

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by
5 changing Sections 8-11-1.1, 8-11-1.3, 8-11-1.4, and 8-11-1.5
6 as follows:

7 (65 ILCS 5/8-11-1.1) (from Ch. 24, par. 8-11-1.1)

8 Sec. 8-11-1.1. Non-home rule municipalities; imposition of
9 taxes.

10 (a) The corporate authorities of a non-home rule
11 municipality may, upon approval of the electors of the
12 municipality pursuant to subsection (b) of this Section, impose
13 by ordinance or resolution the tax authorized in Sections
14 8-11-1.3, 8-11-1.4 and 8-11-1.5 of this Act.

15 (b) The corporate authorities of the municipality may by
16 ordinance or resolution call for the submission to the electors
17 of the municipality the question of whether the municipality
18 shall impose such tax. Such question shall be certified by the
19 municipal clerk to the election authority in accordance with
20 Section 28-5 of the Election Code and shall be in a form in
21 accordance with Section 16-7 of the Election Code.

22 Notwithstanding any provision of law to the contrary, if
23 the proceeds of the tax may be used for municipal operations

1 pursuant to Section 8-11-1.3, 8-11-1.4, or 8-11-1.5, then the
2 election authority must submit the question in substantially
3 the following form:

4 Shall the corporate authorities of the municipality be
5 authorized to levy a tax at a rate of (rate)% for
6 expenditures on municipal operations, expenditures on
7 public infrastructure, or property tax relief?

8 If a majority of the electors in the municipality voting
9 upon the question vote in the affirmative, such tax shall be
10 imposed.

11 An ordinance or resolution imposing the tax of not more
12 than 1% hereunder or discontinuing the same shall be adopted
13 and a certified copy thereof, together with a certification
14 that the ordinance or resolution received referendum approval
15 in the case of the imposition of such tax, filed with the
16 Department of Revenue, on or before the first day of June,
17 whereupon the Department shall proceed to administer and
18 enforce the additional tax or to discontinue the tax, as the
19 case may be, as of the first day of September next following
20 such adoption and filing. Beginning January 1, 1992, an
21 ordinance or resolution imposing or discontinuing the tax
22 hereunder shall be adopted and a certified copy thereof filed
23 with the Department on or before the first day of July,
24 whereupon the Department shall proceed to administer and
25 enforce this Section as of the first day of October next
26 following such adoption and filing. Beginning January 1, 1993,

1 an ordinance or resolution imposing or discontinuing the tax
2 hereunder shall be adopted and a certified copy thereof filed
3 with the Department on or before the first day of October,
4 whereupon the Department shall proceed to administer and
5 enforce this Section as of the first day of January next
6 following such adoption and filing. Beginning October 1, 2002,
7 an ordinance or resolution imposing or discontinuing the tax
8 under this Section or effecting a change in the rate of tax
9 must either (i) be adopted and a certified copy of the
10 ordinance or resolution filed with the Department on or before
11 the first day of April, whereupon the Department shall proceed
12 to administer and enforce this Section as of the first day of
13 July next following the adoption and filing; or (ii) be adopted
14 and a certified copy of the ordinance or resolution filed with
15 the Department on or before the first day of October, whereupon
16 the Department shall proceed to administer and enforce this
17 Section as of the first day of January next following the
18 adoption and filing.

19 Notwithstanding any provision in this Section to the
20 contrary, if, in a non-home rule municipality with more than
21 150,000 but fewer than 200,000 inhabitants, as determined by
22 the last preceding federal decennial census, an ordinance or
23 resolution under this Section imposes or discontinues a tax or
24 changes the tax rate as of July 1, 2007, then that ordinance or
25 resolution, together with a certification that the ordinance or
26 resolution received referendum approval in the case of the

1 imposition of the tax, must be adopted and a certified copy of
2 that ordinance or resolution must be filed with the Department
3 on or before May 15, 2007, whereupon the Department shall
4 proceed to administer and enforce this Section as of July 1,
5 2007.

6 Notwithstanding any provision in this Section to the
7 contrary, if, in a non-home rule municipality with more than
8 6,500 but fewer than 7,000 inhabitants, as determined by the
9 last preceding federal decennial census, an ordinance or
10 resolution under this Section imposes or discontinues a tax or
11 changes the tax rate on or before May 20, 2009, then that
12 ordinance or resolution, together with a certification that the
13 ordinance or resolution received referendum approval in the
14 case of the imposition of the tax, must be adopted and a
15 certified copy of that ordinance or resolution must be filed
16 with the Department on or before May 20, 2009, whereupon the
17 Department shall proceed to administer and enforce this Section
18 as of July 1, 2009.

19 A non-home rule municipality may file a certified copy of
20 an ordinance or resolution, with a certification that the
21 ordinance or resolution received referendum approval in the
22 case of the imposition of the tax, with the Department of
23 Revenue, as required under this Section, only after October 2,
24 2000.

25 The tax authorized by this Section may not be more than 1%
26 and may be imposed only in 1/4% increments.

1 (Source: P.A. 95-8, eff. 6-29-07; 96-10, eff. 5-20-09.)

2 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

3 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
4 Occupation Tax Act. The corporate authorities of a non-home
5 rule municipality may impose a tax upon all persons engaged in
6 the business of selling tangible personal property, other than
7 on an item of tangible personal property which is titled and
8 registered by an agency of this State's Government, at retail
9 in the municipality for expenditure on public infrastructure or
10 for property tax relief or both as defined in Section 8-11-1.2
11 if approved by referendum as provided in Section 8-11-1.1, of
12 the gross receipts from such sales made in the course of such
13 business. If the tax is approved by referendum on or after the
14 effective date of this amendatory Act of the 96th General
15 Assembly, the corporate authorities of a non-home rule
16 municipality may, until December 31, 2015, use the proceeds of
17 the tax for expenditure on municipal operations, in addition to
18 or in lieu of any expenditure on public infrastructure or for
19 property tax relief. The tax imposed may not be more than 1%
20 and may be imposed only in 1/4% increments. The tax may not be
21 imposed on the sale of food for human consumption that is to be
22 consumed off the premises where it is sold (other than
23 alcoholic beverages, soft drinks, and food that has been
24 prepared for immediate consumption) and prescription and
25 nonprescription medicines, drugs, medical appliances, and

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

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

5 No municipality may impose a tax under this Section unless
6 the municipality also imposes a tax at the same rate under
7 Section 8-11-1.4 of this Code.

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

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

23 The Department shall forthwith pay over to the State
24 Treasurer, ex officio, as trustee, all taxes and penalties
25 collected hereunder. On or before the 25th day of each calendar
26 month, the Department shall prepare and certify to the

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

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

1 or other mineral when it is delivered or shipped by the seller
2 to the purchaser at a point outside Illinois so that the sale
3 is exempt under the Federal Constitution as a sale in
4 interstate or foreign commerce.

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

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

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

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

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

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

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

25 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation

1 Tax Act. The corporate authorities of a non-home rule
2 municipality may impose a tax upon all persons engaged, in such
3 municipality, in the business of making sales of service for
4 expenditure on public infrastructure or for property tax relief
5 or both as defined in Section 8-11-1.2 if approved by
6 referendum as provided in Section 8-11-1.1, of the selling
7 price of all tangible personal property transferred by such
8 servicemen either in the form of tangible personal property or
9 in the form of real estate as an incident to a sale of service.
10 If the tax is approved by referendum on or after the effective
11 date of this amendatory Act of the 96th General Assembly, the
12 corporate authorities of a non-home rule municipality may,
13 until December 31, 2015, use the proceeds of the tax for
14 expenditure on municipal operations, in addition to or in lieu
15 of any expenditure on public infrastructure or for property tax
16 relief. The tax imposed may not be more than 1% and may be
17 imposed only in 1/4% increments. The tax may not be imposed on
18 the sale of food for human consumption that is to be consumed
19 off the premises where it is sold (other than alcoholic
20 beverages, soft drinks, and food that 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 municipality pursuant to this Section and all
25 civil penalties that may be assessed as an incident thereof
26 shall be collected and enforced by the State Department of

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

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

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

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

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

26 The Department shall forthwith pay over to the State

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

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

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

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

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

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

8 (65 ILCS 5/8-11-1.5) (from Ch. 24, par. 8-11-1.5)

9 Sec. 8-11-1.5. Non-Home Rule Municipal Use Tax Act. The
10 corporate authorities of a non-home rule municipality may
11 impose a tax upon the privilege of using, in such municipality,
12 any item of tangible personal property which is purchased at
13 retail from a retailer, and which is titled or registered with
14 an agency of this State's government, based on the selling
15 price of such tangible personal property, as "selling price" is
16 defined in the Use Tax Act, for expenditure on public
17 infrastructure or for property tax relief or both as defined in
18 Section 8-11-1.2, if approved by referendum as provided in
19 Section 8-11-1.1. If the tax is approved by referendum on or
20 after the effective date of this amendatory Act of the 96th
21 General Assembly, the corporate authorities of a non-home rule
22 municipality may, until December 31, 2015, use the proceeds of
23 the tax for expenditure on municipal operations, in addition to
24 or in lieu of any expenditure on public infrastructure or for
25 property tax relief. The tax imposed may not be more than 1%

1 and may be imposed only in 1/4% increments. Such tax shall be
2 collected from persons whose Illinois address for title or
3 registration purposes is given as being in such municipality.
4 Such tax shall be collected by the municipality imposing such
5 tax. A non-home rule municipality may not impose and collect
6 the tax prior to January 1, 2002.

7 This Section shall be known and may be cited as the
8 "Non-Home Rule Municipal Use Tax Act".

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

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.