without limitation, conformity to penalties with
2 respect to the tax imposed and as to the powers of the State
3 Department of Revenue to promulgate and enforce rules and
4 regulations relating to the administration and enforcement of
5 the provisions of the tax imposed, except that reference in the
6 Act to any municipality shall refer to the Authority and the
7 tax shall be imposed only with regard to receipts from sales of
8 motor fuel in the metropolitan region, at rates as limited by
9 this Section.

10 (c) In connection with the tax imposed under paragraph (b)
11 of this Section the Board may impose a tax upon the privilege
12 of using in the metropolitan region motor fuel for the
13 operation of a motor vehicle upon public highways, the tax to
14 be at a rate not in excess of the rate of tax imposed under
15 paragraph (b) of this Section. The Board may provide for
16 details of the tax.

17 (d) The Board may impose a motor vehicle parking tax upon
18 the privilege of parking motor vehicles at off-street parking
19 facilities in the metropolitan region at which a fee is
20 charged, and may provide for reasonable classifications in and
21 exemptions to the tax, for administration and enforcement
22 thereof and for civil penalties and refunds thereunder and may
23 provide criminal penalties thereunder, the maximum penalties
24 not to exceed the maximum criminal penalties provided in the
25 Retailers' Occupation Tax Act. The Authority may collect and
26 enforce the tax itself or by contract with any unit of local

1 government. The State Department of Revenue shall have no
2 responsibility for the collection and enforcement unless the
3 Department agrees with the Authority to undertake the
4 collection and enforcement. As used in this paragraph, the term
5 "parking facility" means a parking area or structure having
6 parking spaces for more than 2 vehicles at which motor vehicles
7 are permitted to park in return for an hourly, daily, or other
8 periodic fee, whether publicly or privately owned, but does not
9 include parking spaces on a public street, the use of which is
10 regulated by parking meters.

11 (e) The Board may impose a Regional Transportation
12 Authority Retailers' Occupation Tax upon all persons engaged in
13 the business of selling tangible personal property at retail in
14 the metropolitan region. In Cook County the tax rate shall be
15 1.25% of the gross receipts from sales of 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 that
18 has been prepared for immediate consumption) and prescription
19 and nonprescription medicines, drugs, medical appliances and
20 insulin, urine testing materials, syringes and needles used by
21 diabetics, and 1% of the gross receipts from other taxable
22 sales made in the course of that business. In DuPage, Kane,
23 Lake, McHenry, and Will Counties, the tax rate shall be 0.75%
24 of the gross receipts from all taxable sales made in the course
25 of that business. The tax imposed under this Section and all
26 civil penalties that may be assessed as an incident thereof

1 shall be collected and enforced by the State Department of
2 Revenue. The Department shall have full power to administer and
3 enforce this Section; to collect all taxes and penalties so
4 collected in the manner hereinafter provided; and to determine
5 all rights to credit memoranda arising on account of the
6 erroneous payment of tax or penalty hereunder. In the
7 administration of, and compliance with this Section, the
8 Department and persons who are subject to this Section shall
9 have the same rights, remedies, privileges, immunities, powers
10 and duties, and be subject to the same conditions,
11 restrictions, limitations, penalties, exclusions, exemptions
12 and definitions of terms, and employ the same modes of
13 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,
14 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
15 therein other than the State rate of tax), 2c, 3 (except as to
16 the disposition of taxes and penalties collected), 4, 5, 5a,
17 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,
18 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
19 Section 3-7 of the Uniform Penalty and Interest Act, as fully
20 as if those provisions were set forth herein.

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 the tax
24 as an additional charge, which charge may be stated in
25 combination in a single amount with State taxes that sellers
26 are required to collect under the Use Tax Act, under any

1 bracket schedules 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 Regional Transportation Authority tax fund
9 established under paragraph (n) of this Section.

10 If a tax is imposed under this subsection (e), a tax shall
11 also be imposed under subsections (f) and (g) 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 Regional Transportation Authority to impose a tax upon the

1 privilege of engaging in any business that under the
2 Constitution of the United States may not be made the subject
3 of taxation by this State.

4 (f) If a tax has been imposed under paragraph (e), a
5 Regional Transportation Authority Service Occupation Tax shall
6 also be imposed upon all persons engaged, in the metropolitan
7 region in the business of making sales of service, who as an
8 incident to making the sales of service, transfer tangible
9 personal property within the metropolitan region, either in the
10 form of tangible personal property or in the form of real
11 estate as an incident to a sale of service. In Cook County, the
12 tax rate shall be: (1) 1.25% of the serviceman's cost price of
13 food prepared for immediate consumption and transferred
14 incident to a sale of service subject to the service occupation
15 tax by an entity licensed under the Hospital Licensing Act or
16 the Nursing Home Care Act that is located in the metropolitan
17 region; (2) 1.25% of the selling price of food for human
18 consumption that is to be consumed off the premises where it is
19 sold (other than alcoholic beverages, soft drinks and food that
20 has been prepared for immediate consumption) and prescription
21 and nonprescription medicines, drugs, medical appliances and
22 insulin, urine testing materials, syringes and needles used by
23 diabetics; and (3) 1% of the selling price from other taxable
24 sales of tangible personal property transferred. In DuPage,
25 Kane, Lake, McHenry and Will Counties the rate shall be 0.75%
26 of the selling price of all tangible personal property

1 transferred.

2 The tax imposed under this paragraph and all civil
3 penalties that may be assessed as an incident thereof shall be
4 collected and enforced by the State Department of Revenue. The
5 Department shall have full power to administer and enforce this
6 paragraph; to collect all taxes and penalties due hereunder; to
7 dispose of taxes and penalties collected in the manner
8 hereinafter provided; and to determine all rights to credit
9 memoranda arising on account of the erroneous payment of tax or
10 penalty hereunder. In the administration of and compliance with
11 this paragraph, the Department and persons who are subject to
12 this paragraph shall have the same rights, remedies,
13 privileges, immunities, powers and duties, and be subject to
14 the same conditions, restrictions, limitations, penalties,
15 exclusions, exemptions and definitions of terms, and employ the
16 same modes of procedure, as are prescribed in Sections 1a-1, 2,
17 2a, 3 through 3-50 (in respect to all provisions therein other
18 than the State rate of tax), 4 (except that the reference to
19 the State shall be to the Authority), 5, 7, 8 (except that the
20 jurisdiction to which the tax shall be a debt to the extent
21 indicated in that Section 8 shall be the Authority), 9 (except
22 as to the disposition of taxes and penalties collected, and
23 except that the returned merchandise credit for this 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 Authority), the first paragraph of Section 15, 16, 17, 18,
2 19 and 20 of the Service Occupation Tax Act and Section 3-7 of
3 the Uniform Penalty and Interest Act, as fully as if those
4 provisions were set forth herein.

5 Persons subject to any tax imposed under the authority
6 granted in this paragraph 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 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 the Regional Transportation Authority tax fund
19 established under paragraph (n) of this Section.

20 Nothing in this paragraph shall be construed to authorize
21 the Authority to impose a tax upon the privilege of engaging in
22 any business that under the Constitution of the United States
23 may not be made the subject of taxation by the State.

24 (g) If a tax has been imposed under paragraph (e), a tax
25 shall also be imposed upon the privilege of using in the
26 metropolitan region, any item of tangible personal property

1 that is purchased outside the metropolitan region at retail
2 from a retailer, and that is titled or registered with an
3 agency of this State's government. In Cook County the tax rate
4 shall be 1% of the selling price of the tangible personal
5 property, as "selling price" is defined in the Use Tax Act. In
6 DuPage, Kane, Lake, McHenry and Will counties the tax rate
7 shall be 0.75% of the selling price of the tangible personal
8 property, as "selling price" is defined in the Use Tax Act. The
9 tax shall be collected from persons whose Illinois address for
10 titling or registration purposes is given as being in the
11 metropolitan region. The tax shall be collected by the
12 Department of Revenue for the Regional Transportation
13 Authority. The tax must be paid to the State, or an exemption
14 determination must be obtained from the Department of Revenue,
15 before the title or certificate of registration for the
16 property may be issued. The tax or proof of exemption may be
17 transmitted to the Department by way of the State agency with
18 which, or the State officer with whom, the tangible personal
19 property must be titled or registered if the Department and the
20 State agency or State officer determine that this procedure
21 will expedite the processing of applications for title or
22 registration.

23 The Department shall have full power to administer and
24 enforce this paragraph; to collect all taxes, penalties and
25 interest due hereunder; to dispose of taxes, penalties and
26 interest collected in the manner hereinafter provided; and to

1 determine all rights to credit memoranda or refunds arising on
2 account of the erroneous payment of tax, penalty or interest
3 hereunder. In the administration of and compliance with this
4 paragraph, the Department and persons who are subject to this
5 paragraph shall have the same rights, remedies, privileges,
6 immunities, powers and duties, and be subject to the same
7 conditions, restrictions, limitations, penalties, exclusions,
8 exemptions and definitions of terms and employ the same modes
9 of procedure, as are prescribed in Sections 2 (except the
10 definition of "retailer maintaining a place of business in this
11 State"), 3 through 3-80 (except provisions pertaining to the
12 State rate of tax, and except provisions concerning collection
13 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,
14 19 (except the portions pertaining to claims by retailers and
15 except the last paragraph concerning refunds), 20, 21 and 22 of
16 the Use Tax Act, and are not inconsistent with this paragraph,
17 as fully as if those provisions were set forth herein.

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 order 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 Regional Transportation Authority tax fund
25 established under paragraph (n) of this Section.

26 (h) The Authority may impose a replacement vehicle tax of

1 \$50 on any passenger car as defined in Section 1-157 of the
2 Illinois Vehicle Code purchased within the metropolitan region
3 by or on behalf of an insurance company to replace a passenger
4 car of an insured person in settlement of a total loss claim.
5 The tax imposed may not become effective before the first day
6 of the month following the passage of the ordinance imposing
7 the tax and receipt of a certified copy of the ordinance by the
8 Department of Revenue. The Department of Revenue shall collect
9 the tax for the Authority in accordance with Sections 3-2002
10 and 3-2003 of the Illinois Vehicle Code.

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

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

22 After the monthly transfer to the STAR Bonds Revenue Fund,
23 on ~~on~~ 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 Authority. The
26 amount to be paid to the Authority shall be the amount

1 collected hereunder during the second preceding calendar month
2 by the Department, less any amount determined by the Department
3 to be necessary for the payment of refunds, and less any
4 amounts that are transferred to the STAR Bonds Revenue Fund.

5 Within 10 days after receipt by the Comptroller of the
6 disbursement certification to the Authority provided for in
7 this Section to be given to the Comptroller by the Department,
8 the Comptroller shall cause the orders to be drawn for that
9 amount in accordance with the directions contained in the
10 certification.

11 (i) The Board may not impose any other taxes except as it
12 may from time to time be authorized by law to impose.

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

22 (k) The provisions of any tax imposed under paragraph (c)
23 of this Section shall conform as closely as may be practicable
24 to the provisions of the Use Tax Act, including without
25 limitation conformity as to penalties with respect to the tax
26 imposed and as to the powers of the State Department of Revenue

1 to promulgate and enforce rules and regulations relating to the
2 administration and enforcement of the provisions of the tax
3 imposed. The taxes shall be imposed only on use within the
4 metropolitan region and at rates as provided in the paragraph.

5 (l) The Board in imposing any tax as provided in paragraphs
6 (b) and (c) of this Section, shall, after seeking the advice of
7 the State Department of Revenue, provide means for retailers,
8 users or purchasers of motor fuel for purposes other than those
9 with regard to which the taxes may be imposed as provided in
10 those paragraphs to receive refunds of taxes improperly paid,
11 which provisions may be at variance with the refund provisions
12 as applicable under the Municipal Retailers Occupation Tax Act.
13 The State Department of Revenue may provide for certificates of
14 registration for users or purchasers of motor fuel for purposes
15 other than those with regard to which taxes may be imposed as
16 provided in paragraphs (b) and (c) of this Section to
17 facilitate the reporting and nontaxability of the exempt sales
18 or uses.

19 (m) Any ordinance imposing or discontinuing any tax under
20 this Section shall be adopted and a certified copy thereof
21 filed with the Department on or before June 1, whereupon the
22 Department of Revenue shall proceed to administer and enforce
23 this Section on behalf of the Regional Transportation Authority
24 as of September 1 next following such adoption and filing.
25 Beginning January 1, 1992, an ordinance or resolution imposing
26 or discontinuing the tax hereunder shall be adopted and a

1 certified copy thereof filed with the Department on or before
2 the first day of July, whereupon the Department shall proceed
3 to administer and enforce this Section as of the first day of
4 October next following such adoption and filing. Beginning
5 January 1, 1993, an ordinance or resolution imposing,
6 increasing, decreasing, or discontinuing the tax hereunder
7 shall be adopted and a certified copy thereof filed with the
8 Department, whereupon the Department shall proceed to
9 administer and enforce this Section as of the first day of the
10 first month to occur not less than 60 days following such
11 adoption and filing. Any ordinance or resolution of the
12 Authority imposing a tax under this Section and in effect on
13 August 1, 2007 shall remain in full force and effect and shall
14 be administered by the Department of Revenue under the terms
15 and conditions and rates of tax established by such ordinance
16 or resolution until the Department begins administering and
17 enforcing an increased tax under this Section as authorized by
18 this amendatory Act of the 95th General Assembly. The tax rates
19 authorized by this amendatory Act of the 95th General Assembly
20 are effective only if imposed by ordinance of the Authority.

21 (n) The State Department of Revenue shall, upon collecting
22 any taxes as provided in this Section, pay the taxes over to
23 the State Treasurer as trustee for the Authority. The taxes
24 shall be held in a trust fund outside the State Treasury. On or
25 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 and to the Authority (i)
2 the amount of taxes collected in each County other than Cook
3 County in the metropolitan region, (ii) the amount of taxes
4 collected within the City of Chicago, and (iii) the amount
5 collected in that portion of Cook County outside of Chicago,
6 each amount less the amount necessary for the payment of
7 refunds to taxpayers located in those areas described in items
8 (i), (ii), and (iii). Within 10 days after receipt by the
9 Comptroller of the certification of the amounts, the
10 Comptroller shall cause an order to be drawn for the payment of
11 two-thirds of the amounts certified in item (i) of this
12 subsection to the Authority and one-third of the amounts
13 certified in item (i) of this subsection to the respective
14 counties other than Cook County and the amount certified in
15 items (ii) and (iii) of this subsection to the Authority.

16 In addition to the disbursement required by the preceding
17 paragraph, an allocation shall be made in July 1991 and each
18 year thereafter to the Regional Transportation Authority. The
19 allocation shall be made in an amount equal to the average
20 monthly distribution during the preceding calendar year
21 (excluding the 2 months of lowest receipts) and the allocation
22 shall include the amount of average monthly distribution from
23 the Regional Transportation Authority Occupation and Use Tax
24 Replacement Fund. The distribution made in July 1992 and each
25 year thereafter under this paragraph and the preceding
26 paragraph shall be reduced by the amount allocated and

1 disbursed under this paragraph in the preceding calendar year.
2 The Department of Revenue shall prepare and certify to the
3 Comptroller for disbursement the allocations made in
4 accordance with this paragraph.

5 (o) Failure to adopt a budget ordinance or otherwise to
6 comply with Section 4.01 of this Act or to adopt a Five-year
7 Capital Program or otherwise to comply with paragraph (b) of
8 Section 2.01 of this Act shall not affect the validity of any
9 tax imposed by the Authority otherwise in conformity with law.

10 (p) At no time shall a public transportation tax or motor
11 vehicle parking tax authorized under paragraphs (b), (c) and
12 (d) of this Section be in effect at the same time as any
13 retailers' occupation, use or service occupation tax
14 authorized under paragraphs (e), (f) and (g) of this Section is
15 in effect.

16 Any taxes imposed under the authority provided in
17 paragraphs (b), (c) and (d) shall remain in effect only until
18 the time as any tax authorized by paragraphs (e), (f) or (g) of
19 this Section are imposed and becomes effective. Once any tax
20 authorized by paragraphs (e), (f) or (g) is imposed the Board
21 may not reimpose taxes as authorized in paragraphs (b), (c) and
22 (d) of the Section unless any tax authorized by paragraphs (e),
23 (f) or (g) of this Section becomes ineffective by means other
24 than an ordinance of the Board.

25 (q) Any existing rights, remedies and obligations
26 (including enforcement by the Regional Transportation

1 Authority) arising under any tax imposed under paragraphs (b),
2 (c) or (d) of this Section shall not be affected by the
3 imposition of a tax under paragraphs (e), (f) or (g) of this
4 Section.

5 (Source: P.A. 95-708, eff. 1-18-08.)

6 (Text of Section after amendment by P.A. 96-339)

7 Sec. 4.03. Taxes.

8 (a) In order to carry out any of the powers or purposes of
9 the Authority, the Board may by ordinance adopted with the
10 concurrence of 12 of the then Directors, impose throughout the
11 metropolitan region any or all of the taxes provided in this
12 Section. Except as otherwise provided in this Act, taxes
13 imposed under this Section and civil penalties imposed incident
14 thereto shall be collected and enforced by the State Department
15 of Revenue. The Department shall have the power to administer
16 and enforce the taxes and to determine all rights for refunds
17 for erroneous payments of the taxes. Nothing in this amendatory
18 Act of the 95th General Assembly is intended to invalidate any
19 taxes currently imposed by the Authority. The increased vote
20 requirements to impose a tax shall only apply to actions taken
21 after the effective date of this amendatory Act of the 95th
22 General Assembly.

23 (b) The Board may impose a public transportation tax upon
24 all persons engaged in the metropolitan region in the business
25 of selling at retail motor fuel for operation of motor vehicles

1 upon public highways. The tax shall be at a rate not to exceed
2 5% of the gross receipts from the sales of motor fuel in the
3 course of the business. As used in this Act, the term "motor
4 fuel" shall have the same meaning as in the Motor Fuel Tax Law.
5 The Board may provide for details of the tax. The provisions of
6 any tax shall conform, as closely as may be practicable, to the
7 provisions of the Municipal Retailers Occupation Tax Act,
8 including without limitation, conformity to penalties with
9 respect to the tax imposed and as to the powers of the State
10 Department of Revenue to promulgate and enforce rules and
11 regulations relating to the administration and enforcement of
12 the provisions of the tax imposed, except that reference in the
13 Act to any municipality shall refer to the Authority and the
14 tax shall be imposed only with regard to receipts from sales of
15 motor fuel in the metropolitan region, at rates as limited by
16 this Section.

17 (c) In connection with the tax imposed under paragraph (b)
18 of this Section the Board may impose a tax upon the privilege
19 of using in the metropolitan region motor fuel for the
20 operation of a motor vehicle upon public highways, the tax to
21 be at a rate not in excess of the rate of tax imposed under
22 paragraph (b) of this Section. The Board may provide for
23 details of the tax.

24 (d) The Board may impose a motor vehicle parking tax upon
25 the privilege of parking motor vehicles at off-street parking
26 facilities in the metropolitan region at which a fee is

1 charged, and may provide for reasonable classifications in and
2 exemptions to the tax, for administration and enforcement
3 thereof and for civil penalties and refunds thereunder and may
4 provide criminal penalties thereunder, the maximum penalties
5 not to exceed the maximum criminal penalties provided in the
6 Retailers' Occupation Tax Act. The Authority may collect and
7 enforce the tax itself or by contract with any unit of local
8 government. The State Department of Revenue shall have no
9 responsibility for the collection and enforcement unless the
10 Department agrees with the Authority to undertake the
11 collection and enforcement. As used in this paragraph, the term
12 "parking facility" means a parking area or structure having
13 parking spaces for more than 2 vehicles at which motor vehicles
14 are permitted to park in return for an hourly, daily, or other
15 periodic fee, whether publicly or privately owned, but does not
16 include parking spaces on a public street, the use of which is
17 regulated by parking meters.

18 (e) The Board may impose a Regional Transportation
19 Authority Retailers' Occupation Tax upon all persons engaged in
20 the business of selling tangible personal property at retail in
21 the metropolitan region. In Cook County the tax rate shall be
22 1.25% of the gross receipts from sales of food for human
23 consumption that is to be consumed off the premises where it is
24 sold (other than alcoholic beverages, soft drinks and food that
25 has been prepared for immediate consumption) and prescription
26 and nonprescription medicines, drugs, medical appliances and

1 insulin, urine testing materials, syringes and needles used by
2 diabetics, and 1% of the gross receipts from other taxable
3 sales made in the course of that business. In DuPage, Kane,
4 Lake, McHenry, and Will Counties, the tax rate shall be 0.75%
5 of the gross receipts from all taxable sales made in the course
6 of that business. The tax imposed under this Section and all
7 civil penalties that may be assessed as an incident thereof
8 shall be collected and enforced by the State Department of
9 Revenue. The Department shall have full power to administer and
10 enforce this Section; to collect all taxes and penalties so
11 collected in the manner hereinafter provided; and to determine
12 all rights to credit memoranda arising on account of the
13 erroneous payment of tax or penalty hereunder. In the
14 administration of, and compliance with this Section, the
15 Department and persons who are subject to this Section shall
16 have the same rights, remedies, privileges, immunities, powers
17 and duties, and be subject to the same conditions,
18 restrictions, limitations, penalties, exclusions, exemptions
19 and definitions of terms, and employ the same modes of
20 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,
21 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
22 therein other than the State rate of tax), 2c, 3 (except as to
23 the disposition of taxes and penalties collected), 4, 5, 5a,
24 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,
25 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
26 Section 3-7 of the Uniform Penalty and Interest Act, as fully

1 as if those provisions were set forth herein.

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

9 Whenever the Department determines that a refund should be
10 made under this Section to a claimant instead of issuing a
11 credit memorandum, the Department shall notify the State
12 Comptroller, who shall cause the warrant to be drawn for the
13 amount specified, and to the person named, in the notification
14 from the Department. The refund shall be paid by the State
15 Treasurer out of the Regional Transportation Authority tax fund
16 established under paragraph (n) of this Section.

17 If a tax is imposed under this subsection (e), a tax shall
18 also be imposed under subsections (f) and (g) of this Section.

19 For the purpose of determining whether a tax authorized
20 under this Section is applicable, a retail sale by a producer
21 of coal or other 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 other 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 Federal Constitution as a sale in

1 interstate or foreign commerce.

2 No tax shall be imposed or collected under this subsection
3 on the sale of a motor vehicle in this State to a resident of
4 another state if that motor vehicle will not be titled in this
5 State.

6 Nothing in this Section shall be construed to authorize the
7 Regional Transportation Authority to impose a tax upon the
8 privilege of engaging in any business that under the
9 Constitution of the United States may not be made the subject
10 of taxation by this State.

11 (f) If a tax has been imposed under paragraph (e), a
12 Regional Transportation Authority Service Occupation Tax shall
13 also be imposed upon all persons engaged, in the metropolitan
14 region in the business of making sales of service, who as an
15 incident to making the sales of service, transfer tangible
16 personal property within the metropolitan region, either in the
17 form of tangible personal property or in the form of real
18 estate as an incident to a sale of service. In Cook County, the
19 tax rate shall be: (1) 1.25% of the serviceman's cost price of
20 food prepared for immediate consumption and transferred
21 incident to a sale of service subject to the service occupation
22 tax by an entity licensed under the Hospital Licensing Act, the
23 Nursing Home Care Act, or the MR/DD Community Care Act that is
24 located in the metropolitan region; (2) 1.25% of the selling
25 price of food for human consumption that is to be consumed off
26 the premises where it is sold (other than alcoholic beverages,

1 soft drinks and food that has been prepared for immediate
2 consumption) and prescription and nonprescription medicines,
3 drugs, medical appliances and insulin, urine testing
4 materials, syringes and needles used by diabetics; and (3) 1%
5 of the selling price from other taxable sales of tangible
6 personal property transferred. In DuPage, Kane, Lake, McHenry
7 and Will Counties the rate shall be 0.75% of the selling price
8 of all tangible personal property transferred.

9 The tax imposed under this paragraph and all civil
10 penalties that may be assessed as an incident thereof shall be
11 collected and enforced by the State Department of Revenue. The
12 Department shall have full power to administer and enforce this
13 paragraph; to collect all taxes and penalties due hereunder; to
14 dispose of taxes and penalties collected in the manner
15 hereinafter provided; and to determine all rights to credit
16 memoranda arising on account of the erroneous payment of tax or
17 penalty hereunder. In the administration of and compliance with
18 this paragraph, the Department and persons who are subject to
19 this paragraph shall have the same rights, remedies,
20 privileges, immunities, powers and duties, and be subject to
21 the same conditions, restrictions, limitations, penalties,
22 exclusions, exemptions and definitions of terms, and employ the
23 same modes of procedure, as are prescribed in Sections 1a-1, 2,
24 2a, 3 through 3-50 (in respect to all provisions therein other
25 than the State rate of tax), 4 (except that the reference to
26 the State shall be to the Authority), 5, 7, 8 (except that the

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

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

19 Whenever the Department determines that a refund should be
20 made under this paragraph to a claimant instead of issuing a
21 credit memorandum, the Department shall notify the State
22 Comptroller, who shall cause the warrant to be drawn for the
23 amount specified, and to the person named in the notification
24 from the Department. The refund shall be paid by the State
25 Treasurer out of the Regional Transportation Authority tax fund
26 established under paragraph (n) of this Section.

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

5 (g) If a tax has been imposed under paragraph (e), a tax
6 shall also be imposed upon the privilege of using in the
7 metropolitan region, any item of tangible personal property
8 that is purchased outside the metropolitan region at retail
9 from a retailer, and that is titled or registered with an
10 agency of this State's government. In Cook County the tax rate
11 shall be 1% of the selling price of the tangible personal
12 property, as "selling price" is defined in the Use Tax Act. In
13 DuPage, Kane, Lake, McHenry and Will counties the tax rate
14 shall be 0.75% of the selling price of the tangible personal
15 property, as "selling price" is defined in the Use Tax Act. The
16 tax shall be collected from persons whose Illinois address for
17 titling or registration purposes is given as being in the
18 metropolitan region. The tax shall be collected by the
19 Department of Revenue for the Regional Transportation
20 Authority. The tax must be paid to the State, or an exemption
21 determination must be obtained from the Department of Revenue,
22 before the title or certificate of registration for the
23 property may be issued. The tax or proof of exemption may be
24 transmitted to the Department by way of the State agency with
25 which, or the State officer with whom, the tangible personal
26 property must be titled or registered if the Department and the

1 State agency or State officer determine that this procedure
2 will expedite the processing of applications for title or
3 registration.

4 The Department shall have full power to administer and
5 enforce this paragraph; to collect all taxes, penalties and
6 interest due hereunder; to dispose of taxes, penalties and
7 interest collected in the manner hereinafter provided; and to
8 determine all rights to credit memoranda or refunds arising on
9 account of the erroneous payment of tax, penalty or interest
10 hereunder. In the administration of and compliance with this
11 paragraph, the Department and persons who are subject to this
12 paragraph shall have the same rights, remedies, privileges,
13 immunities, powers and duties, and be subject to the same
14 conditions, restrictions, limitations, penalties, exclusions,
15 exemptions and definitions of terms and employ the same modes
16 of procedure, as are prescribed in Sections 2 (except the
17 definition of "retailer maintaining a place of business in this
18 State"), 3 through 3-80 (except provisions pertaining to the
19 State rate of tax, and except provisions concerning collection
20 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,
21 19 (except the portions pertaining to claims by retailers and
22 except the last paragraph concerning refunds), 20, 21 and 22 of
23 the Use Tax Act, and are not inconsistent with this paragraph,
24 as fully as if those provisions were set forth herein.

25 Whenever the Department determines that a refund should be
26 made under this paragraph to a claimant instead of issuing a

1 credit memorandum, the Department shall notify the State
2 Comptroller, who shall cause the order to be drawn for the
3 amount specified, and to the person named in the notification
4 from the Department. The refund shall be paid by the State
5 Treasurer out of the Regional Transportation Authority tax fund
6 established under paragraph (n) of this Section.

7 (h) The Authority may impose a replacement vehicle tax of
8 \$50 on any passenger car as defined in Section 1-157 of the
9 Illinois Vehicle Code purchased within the metropolitan region
10 by or on behalf of an insurance company to replace a passenger
11 car of an insured person in settlement of a total loss claim.
12 The tax imposed may not become effective before the first day
13 of the month following the passage of the ordinance imposing
14 the tax and receipt of a certified copy of the ordinance by the
15 Department of Revenue. The Department of Revenue shall collect
16 the tax for the Authority in accordance with Sections 3-2002
17 and 3-2003 of the Illinois Vehicle Code.

18 The Department shall immediately pay over to the State
19 Treasurer, ex officio, as trustee, all taxes collected
20 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 the Authority. The
7 amount to be paid to the Authority shall be the amount
8 collected hereunder during the second preceding calendar month
9 by the Department, less any amount determined by the Department
10 to be necessary for the payment of refunds, and less any
11 amounts that are transferred to the STAR Bonds Revenue Fund.

12 Within 10 days after receipt by the Comptroller of the
13 disbursement certification to the Authority provided for in
14 this Section to be given to the Comptroller by the Department,
15 the Comptroller shall cause the orders to be drawn for that
16 amount in accordance with the directions contained in the
17 certification.

18 (i) The Board may not impose any other taxes except as it
19 may from time to time be authorized by law to impose.

20 (j) A certificate of registration issued by the State
21 Department of Revenue to a retailer under the Retailers'
22 Occupation Tax Act or under the Service Occupation Tax Act
23 shall permit the registrant to engage in a business that is
24 taxed under the tax imposed under paragraphs (b), (e), (f) or
25 (g) of this Section and no additional registration shall be
26 required under the tax. A certificate issued under the Use Tax

1 Act or the Service Use Tax Act shall be applicable with regard
2 to any tax imposed under paragraph (c) of this Section.

3 (k) The provisions of any tax imposed under paragraph (c)
4 of this Section shall conform as closely as may be practicable
5 to the provisions of the Use Tax Act, including without
6 limitation conformity as to penalties with respect to the tax
7 imposed and as to the powers of the State Department of Revenue
8 to promulgate and enforce rules and regulations relating to the
9 administration and enforcement of the provisions of the tax
10 imposed. The taxes shall be imposed only on use within the
11 metropolitan region and at rates as provided in the paragraph.

12 (l) The Board in imposing any tax as provided in paragraphs
13 (b) and (c) of this Section, shall, after seeking the advice of
14 the State Department of Revenue, provide means for retailers,
15 users or purchasers of motor fuel for purposes other than those
16 with regard to which the taxes may be imposed as provided in
17 those paragraphs to receive refunds of taxes improperly paid,
18 which provisions may be at variance with the refund provisions
19 as applicable under the Municipal Retailers Occupation Tax Act.
20 The State Department of Revenue may provide for certificates of
21 registration for users or purchasers of motor fuel for purposes
22 other than those with regard to which taxes may be imposed as
23 provided in paragraphs (b) and (c) of this Section to
24 facilitate the reporting and nontaxability of the exempt sales
25 or uses.

26 (m) Any ordinance imposing or discontinuing any tax under

1 this Section shall be adopted and a certified copy thereof
2 filed with the Department on or before June 1, whereupon the
3 Department of Revenue shall proceed to administer and enforce
4 this Section on behalf of the Regional Transportation Authority
5 as of September 1 next following such adoption and filing.
6 Beginning January 1, 1992, an ordinance or resolution imposing
7 or 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 July, whereupon the Department shall proceed
10 to administer and enforce this Section as of the first day of
11 October next following such adoption and filing. Beginning
12 January 1, 1993, an ordinance or resolution imposing,
13 increasing, decreasing, or discontinuing the tax hereunder
14 shall be adopted and a certified copy thereof filed with the
15 Department, whereupon the Department shall proceed to
16 administer and enforce this Section as of the first day of the
17 first month to occur not less than 60 days following such
18 adoption and filing. Any ordinance or resolution of the
19 Authority imposing a tax under this Section and in effect on
20 August 1, 2007 shall remain in full force and effect and shall
21 be administered by the Department of Revenue under the terms
22 and conditions and rates of tax established by such ordinance
23 or resolution until the Department begins administering and
24 enforcing an increased tax under this Section as authorized by
25 this amendatory Act of the 95th General Assembly. The tax rates
26 authorized by this amendatory Act of the 95th General Assembly

1 are effective only if imposed by ordinance of the Authority.

2 (n) The State Department of Revenue shall, upon collecting
3 any taxes as provided in this Section, pay the taxes over to
4 the State Treasurer as trustee for the Authority. The taxes
5 shall be held in a trust fund outside the State Treasury. On or
6 before the 25th day of each calendar month, the State
7 Department of Revenue shall prepare and certify to the
8 Comptroller of the State of Illinois and to the Authority (i)
9 the amount of taxes collected in each County other than Cook
10 County in the metropolitan region, (ii) the amount of taxes
11 collected within the City of Chicago, and (iii) the amount
12 collected in that portion of Cook County outside of Chicago,
13 each amount less the amount necessary for the payment of
14 refunds to taxpayers located in those areas described in items
15 (i), (ii), and (iii). Within 10 days after receipt by the
16 Comptroller of the certification of the amounts, the
17 Comptroller shall cause an order to be drawn for the payment of
18 two-thirds of the amounts certified in item (i) of this
19 subsection to the Authority and one-third of the amounts
20 certified in item (i) of this subsection to the respective
21 counties other than Cook County and the amount certified in
22 items (ii) and (iii) of this subsection to the Authority.

23 In addition to the disbursement required by the preceding
24 paragraph, an allocation shall be made in July 1991 and each
25 year thereafter to the Regional Transportation Authority. The
26 allocation shall be made in an amount equal to the average

1 monthly distribution during the preceding calendar year
2 (excluding the 2 months of lowest receipts) and the allocation
3 shall include the amount of average monthly distribution from
4 the Regional Transportation Authority Occupation and Use Tax
5 Replacement Fund. The distribution made in July 1992 and each
6 year thereafter under this paragraph and the preceding
7 paragraph shall be reduced by the amount allocated and
8 disbursed under this paragraph in the preceding calendar year.
9 The Department of Revenue shall prepare and certify to the
10 Comptroller for disbursement the allocations made in
11 accordance with this paragraph.

12 (o) Failure to adopt a budget ordinance or otherwise to
13 comply with Section 4.01 of this Act or to adopt a Five-year
14 Capital Program or otherwise to comply with paragraph (b) of
15 Section 2.01 of this Act shall not affect the validity of any
16 tax imposed by the Authority otherwise in conformity with law.

17 (p) At no time shall a public transportation tax or motor
18 vehicle parking tax authorized under paragraphs (b), (c) and
19 (d) of this Section be in effect at the same time as any
20 retailers' occupation, use or service occupation tax
21 authorized under paragraphs (e), (f) and (g) of this Section is
22 in effect.

23 Any taxes imposed under the authority provided in
24 paragraphs (b), (c) and (d) shall remain in effect only until
25 the time as any tax authorized by paragraphs (e), (f) or (g) of
26 this Section are imposed and becomes effective. Once any tax

1 authorized by paragraphs (e), (f) or (g) is imposed the Board
2 may not reimpose taxes as authorized in paragraphs (b), (c) and
3 (d) of the Section unless any tax authorized by paragraphs (e),
4 (f) or (g) of this Section becomes ineffective by means other
5 than an ordinance of the Board.

6 (q) Any existing rights, remedies and obligations
7 (including enforcement by the Regional Transportation
8 Authority) arising under any tax imposed under paragraphs (b),
9 (c) or (d) of this Section shall not be affected by the
10 imposition of a tax under paragraphs (e), (f) or (g) of this
11 Section.

12 (Source: P.A. 95-708, eff. 1-18-08; 96-339, eff. 7-1-10.)

13 Section 105. The Water Commission Act of 1985 is amended by
14 changing Section 4 as follows:

15 (70 ILCS 3720/4) (from Ch. 111 2/3, par. 254)

16 Sec. 4. (a) The board of commissioners of any county water
17 commission may, by ordinance, impose throughout the territory
18 of the commission any or all of the taxes provided in this
19 Section for its corporate purposes. However, no county water
20 commission may impose any such tax unless the commission
21 certifies the proposition of imposing the tax to the proper
22 election officials, who shall submit the proposition to the
23 voters residing in the territory at an election in accordance
24 with the general election law, and the proposition has been

1 approved by a majority of those voting on the proposition.

2 The proposition shall be in the form provided in Section 5
3 or shall be substantially in the following form:

4 -----

5	Shall the (insert corporate	
6	name of county water commission)	YES
7	impose (state type of tax or	-----
8	taxes to be imposed) at the	NO
9	rate of 1/4%?	

10 -----

11 Taxes imposed under this Section and civil penalties
12 imposed incident thereto shall be collected and enforced by the
13 State Department of Revenue. The Department shall have the
14 power to administer and enforce the taxes and to determine all
15 rights for refunds for erroneous payments of the taxes.

16 (b) The board of commissioners may impose a County Water
17 Commission Retailers' Occupation Tax upon all persons engaged
18 in the business of selling tangible personal property at retail
19 in the territory of the commission at a rate of 1/4% of the
20 gross receipts from the sales made in the course of such
21 business 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 1, 1a, 1a-1, 1c, 1d,
11 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
12 therein other than the State rate of tax except that food for
13 human consumption that is to be consumed off the premises where
14 it is sold (other than alcoholic beverages, soft drinks, and
15 food that has been prepared for immediate consumption) and
16 prescription and nonprescription medicine, drugs, medical
17 appliances and insulin, urine testing materials, syringes, and
18 needles used by diabetics, for human use, shall not be subject
19 to tax hereunder), 2c, 3 (except as to the disposition of taxes
20 and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h,
21 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the
22 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
23 Penalty and Interest Act, as fully as if those provisions were
24 set forth herein.

25 Persons subject to any tax imposed under the authority
26 granted in this paragraph 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 and under
5 subsection (e) of Section 4.03 of the Regional Transportation
6 Authority Act, in accordance with such bracket schedules as the
7 Department may prescribe.

8 Whenever the Department determines that a refund should be
9 made under this paragraph to a claimant instead of issuing a
10 credit memorandum, the Department shall notify the State
11 Comptroller, who shall cause the warrant to be drawn for the
12 amount specified, and to the person named, in the notification
13 from the Department. The refund shall be paid by the State
14 Treasurer out of a county water commission tax fund established
15 under paragraph (g) of this Section.

16 For the purpose of determining whether a tax authorized
17 under this paragraph 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 If a tax is imposed under this subsection (b) a tax shall
26 also be imposed under subsections (c) and (d) of this Section.

1 No tax shall be imposed or collected under this subsection
2 on the sale of a motor vehicle in this State to a resident of
3 another state if that motor vehicle will not be titled in this
4 State.

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

10 (c) If a tax has been imposed under subsection (b), a
11 County Water Commission Service Occupation Tax shall also be
12 imposed upon all persons engaged, in the territory of the
13 commission, in the business of making sales of service, who, as
14 an incident to making the sales of service, transfer tangible
15 personal property within the territory. The tax rate shall be
16 1/4% of the selling price of tangible personal property so
17 transferred within the territory. The tax imposed under this
18 paragraph and all civil penalties that may be assessed as an
19 incident thereof shall be collected and enforced by the State
20 Department of Revenue. The Department shall have full power to
21 administer and enforce this paragraph; to collect all taxes and
22 penalties due hereunder; to dispose of taxes and penalties so
23 collected in the manner hereinafter provided; and to determine
24 all rights to credit memoranda arising on account of the
25 erroneous payment of tax or penalty hereunder. In the
26 administration of, and compliance with, this paragraph, the

1 Department and persons who are subject to this paragraph shall
2 have the same rights, remedies, privileges, immunities, powers
3 and duties, and be subject to the same conditions,
4 restrictions, limitations, penalties, exclusions, exemptions
5 and definitions of terms, and employ the same modes of
6 procedure, as are prescribed in Sections 1a-1, 2 (except that
7 the reference to State in the definition of supplier
8 maintaining a place of business in this State shall mean the
9 territory of the commission), 2a, 3 through 3-50 (in respect to
10 all provisions therein other than the State rate of tax except
11 that food for human consumption that is to be consumed off the
12 premises where it is sold (other than alcoholic beverages, soft
13 drinks, and food that has been prepared for immediate
14 consumption) and prescription and nonprescription medicines,
15 drugs, medical appliances and insulin, urine testing
16 materials, syringes, and needles used by diabetics, for human
17 use, shall not be subject to tax hereunder), 4 (except that the
18 reference to the State shall be to the territory of the
19 commission), 5, 7, 8 (except that the jurisdiction to which the
20 tax shall be a debt to the extent indicated in that Section 8
21 shall be the commission), 9 (except as to the disposition of
22 taxes and penalties collected and except that the returned
23 merchandise credit for this tax may not be taken against any
24 State tax), 10, 11, 12 (except the reference therein to Section
25 2b of the Retailers' Occupation Tax Act), 13 (except that any
26 reference to the State shall mean the territory of the

1 commission), the first paragraph of Section 15, 15.5, 16, 17,
2 18, 19 and 20 of the Service Occupation Tax Act as fully as if
3 those provisions were set forth herein.

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

14 Whenever the Department determines that a refund should be
15 made under this paragraph to a claimant instead of issuing a
16 credit memorandum, the Department shall notify the State
17 Comptroller, who shall cause the 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 a county water commission tax fund established
21 under paragraph (g) of this Section.

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

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

22 The Department shall have full power to administer and
23 enforce this paragraph; to collect all taxes, penalties and
24 interest due hereunder; to dispose of taxes, penalties and
25 interest so collected in the manner hereinafter provided; and
26 to determine all rights to credit memoranda or refunds arising

1 on account of the erroneous payment of tax, penalty or interest
2 hereunder. In the administration of, and compliance with this
3 paragraph, the Department and persons who are subject to this
4 paragraph shall have the same rights, remedies, privileges,
5 immunities, powers and duties, and be subject to the same
6 conditions, restrictions, limitations, penalties, exclusions,
7 exemptions and definitions of terms and employ the same modes
8 of procedure, as are prescribed in Sections 2 (except the
9 definition of "retailer maintaining a place of business in this
10 State"), 3 through 3-80 (except provisions pertaining to the
11 State rate of tax, and except provisions concerning collection
12 or refunding of the tax by retailers, and except that food for
13 human consumption that is to be consumed off the premises where
14 it is sold (other than alcoholic beverages, soft drinks, and
15 food that has been prepared for immediate consumption) and
16 prescription and nonprescription medicines, drugs, medical
17 appliances and insulin, urine testing materials, syringes, and
18 needles used by diabetics, for human use, shall not be subject
19 to tax hereunder), 4, 11, 12, 12a, 14, 15, 19 (except the
20 portions pertaining to claims by retailers and except the last
21 paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act
22 and Section 3-7 of the Uniform Penalty and Interest Act that
23 are not inconsistent with this paragraph, as fully as if those
24 provisions were set forth herein.

25 Whenever the Department determines that a refund should be
26 made under this paragraph to a claimant instead of issuing a

1 credit memorandum, the Department shall notify the State
2 Comptroller, who shall cause the order to be drawn for the
3 amount specified, and to the person named, in the notification
4 from the Department. The refund shall be paid by the State
5 Treasurer out of a county water commission tax fund established
6 under paragraph (g) of this Section.

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

16 (f) Any ordinance imposing or discontinuing any tax under
17 this Section shall be adopted and a certified copy thereof
18 filed with the Department on or before June 1, whereupon the
19 Department of Revenue shall proceed to administer and enforce
20 this Section on behalf of the county water commission as of
21 September 1 next following the adoption and filing. Beginning
22 January 1, 1992, an ordinance or resolution imposing or
23 discontinuing the tax hereunder shall be adopted and a
24 certified copy thereof filed with the Department on or before
25 the first day of July, whereupon the Department shall proceed
26 to administer and enforce this Section as of the first day of

1 October next following such adoption and filing. Beginning
2 January 1, 1993, an ordinance or resolution imposing or
3 discontinuing the tax hereunder shall be adopted and a
4 certified copy thereof filed with the Department on or before
5 the first day of October, whereupon the Department shall
6 proceed to administer and enforce this Section as of the first
7 day of January next following such adoption and filing.

8 (g) The State Department of Revenue shall, upon collecting
9 any taxes as provided in this Section, pay the taxes over to
10 the State Treasurer as trustee for the commission. The taxes
11 shall be held in a trust fund outside the State Treasury.

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

20 After the monthly transfer to the STAR Bonds Revenue Fund,
21 on ~~On~~ or before the 25th day of each calendar month, the State
22 Department of Revenue shall prepare and certify to the
23 Comptroller of the State of Illinois the amount to be paid to
24 the commission, which shall be the then balance in the fund,
25 less any amount determined by the Department to be necessary
26 for the payment of refunds, and less any amounts that are

1 transferred to the STAR Bonds Revenue Fund. Within 10 days
2 after receipt by the Comptroller of the certification of the
3 amount to be paid to the commission, the Comptroller shall
4 cause an order to be drawn for the payment for the amount in
5 accordance with the direction in the certification.

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

7 Section 995. No acceleration or delay. Where this Act makes
8 changes in a statute that is represented in this Act by text
9 that is not yet or no longer in effect (for example, a Section
10 represented by multiple versions), the use of that text does
11 not accelerate or delay the taking effect of (i) the changes
12 made by this Act or (ii) provisions derived from any other
13 Public Act.

14 Section 999. Effective date. This Act takes effect upon
15 becoming law."