

**SB2586**



**97TH GENERAL ASSEMBLY**

**State of Illinois**

**2011 and 2012**

**SB2586**

Introduced 1/18/2012, by Sen. John J. Cullerton

**SYNOPSIS AS INTRODUCED:**

30 ILCS 115/12

from Ch. 85, par. 616

Amends the State Revenue Sharing Act. Makes a technical change in a Section concerning the Personal Property Tax Replacement Fund.

LRB097 16067 PJG 61220 b

**A BILL FOR**

1 AN ACT concerning finance.

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

4 Section 5. The State Revenue Sharing Act is amended by  
5 changing Section 12 as follows:

6 (30 ILCS 115/12) (from Ch. 85, par. 616)

7 Sec. 12. Personal Property Tax Replacement Fund. There is  
8 hereby created the ~~the~~ Personal Property Tax Replacement Fund,  
9 a special fund in the State Treasury into which shall be paid  
10 all revenue realized:

11 (a) all amounts realized from the additional personal  
12 property tax replacement income tax imposed by subsections (c)  
13 and (d) of Section 201 of the Illinois Income Tax Act, except  
14 for those amounts deposited into the Income Tax Refund Fund  
15 pursuant to subsection (c) of Section 901 of the Illinois  
16 Income Tax Act; and

17 (b) all amounts realized from the additional personal  
18 property replacement invested capital taxes imposed by Section  
19 2a.1 of the Messages Tax Act, Section 2a.1 of the Gas Revenue  
20 Tax Act, Section 2a.1 of the Public Utilities Revenue Act, and  
21 Section 3 of the Water Company Invested Capital Tax Act, and  
22 amounts payable to the Department of Revenue under the  
23 Telecommunications Infrastructure Maintenance Fee Act.

1           As soon as may be after the end of each month, the  
2 Department of Revenue shall certify to the Treasurer and the  
3 Comptroller the amount of all refunds paid out of the General  
4 Revenue Fund through the preceding month on account of  
5 overpayment of liability on taxes paid into the Personal  
6 Property Tax Replacement Fund. Upon receipt of such  
7 certification, the Treasurer and the Comptroller shall  
8 transfer the amount so certified from the Personal Property Tax  
9 Replacement Fund into the General Revenue Fund.

10           The payments of revenue into the Personal Property Tax  
11 Replacement Fund shall be used exclusively for distribution to  
12 taxing districts, regional offices and officials for fiscal  
13 year 2012, and local officials as provided in this Section and  
14 in the School Code, payment of the ordinary and contingent  
15 expenses of the Property Tax Appeal Board, payment of the  
16 expenses of the Department of Revenue incurred in administering  
17 the collection and distribution of monies paid into the  
18 Personal Property Tax Replacement Fund and transfers due to  
19 refunds to taxpayers for overpayment of liability for taxes  
20 paid into the Personal Property Tax Replacement Fund.

21           As soon as may be after the effective date of this  
22 amendatory Act of 1980, the Department of Revenue shall certify  
23 to the Treasurer the amount of net replacement revenue paid  
24 into the General Revenue Fund prior to that effective date from  
25 the additional tax imposed by Section 2a.1 of the Messages Tax  
26 Act; Section 2a.1 of the Gas Revenue Tax Act; Section 2a.1 of

1 the Public Utilities Revenue Act; Section 3 of the Water  
2 Company Invested Capital Tax Act; amounts collected by the  
3 Department of Revenue under the Telecommunications  
4 Infrastructure Maintenance Fee Act; and the additional  
5 personal property tax replacement income tax imposed by the  
6 Illinois Income Tax Act, as amended by Public Act 81-1st  
7 Special Session-1. Net replacement revenue shall be defined as  
8 the total amount paid into and remaining in the General Revenue  
9 Fund as a result of those Acts minus the amount outstanding and  
10 obligated from the General Revenue Fund in state vouchers or  
11 warrants prior to the effective date of this amendatory Act of  
12 1980 as refunds to taxpayers for overpayment of liability under  
13 those Acts.

14 All interest earned by monies accumulated in the Personal  
15 Property Tax Replacement Fund shall be deposited in such Fund.  
16 All amounts allocated pursuant to this Section are appropriated  
17 on a continuing basis.

18 Prior to December 31, 1980, as soon as may be after the end  
19 of each quarter beginning with the quarter ending December 31,  
20 1979, and on and after December 31, 1980, as soon as may be  
21 after January 1, March 1, April 1, May 1, July 1, August 1,  
22 October 1 and December 1 of each year, the Department of  
23 Revenue shall allocate to each taxing district as defined in  
24 Section 1-150 of the Property Tax Code, in accordance with the  
25 provisions of paragraph (2) of this Section the portion of the  
26 funds held in the Personal Property Tax Replacement Fund which

1 is required to be distributed, as provided in paragraph (1),  
2 for each quarter. Provided, however, under no circumstances  
3 shall any taxing district during each of the first two years of  
4 distribution of the taxes imposed by this amendatory Act of  
5 1979 be entitled to an annual allocation which is less than the  
6 funds such taxing district collected from the 1978 personal  
7 property tax. Provided further that under no circumstances  
8 shall any taxing district during the third year of distribution  
9 of the taxes imposed by this amendatory Act of 1979 receive  
10 less than 60% of the funds such taxing district collected from  
11 the 1978 personal property tax. In the event that the total of  
12 the allocations made as above provided for all taxing  
13 districts, during either of such 3 years, exceeds the amount  
14 available for distribution the allocation of each taxing  
15 district shall be proportionately reduced. Except as provided  
16 in Section 13 of this Act, the Department shall then certify,  
17 pursuant to appropriation, such allocations to the State  
18 Comptroller who shall pay over to the several taxing districts  
19 the respective amounts allocated to them.

20 Any township which receives an allocation based in whole or  
21 in part upon personal property taxes which it levied pursuant  
22 to Section 6-507 or 6-512 of the Illinois Highway Code and  
23 which was previously required to be paid over to a municipality  
24 shall immediately pay over to that municipality a proportionate  
25 share of the personal property replacement funds which such  
26 township receives.

1 Any municipality or township, other than a municipality  
2 with a population in excess of 500,000, which receives an  
3 allocation based in whole or in part on personal property taxes  
4 which it levied pursuant to Sections 3-1, 3-4 and 3-6 of the  
5 Illinois Local Library Act and which was previously required to  
6 be paid over to a public library shall immediately pay over to  
7 that library a proportionate share of the personal property tax  
8 replacement funds which such municipality or township  
9 receives; provided that if such a public library has converted  
10 to a library organized under The Illinois Public Library  
11 District Act, regardless of whether such conversion has  
12 occurred on, after or before January 1, 1988, such  
13 proportionate share shall be immediately paid over to the  
14 library district which maintains and operates the library.  
15 However, any library that has converted prior to January 1,  
16 1988, and which hitherto has not received the personal property  
17 tax replacement funds, shall receive such funds commencing on  
18 January 1, 1988.

19 Any township which receives an allocation based in whole or  
20 in part on personal property taxes which it levied pursuant to  
21 Section 1c of the Public Graveyards Act and which taxes were  
22 previously required to be paid over to or used for such public  
23 cemetery or cemeteries shall immediately pay over to or use for  
24 such public cemetery or cemeteries a proportionate share of the  
25 personal property tax replacement funds which the township  
26 receives.

1 Any taxing district which receives an allocation based in  
2 whole or in part upon personal property taxes which it levied  
3 for another governmental body or school district in Cook County  
4 in 1976 or for another governmental body or school district in  
5 the remainder of the State in 1977 shall immediately pay over  
6 to that governmental body or school district the amount of  
7 personal property replacement funds which such governmental  
8 body or school district would receive directly under the  
9 provisions of paragraph (2) of this Section, had it levied its  
10 own taxes.

11 (1) The portion of the Personal Property Tax  
12 Replacement Fund required to be distributed as of the time  
13 allocation is required to be made shall be the amount  
14 available in such Fund as of the time allocation is  
15 required to be made.

16 The amount available for distribution shall be the  
17 total amount in the fund at such time minus the necessary  
18 administrative and other authorized expenses as limited by  
19 the appropriation and the amount determined by: (a) \$2.8  
20 million for fiscal year 1981; (b) for fiscal year 1982,  
21 .54% of the funds distributed from the fund during the  
22 preceding fiscal year; (c) for fiscal year 1983 through  
23 fiscal year 1988, .54% of the funds distributed from the  
24 fund during the preceding fiscal year less .02% of such  
25 fund for fiscal year 1983 and less .02% of such funds for  
26 each fiscal year thereafter; (d) for fiscal year 1989

1 through fiscal year 2011 no more than 105% of the actual  
2 administrative expenses of the prior fiscal year; (e) for  
3 fiscal year 2012 and beyond, a sufficient amount to pay (i)  
4 stipends, additional compensation, salary reimbursements,  
5 and other amounts directed to be paid out of this Fund for  
6 local officials as authorized or required by statute and  
7 (ii) no more than 105% of the actual administrative  
8 expenses of the prior fiscal year, including payment of the  
9 ordinary and contingent expenses of the Property Tax Appeal  
10 Board and payment of the expenses of the Department of  
11 Revenue incurred in administering the collection and  
12 distribution of moneys paid into the Fund; or (f) for  
13 fiscal year 2012 only, a sufficient amount to pay stipends,  
14 additional compensation, salary reimbursements, and other  
15 amounts directed to be paid out of this Fund for regional  
16 offices and officials as authorized or required by statute.  
17 Such portion of the fund shall be determined after the  
18 transfer into the General Revenue Fund due to refunds, if  
19 any, paid from the General Revenue Fund during the  
20 preceding quarter. If at any time, for any reason, there is  
21 insufficient amount in the Personal Property Tax  
22 Replacement Fund for payments for regional offices and  
23 officials or local officials or payment of costs of  
24 administration or for transfers due to refunds at the end  
25 of any particular month, the amount of such insufficiency  
26 shall be carried over for the purposes of payments for



1 regional offices and officials, local officials, transfers  
2 into the General Revenue Fund, and costs of administration  
3 to the following month or months. Net replacement revenue  
4 held, and defined above, shall be transferred by the  
5 Treasurer and Comptroller to the Personal Property Tax  
6 Replacement Fund within 10 days of such certification.

7 (2) Each quarterly allocation shall first be  
8 apportioned in the following manner: 51.65% for taxing  
9 districts in Cook County and 48.35% for taxing districts in  
10 the remainder of the State.

11 The Personal Property Replacement Ratio of each taxing  
12 district outside Cook County shall be the ratio which the Tax  
13 Base of that taxing district bears to the Downstate Tax Base.  
14 The Tax Base of each taxing district outside of Cook County is  
15 the personal property tax collections for that taxing district  
16 for the 1977 tax year. The Downstate Tax Base is the personal  
17 property tax collections for all taxing districts in the State  
18 outside of Cook County for the 1977 tax year. The Department of  
19 Revenue shall have authority to review for accuracy and  
20 completeness the personal property tax collections for each  
21 taxing district outside Cook County for the 1977 tax year.

22 The Personal Property Replacement Ratio of each Cook County  
23 taxing district shall be the ratio which the Tax Base of that  
24 taxing district bears to the Cook County Tax Base. The Tax Base  
25 of each Cook County taxing district is the personal property  
26 tax collections for that taxing district for the 1976 tax year.

1 The Cook County Tax Base is the personal property tax  
2 collections for all taxing districts in Cook County for the  
3 1976 tax year. The Department of Revenue shall have authority  
4 to review for accuracy and completeness the personal property  
5 tax collections for each taxing district within Cook County for  
6 the 1976 tax year.

7 For all purposes of this Section 12, amounts paid to a  
8 taxing district for such tax years as may be applicable by a  
9 foreign corporation under the provisions of Section 7-202 of  
10 the Public Utilities Act, as amended, shall be deemed to be  
11 personal property taxes collected by such taxing district for  
12 such tax years as may be applicable. The Director shall  
13 determine from the Illinois Commerce Commission, for any tax  
14 year as may be applicable, the amounts so paid by any such  
15 foreign corporation to any and all taxing districts. The  
16 Illinois Commerce Commission shall furnish such information to  
17 the Director. For all purposes of this Section 12, the Director  
18 shall deem such amounts to be collected personal property taxes  
19 of each such taxing district for the applicable tax year or  
20 years.

21 Taxing districts located both in Cook County and in one or  
22 more other counties shall receive both a Cook County allocation  
23 and a Downstate allocation determined in the same way as all  
24 other taxing districts.

25 If any taxing district in existence on July 1, 1979 ceases  
26 to exist, or discontinues its operations, its Tax Base shall

1 thereafter be deemed to be zero. If the powers, duties and  
2 obligations of the discontinued taxing district are assumed by  
3 another taxing district, the Tax Base of the discontinued  
4 taxing district shall be added to the Tax Base of the taxing  
5 district assuming such powers, duties and obligations.

6 If two or more taxing districts in existence on July 1,  
7 1979, or a successor or successors thereto shall consolidate  
8 into one taxing district, the Tax Base of such consolidated  
9 taxing district shall be the sum of the Tax Bases of each of  
10 the taxing districts which have consolidated.

11 If a single taxing district in existence on July 1, 1979,  
12 or a successor or successors thereto shall be divided into two  
13 or more separate taxing districts, the tax base of the taxing  
14 district so divided shall be allocated to each of the resulting  
15 taxing districts in proportion to the then current equalized  
16 assessed value of each resulting taxing district.

17 If a portion of the territory of a taxing district is  
18 disconnected and annexed to another taxing district of the same  
19 type, the Tax Base of the taxing district from which  
20 disconnection was made shall be reduced in proportion to the  
21 then current equalized assessed value of the disconnected  
22 territory as compared with the then current equalized assessed  
23 value within the entire territory of the taxing district prior  
24 to disconnection, and the amount of such reduction shall be  
25 added to the Tax Base of the taxing district to which  
26 annexation is made.

1           If a community college district is created after July 1,  
2 1979, beginning on the effective date of this amendatory Act of  
3 1995, its Tax Base shall be 3.5% of the sum of the personal  
4 property tax collected for the 1977 tax year within the  
5 territorial jurisdiction of the district.

6           The amounts allocated and paid to taxing districts pursuant  
7 to the provisions of this amendatory Act of 1979 shall be  
8 deemed to be substitute revenues for the revenues derived from  
9 taxes imposed on personal property pursuant to the provisions  
10 of the "Revenue Act of 1939" or "An Act for the assessment and  
11 taxation of private car line companies", approved July 22,  
12 1943, as amended, or Section 414 of the Illinois Insurance  
13 Code, prior to the abolition of such taxes and shall be used  
14 for the same purposes as the revenues derived from ad valorem  
15 taxes on real estate.

16           Monies received by any taxing districts from the Personal  
17 Property Tax Replacement Fund shall be first applied toward  
18 payment of the proportionate amount of debt service which was  
19 previously levied and collected from extensions against  
20 personal property on bonds outstanding as of December 31, 1978  
21 and next applied toward payment of the proportionate share of  
22 the pension or retirement obligations of the taxing district  
23 which were previously levied and collected from extensions  
24 against personal property. For each such outstanding bond  
25 issue, the County Clerk shall determine the percentage of the  
26 debt service which was collected from extensions against real

1 estate in the taxing district for 1978 taxes payable in 1979,  
2 as related to the total amount of such levies and collections  
3 from extensions against both real and personal property. For  
4 1979 and subsequent years' taxes, the County Clerk shall levy  
5 and extend taxes against the real estate of each taxing  
6 district which will yield the said percentage or percentages of  
7 the debt service on such outstanding bonds. The balance of the  
8 amount necessary to fully pay such debt service shall  
9 constitute a first and prior lien upon the monies received by  
10 each such taxing district through the Personal Property Tax  
11 Replacement Fund and shall be first applied or set aside for  
12 such purpose. In counties having fewer than 3,000,000  
13 inhabitants, the amendments to this paragraph as made by this  
14 amendatory Act of 1980 shall be first applicable to 1980 taxes  
15 to be collected in 1981.

16 (Source: P.A. 96-45, eff. 7-15-09; 97-72, eff. 7-1-11; 97-619,  
17 eff. 11-14-11.)