



## 98TH GENERAL ASSEMBLY

### State of Illinois

### 2013 and 2014

### HB2561

by Rep. John E. Bradley

#### SYNOPSIS AS INTRODUCED:

20 ILCS 2505/2505-250	was 20 ILCS 2505/39c
35 ILCS 105/3-61	
35 ILCS 110/3-51	
35 ILCS 115/2d	
35 ILCS 120/2-51	
35 ILCS 120/5	from Ch. 120, par. 444
55 ILCS 5/5-1006.5	
55 ILCS 5/5-1006.7	
55 ILCS 5/5-1035 rep.	
65 ILCS 5/8-11-1.1	from Ch. 24, par. 8-11-1.1
65 ILCS 5/8-11-9 rep.	
415 ILCS 5/55.8	from Ch. 111 1/2, par. 1055.8

Amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Makes a technical correction concerning a cross-reference. Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that, in the case of a return that is not filed at the required time, a notice of tax liability may be issued on and after each July 1, and January 1 for returns filed more than 3 years prior to that July 1 or January 1. Makes changes concerning rolling stock. Effective July 1, 2013.

LRB098 10603 HLH 40867 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Department of Revenue Law of the Civil  
5 Administrative Code of Illinois is amended by changing Section  
6 2505-250 as follows:

7 (20 ILCS 2505/2505-250) (was 20 ILCS 2505/39c)

8 Sec. 2505-250. Compromising debts due to the State. Under  
9 no circumstances shall any officer or employee of the  
10 Department compromise any debt due to this State, except in  
11 case of actions of the Director after review by the board of  
12 appeals provided for by Section 2505-505 ~~95-505~~. However,  
13 claims or accounts receivable of less than \$1,000 may be  
14 written off the Department's records and cancelled by the  
15 Department without complying with the provisions of Section 2  
16 of the Uncollected State Claims Act when the Department  
17 determines that the cost of collecting the claim or account  
18 would exceed the amount to be collected. The Department shall  
19 submit to the Comptroller a list of all such claims or accounts  
20 written off the Department's records.

21 (Source: P.A. 91-239, eff. 1-1-00.)

22 Section 10. The Use Tax Act is amended by changing Section

1 3-61 as follows:

2 (35 ILCS 105/3-61)

3 Sec. 3-61. Motor vehicles; trailers; use as rolling stock  
4 definition.

5 (a) Through June 30, 2003, "use as rolling stock moving in  
6 interstate commerce" in subsections (b) and (c) of Section 3-55  
7 means for motor vehicles, as defined in Section 1-146 of the  
8 Illinois Vehicle Code, and trailers, as defined in Section  
9 1-209 of the Illinois Vehicle Code, when on 15 or more  
10 occasions in a 12-month period the motor vehicle and trailer  
11 has carried persons or property for hire in interstate  
12 commerce, even just between points in Illinois, if the motor  
13 vehicle and trailer transports persons whose journeys or  
14 property whose shipments originate or terminate outside  
15 Illinois. This definition applies to all property purchased for  
16 the purpose of being attached to those motor vehicles or  
17 trailers as a part thereof.

18 (b) On and after July 1, 2003 and through June 30, 2004,  
19 "use as rolling stock moving in interstate commerce" in  
20 paragraphs (b) and (c) of Section 3-55 occurs for motor  
21 vehicles, as defined in Section 1-146 of the Illinois Vehicle  
22 Code, when during a 12-month period the rolling stock has  
23 carried persons or property for hire in interstate commerce for  
24 51% of its total trips and transports persons whose journeys or  
25 property whose shipments originate or terminate outside

1 Illinois. Trips that are only between points in Illinois shall  
2 not be counted as interstate trips when calculating whether the  
3 tangible personal property qualifies for the exemption but such  
4 trips shall be included in total trips taken.

5 (c) Beginning July 1, 2004, "use as rolling stock moving in  
6 interstate commerce" in paragraphs (b) and (c) of Section 3-55  
7 occurs for motor vehicles, as defined in Section 1-146 of the  
8 Illinois Vehicle Code, when during a 12-month period the  
9 rolling stock has carried persons or property for hire in  
10 interstate commerce for greater than 50% of its total trips for  
11 that period or for greater than 50% of its total miles for that  
12 period. The person claiming the exemption shall make an  
13 election at the time of purchase to use either the trips or  
14 mileage method. Persons who purchased motor vehicles prior to  
15 July 1, 2004 shall make an election to use either the trips or  
16 mileage method and document that election in their books and  
17 records. If no election is made under this subsection to use  
18 the trips or mileage method, the person shall be deemed to have  
19 chosen the mileage method. ~~Any election to use either the trips  
20 or mileage method will remain in effect for that motor vehicle  
21 for any period for which the Department may issue a notice of  
22 tax liability under this Act.~~

23 For purposes of determining qualifying trips or miles,  
24 motor vehicles that carry persons or property for hire, even  
25 just between points in Illinois, will be considered used for  
26 hire in interstate commerce if the motor vehicle transports

1 persons whose journeys or property whose shipments originate or  
2 terminate outside Illinois. The exemption for motor vehicles  
3 used as rolling stock moving in interstate commerce may be  
4 claimed only for the following vehicles: (i) motor vehicles  
5 whose gross vehicle weight rating exceeds 16,000 pounds; and  
6 (ii) limousines, as defined in Section 1-139.1 of the Illinois  
7 Vehicle Code. This definition applies to all property purchased  
8 for the purpose of being attached to those motor vehicles as a  
9 part thereof.

10 (d) Beginning July 1, 2004, "use as rolling stock moving in  
11 interstate commerce" in paragraphs (b) and (c) of Section 3-55  
12 occurs for trailers, as defined in Section 1-209 of the  
13 Illinois Vehicle Code, semitrailers as defined in Section 1-187  
14 of the Illinois Vehicle Code, and pole trailers as defined in  
15 Section 1-161 of the Illinois Vehicle Code, when during a  
16 12-month period the rolling stock has carried persons or  
17 property for hire in interstate commerce for greater than 50%  
18 of its total trips for that period or for greater than 50% of  
19 its total miles for that period. The person claiming the  
20 exemption for a trailer or trailers that will not be dedicated  
21 to a motor vehicle or group of motor vehicles shall make an  
22 election at the time of purchase to use either the trips or  
23 mileage method. Persons who purchased trailers prior to July 1,  
24 2004 that are not dedicated to a motor vehicle or group of  
25 motor vehicles shall make an election to use either the trips  
26 or mileage method and document that election in their books and

1 records. If no election is made under this subsection to use  
2 the trips or mileage method, the person shall be deemed to have  
3 chosen the mileage method. ~~Any election to use either the trips  
4 or mileage method will remain in effect for that trailer for  
5 any period for which the Department may issue a notice of tax  
6 liability under this Act.~~

7 For purposes of determining qualifying trips or miles,  
8 trailers, semitrailers, or pole trailers that carry property  
9 for hire, even just between points in Illinois, will be  
10 considered used for hire in interstate commerce if the  
11 trailers, semitrailers, or pole trailers transport property  
12 whose shipments originate or terminate outside Illinois. This  
13 definition applies to all property purchased for the purpose of  
14 being attached to those trailers, semitrailers, or pole  
15 trailers as a part thereof. In lieu of a person providing  
16 documentation regarding the qualifying use of each individual  
17 trailer, semitrailer, or pole trailer, that person may document  
18 such qualifying use by providing documentation of the  
19 following:

20 (1) If a trailer, semitrailer, or pole trailer is  
21 dedicated to a motor vehicle that qualifies as rolling  
22 stock moving in interstate commerce under subsection (c) of  
23 this Section, then that trailer, semitrailer, or pole  
24 trailer qualifies as rolling stock moving in interstate  
25 commerce under this subsection.

26 (2) If a trailer, semitrailer, or pole trailer is

1 dedicated to a group of motor vehicles that all qualify as  
2 rolling stock moving in interstate commerce under  
3 subsection (c) of this Section, then that trailer,  
4 semitrailer, or pole trailer qualifies as rolling stock  
5 moving in interstate commerce under this subsection.

6 (3) If one or more trailers, semitrailers, or pole  
7 trailers are dedicated to a group of motor vehicles and not  
8 all of those motor vehicles in that group qualify as  
9 rolling stock moving in interstate commerce under  
10 subsection (c) of this Section, then the percentage of  
11 those trailers, semitrailers, or pole trailers that  
12 qualifies as rolling stock moving in interstate commerce  
13 under this subsection is equal to the percentage of those  
14 motor vehicles in that group that qualify as rolling stock  
15 moving in interstate commerce under subsection (c) of this  
16 Section to which those trailers, semitrailers, or pole  
17 trailers are dedicated. However, to determine the  
18 qualification for the exemption provided under this item  
19 (3), the mathematical application of the qualifying  
20 percentage to one or more trailers, semitrailers, or pole  
21 trailers under this subpart shall not be allowed as to any  
22 fraction of a trailer, semitrailer, or pole trailer.

23 (e) Beginning July 1, 2013, "use as rolling stock moving in  
24 interstate commerce" in paragraphs (b) and (c) of Section 3-55  
25 occurs for aircraft and watercraft when, during a 12-month  
26 period, the rolling stock has carried persons or property for

1 hire in interstate commerce for greater than 50% of its total  
2 trips for that period or for greater than 50% of its total  
3 miles for that period. The person claiming the exemption shall  
4 make an election at the time of purchase to use either the  
5 trips or mileage method. Persons who purchased aircraft or  
6 watercraft prior to July 1, 2013 shall make an election to use  
7 either the trips or mileage method and document that election  
8 in their books and records. If no election is made under this  
9 subsection to use the trips or mileage method, the person shall  
10 be deemed to have chosen the mileage method. For aircraft,  
11 flight hours may be used in lieu of recording miles in  
12 determining whether the aircraft meets the mileage test in this  
13 subsection. For watercraft, nautical miles or trip hours may be  
14 used in lieu of recording miles in determining whether the  
15 watercraft meets the mileage test in this subsection.

16 (f) Any election to use either the trips or mileage method  
17 made under the provisions of subsections (c), (d), or (e) of  
18 this Section will remain in effect for the life of that item.

19 (Source: P.A. 95-528, eff. 8-28-07.)

20 Section 15. The Service Use Tax Act is amended by changing  
21 Section 3-51 as follows:

22 (35 ILCS 110/3-51)

23 Sec. 3-51. Motor vehicles; trailers; use as rolling stock  
24 definition.



1           (a) Through June 30, 2003, "use as rolling stock moving in  
2 interstate commerce" in subsection (b) of Section 3-45 means  
3 for motor vehicles, as defined in Section 1-46 of the Illinois  
4 Vehicle Code, and trailers, as defined in Section 1-209 of the  
5 Illinois Vehicle Code, when on 15 or more occasions in a  
6 12-month period the motor vehicle and trailer has carried  
7 persons or property for hire in interstate commerce, even just  
8 between points in Illinois, if the motor vehicle and trailer  
9 transports persons whose journeys or property whose shipments  
10 originate or terminate outside Illinois. This definition  
11 applies to all property purchased for the purpose of being  
12 attached to those motor vehicles or trailers as a part thereof.

13           (b) On and after July 1, 2003 and through June 30, 2004,  
14 "use as rolling stock moving in interstate commerce" in  
15 paragraphs (4) and (4a) of the definition of "sale of service"  
16 in Section 2 and subsection (b) of Section 3-45 occurs for  
17 motor vehicles, as defined in Section 1-146 of the Illinois  
18 Vehicle Code, when during a 12-month period the rolling stock  
19 has carried persons or property for hire in interstate commerce  
20 for 51% of its total trips and transports persons whose  
21 journeys or property whose shipments originate or terminate  
22 outside Illinois. Trips that are only between points in  
23 Illinois shall not be counted as interstate trips when  
24 calculating whether the tangible personal property qualifies  
25 for the exemption but such trips shall be included in total  
26 trips taken.

1 (c) Beginning July 1, 2004, "use as rolling stock moving in  
2 interstate commerce" in paragraphs (4) and (4a) of the  
3 definition of "sale of service" in Section 2 and subsection (b)  
4 of Section 3-45 occurs for motor vehicles, as defined in  
5 Section 1-146 of the Illinois Vehicle Code, when during a  
6 12-month period the rolling stock has carried persons or  
7 property for hire in interstate commerce for greater than 50%  
8 of its total trips for that period or for greater than 50% of  
9 its total miles for that period. The person claiming the  
10 exemption shall make an election at the time of purchase to use  
11 either the trips or mileage method. Persons who purchased motor  
12 vehicles prior to July 1, 2004 shall make an election to use  
13 either the trips or mileage method and document that election  
14 in their books and records. If no election is made under this  
15 subsection to use the trips or mileage method, the person shall  
16 be deemed to have chosen the mileage method. ~~Any election to~~  
17 ~~use either the trips or mileage method will remain in effect~~  
18 ~~for that motor vehicle for any period for which the Department~~  
19 ~~may issue a notice of tax liability under this Act.~~

20 For purposes of determining qualifying trips or miles,  
21 motor vehicles that carry persons or property for hire, even  
22 just between points in Illinois, will be considered used for  
23 hire in interstate commerce if the motor vehicle transports  
24 persons whose journeys or property whose shipments originate or  
25 terminate outside Illinois. The exemption for motor vehicles  
26 used as rolling stock moving in interstate commerce may be

1 claimed only for the following vehicles: (i) motor vehicles  
2 whose gross vehicle weight rating exceeds 16,000 pounds; and  
3 (ii) limousines, as defined in Section 1-139.1 of the Illinois  
4 Vehicle Code. This definition applies to all property purchased  
5 for the purpose of being attached to those motor vehicles as a  
6 part thereof.

7 (d) Beginning July 1, 2004, "use as rolling stock moving in  
8 interstate commerce" in paragraphs (4) and (4a) of the  
9 definition of "sale of service" in Section 2 and subsection (b)  
10 of Section 3-45 occurs for trailers, as defined in Section  
11 1-209 of the Illinois Vehicle Code, semitrailers as defined in  
12 Section 1-187 of the Illinois Vehicle Code, and pole trailers  
13 as defined in Section 1-161 of the Illinois Vehicle Code, when  
14 during a 12-month period the rolling stock has carried persons  
15 or property for hire in interstate commerce for greater than  
16 50% of its total trips for that period or for greater than 50%  
17 of its total miles for that period. The person claiming the  
18 exemption for a trailer or trailers that will not be dedicated  
19 to a motor vehicle or group of motor vehicles shall make an  
20 election at the time of purchase to use either the trips or  
21 mileage method. Persons who purchased trailers prior to July 1,  
22 2004 that are not dedicated to a motor vehicle or group of  
23 motor vehicles shall make an election to use either the trips  
24 or mileage method and document that election in their books and  
25 records. If no election is made under this subsection to use  
26 the trips or mileage method, the person shall be deemed to have

1 chosen the mileage method. ~~Any election to use either the trips~~  
2 ~~or mileage method will remain in effect for that trailer for~~  
3 ~~any period for which the Department may issue a notice of tax~~  
4 ~~liability under this Act.~~

5 For purposes of determining qualifying trips or miles,  
6 trailers, semitrailers, or pole trailers that carry property  
7 for hire, even just between points in Illinois, will be  
8 considered used for hire in interstate commerce if the  
9 trailers, semitrailers, or pole trailers transport property  
10 whose shipments originate or terminate outside Illinois. This  
11 definition applies to all property purchased for the purpose of  
12 being attached to those trailers, semitrailers, or pole  
13 trailers as a part thereof. In lieu of a person providing  
14 documentation regarding the qualifying use of each individual  
15 trailer, semitrailer, or pole trailer, that person may document  
16 such qualifying use by providing documentation of the  
17 following:

18 (1) If a trailer, semitrailer, or pole trailer is  
19 dedicated to a motor vehicle that qualifies as rolling  
20 stock moving in interstate commerce under subsection (c) of  
21 this Section, then that trailer, semitrailer, or pole  
22 trailer qualifies as rolling stock moving in interstate  
23 commerce under this subsection.

24 (2) If a trailer, semitrailer, or pole trailer is  
25 dedicated to a group of motor vehicles that all qualify as  
26 rolling stock moving in interstate commerce under

1 subsection (c) of this Section, then that trailer,  
2 semitrailer, or pole trailer qualifies as rolling stock  
3 moving in interstate commerce under this subsection.

4 (3) If one or more trailers, semitrailers, or pole  
5 trailers are dedicated to a group of motor vehicles and not  
6 all of those motor vehicles in that group qualify as  
7 rolling stock moving in interstate commerce under  
8 subsection (c) of this Section, then the percentage of  
9 those trailers, semitrailers, or pole trailers that  
10 qualifies as rolling stock moving in interstate commerce  
11 under this subsection is equal to the percentage of those  
12 motor vehicles in that group that qualify as rolling stock  
13 moving in interstate commerce under subsection (c) of this  
14 Section to which those trailers, semitrailers, or pole  
15 trailers are dedicated. However, to determine the  
16 qualification for the exemption provided under this item  
17 (3), the mathematical application of the qualifying  
18 percentage to one or more trailers, semitrailers, or pole  
19 trailers under this subpart shall not be allowed as to any  
20 fraction of a trailer, semitrailer, or pole trailer.

21 (e) Beginning July 1, 2013, "use as rolling stock moving in  
22 interstate commerce" in (i) paragraphs (4) and (4a) of the  
23 definition of "sale of service" in Section 2 and (ii)  
24 subsection (b) of Section 3-45 occurs for aircraft and  
25 watercraft when, during a 12-month period, the rolling stock  
26 has carried persons or property for hire in interstate commerce

1 for greater than 50% of its total trips for that period or for  
2 greater than 50% of its total miles for that period. The person  
3 claiming the exemption shall make an election at the time of  
4 purchase to use either the trips or mileage method. Persons who  
5 purchased aircraft or watercraft prior to July 1, 2013 shall  
6 make an election to use either the trips or mileage method and  
7 document that election in their books and records. If no  
8 election is made under this subsection to use the trips or  
9 mileage method, the person shall be deemed to have chosen the  
10 mileage method. For aircraft, flight hours may be used in lieu  
11 of recording miles in determining whether the aircraft meets  
12 the mileage test in this subsection. For watercraft, nautical  
13 miles or trip hours may be used in lieu of recording miles in  
14 determining whether the watercraft meets the mileage test in  
15 this subsection.

16 (f) Any election to use either the trips or mileage method  
17 made under the provisions of subsections (c), (d), or (e) of  
18 this Section will remain in effect for the life of that item.

19 (Source: P.A. 95-528, eff. 8-28-07.)

20 Section 20. The Service Occupation Tax Act is amended by  
21 changing Section 2d and as follows:

22 (35 ILCS 115/2d)

23 Sec. 2d. Motor vehicles; trailers; use as rolling stock  
24 definition.

1           (a) Through June 30, 2003, "use as rolling stock moving in  
2 interstate commerce" in subsections (d) and (d-1) of the  
3 definition of "sale of service" in Section 2 means for motor  
4 vehicles, as defined in Section 1-146 of the Illinois Vehicle  
5 Code, and trailers, as defined in Section 1-209 of the Illinois  
6 Vehicle Code, when on 15 or more occasions in a 12-month period  
7 the motor vehicle and trailer has carried persons or property  
8 for hire in interstate commerce, even just between points in  
9 Illinois, if the motor vehicle and trailer transports persons  
10 whose journeys or property whose shipments originate or  
11 terminate outside Illinois. This definition applies to all  
12 property purchased for the purpose of being attached to those  
13 motor vehicles or trailers as a part thereof.

14           (b) On and after July 1, 2003 and through June 30, 2004,  
15 "use as rolling stock moving in interstate commerce" in  
16 paragraphs (d) and (d-1) of the definition of "sale of service"  
17 in Section 2 occurs for motor vehicles, as defined in Section  
18 1-146 of the Illinois Vehicle Code, when during a 12-month  
19 period the rolling stock has carried persons or property for  
20 hire in interstate commerce for 51% of its total trips and  
21 transports persons whose journeys or property whose shipments  
22 originate or terminate outside Illinois. Trips that are only  
23 between points in Illinois will not be counted as interstate  
24 trips when calculating whether the tangible personal property  
25 qualifies for the exemption but such trips will be included in  
26 total trips taken.

1 (c) Beginning July 1, 2004, "use as rolling stock moving in  
2 interstate commerce" in paragraphs (d) and (d-1) of the  
3 definition of "sale of service" in Section 2 occurs for motor  
4 vehicles, as defined in Section 1-146 of the Illinois Vehicle  
5 Code, when during a 12-month period the rolling stock has  
6 carried persons or property for hire in interstate commerce for  
7 greater than 50% of its total trips for that period or for  
8 greater than 50% of its total miles for that period. The person  
9 claiming the exemption shall make an election at the time of  
10 purchase to use either the trips or mileage method. Persons who  
11 purchased motor vehicles prior to July 1, 2004 shall make an  
12 election to use either the trips or mileage method and document  
13 that election in their books and records. If no election is  
14 made under this subsection to use the trips or mileage method,  
15 the person shall be deemed to have chosen the mileage method.  
16 ~~Any election to use either the trips or mileage method will~~  
17 ~~remain in effect for that motor vehicle for any period for~~  
18 ~~which the Department may issue a notice of tax liability under~~  
19 ~~this Act.~~

20 For purposes of determining qualifying trips or miles,  
21 motor vehicles that carry persons or property for hire, even  
22 just between points in Illinois, will be considered used for  
23 hire in interstate commerce if the motor vehicle transports  
24 persons whose journeys or property whose shipments originate or  
25 terminate outside Illinois. The exemption for motor vehicles  
26 used as rolling stock moving in interstate commerce may be



1 claimed only for the following vehicles: (i) motor vehicles  
2 whose gross vehicle weight rating exceeds 16,000 pounds; and  
3 (ii) limousines, as defined in Section 1-139.1 of the Illinois  
4 Vehicle Code. This definition applies to all property purchased  
5 for the purpose of being attached to those motor vehicles as a  
6 part thereof.

7 (d) Beginning July 1, 2004, "use as rolling stock moving in  
8 interstate commerce" in paragraphs (d) and (d-1) of the  
9 definition of "sale of service" in Section 2 occurs for  
10 trailers, as defined in Section 1-209 of the Illinois Vehicle  
11 Code, semitrailers as defined in Section 1-187 of the Illinois  
12 Vehicle Code, and pole trailers as defined in Section 1-161 of  
13 the Illinois Vehicle Code, when during a 12-month period the  
14 rolling stock has carried persons or property for hire in  
15 interstate commerce for greater than 50% of its total trips for  
16 that period or for greater than 50% of its total miles for that  
17 period. The person claiming the exemption for a trailer or  
18 trailers that will not be dedicated to a motor vehicle or group  
19 of motor vehicles shall make an election at the time of  
20 purchase to use either the trips or mileage method. Persons who  
21 purchased trailers prior to July 1, 2004 that are not dedicated  
22 to a motor vehicle or group of motor vehicles shall make an  
23 election to use either the trips or mileage method and document  
24 that election in their books and records. If no election is  
25 made under this subsection to use the trips or mileage method,  
26 the person shall be deemed to have chosen the mileage method.

1 ~~Any election to use either the trips or mileage method will~~  
2 ~~remain in effect for that trailer for any period for which the~~  
3 ~~Department may issue a notice of tax liability under this Act.~~

4 For purposes of determining qualifying trips or miles,  
5 trailers, semitrailers, or pole trailers that carry property  
6 for hire, even just between points in Illinois, will be  
7 considered used for hire in interstate commerce if the  
8 trailers, semitrailers, or pole trailers transport property  
9 whose shipments originate or terminate outside Illinois. This  
10 definition applies to all property purchased for the purpose of  
11 being attached to those trailers, semitrailers, or pole  
12 trailers as a part thereof. In lieu of a person providing  
13 documentation regarding the qualifying use of each individual  
14 trailer, semitrailer, or pole trailer, that person may document  
15 such qualifying use by providing documentation of the  
16 following:

17 (1) If a trailer, semitrailer, or pole trailer is  
18 dedicated to a motor vehicle that qualifies as rolling  
19 stock moving in interstate commerce under subsection (c) of  
20 this Section, then that trailer, semitrailer, or pole  
21 trailer qualifies as rolling stock moving in interstate  
22 commerce under this subsection.

23 (2) If a trailer, semitrailer, or pole trailer is  
24 dedicated to a group of motor vehicles that all qualify as  
25 rolling stock moving in interstate commerce under  
26 subsection (c) of this Section, then that trailer,

1 semitrailer, or pole trailer qualifies as rolling stock  
2 moving in interstate commerce under this subsection.

3 (3) If one or more trailers, semitrailers, or pole  
4 trailers are dedicated to a group of motor vehicles and not  
5 all of those motor vehicles in that group qualify as  
6 rolling stock moving in interstate commerce under  
7 subsection (c) of this Section, then the percentage of  
8 those trailers, semitrailers, or pole trailers that  
9 qualifies as rolling stock moving in interstate commerce  
10 under this subsection is equal to the percentage of those  
11 motor vehicles in that group that qualify as rolling stock  
12 moving in interstate commerce under subsection (c) of this  
13 Section to which those trailers, semitrailers, or pole  
14 trailers are dedicated. However, to determine the  
15 qualification for the exemption provided under this item  
16 (3), the mathematical application of the qualifying  
17 percentage to one or more trailers, semitrailers, or pole  
18 trailers under this subpart shall not be allowed as to any  
19 fraction of a trailer, semitrailer, or pole trailer.

20 (e) Beginning July 1, 2013, "use as rolling stock moving in  
21 interstate commerce" in paragraphs (d) and (d-1) of the  
22 definition of "sale of service" in Section 2 occurs for  
23 aircraft and watercraft when, during a 12-month period, the  
24 rolling stock has carried persons or property for hire in  
25 interstate commerce for greater than 50% of its total trips for  
26 that period or for greater than 50% of its total miles for that

1 period. The person claiming the exemption shall make an  
2 election at the time of purchase to use either the trips or  
3 mileage method. Persons who purchased aircraft or watercraft  
4 prior to July 1, 2013 shall make an election to use either the  
5 trips or mileage method and document that election in their  
6 books and records. If no election is made under this subsection  
7 to use the trips or mileage method, the person shall be deemed  
8 to have chosen the mileage method. For aircraft, flight hours  
9 may be used in lieu of recording miles in determining whether  
10 the aircraft meets the mileage test in this subsection. For  
11 watercraft, nautical miles or trip hours may be used in lieu of  
12 recording miles in determining whether the watercraft meets the  
13 mileage test in this subsection.

14 (f) Any election to use either the trips or mileage method  
15 made under the provisions of subsections (c), (d), or (e) of  
16 this Section will remain in effect for the life of that item.

17 (Source: P.A. 95-528, eff. 8-28-07.)

18 Section 25. The Retailers' Occupation Tax Act is amended by  
19 changing Sections 2-51 and 5 as follows:

20 (35 ILCS 120/2-51)

21 Sec. 2-51. Motor vehicles; trailers; use as rolling stock  
22 definition.

23 (a) Through June 30, 2003, "use as rolling stock moving in  
24 interstate commerce" in paragraphs (12) and (13) of Section 2-5

1 means for motor vehicles, as defined in Section 1-146 of the  
2 Illinois Vehicle Code, and trailers, as defined in Section  
3 1-209 of the Illinois Vehicle Code, when on 15 or more  
4 occasions in a 12-month period the motor vehicle and trailer  
5 has carried persons or property for hire in interstate  
6 commerce, even just between points in Illinois, if the motor  
7 vehicle and trailer transports persons whose journeys or  
8 property whose shipments originate or terminate outside  
9 Illinois. This definition applies to all property purchased for  
10 the purpose of being attached to those motor vehicles or  
11 trailers as a part thereof.

12 (b) On and after July 1, 2003 and through June 30, 2004,  
13 "use as rolling stock moving in interstate commerce" in  
14 paragraphs (12) and (13) of Section 2-5 occurs for motor  
15 vehicles, as defined in Section 1-146 of the Illinois Vehicle  
16 Code, when during a 12-month period the rolling stock has  
17 carried persons or property for hire in interstate commerce for  
18 51% of its total trips and transports persons whose journeys or  
19 property whose shipments originate or terminate outside  
20 Illinois. Trips that are only between points in Illinois shall  
21 not be counted as interstate trips when calculating whether the  
22 tangible personal property qualifies for the exemption but such  
23 trips shall be included in total trips taken.

24 (c) Beginning July 1, 2004, "use as rolling stock moving in  
25 interstate commerce" in paragraphs (12) and (13) of Section 2-5  
26 occurs for motor vehicles, as defined in Section 1-146 of the

1 Illinois Vehicle Code, when during a 12-month period the  
2 rolling stock has carried persons or property for hire in  
3 interstate commerce for greater than 50% of its total trips for  
4 that period or for greater than 50% of its total miles for that  
5 period. The person claiming the exemption shall make an  
6 election at the time of purchase to use either the trips or  
7 mileage method. Persons who purchased motor vehicles prior to  
8 July 1, 2004 shall make an election to use either the trips or  
9 mileage method and document that election in their books and  
10 records. If no election is made under this subsection to use  
11 the trips or mileage method, the person shall be deemed to have  
12 chosen the mileage method. ~~Any election to use either the trips  
13 or mileage method will remain in effect for that motor vehicle  
14 for any period for which the Department may issue a notice of  
15 tax liability under this Act.~~

16 For purposes of determining qualifying trips or miles,  
17 motor vehicles that carry persons or property for hire, even  
18 just between points in Illinois, will be considered used for  
19 hire in interstate commerce if the motor vehicle transports  
20 persons whose journeys or property whose shipments originate or  
21 terminate outside Illinois. The exemption for motor vehicles  
22 used as rolling stock moving in interstate commerce may be  
23 claimed only for the following vehicles: (i) motor vehicles  
24 whose gross vehicle weight rating exceeds 16,000 pounds; and  
25 (ii) limousines, as defined in Section 1-139.1 of the Illinois  
26 Vehicle Code. This definition applies to all property purchased

1 for the purpose of being attached to those motor vehicles as a  
2 part thereof.

3 (d) Beginning July 1, 2004, "use as rolling stock moving in  
4 interstate commerce" in paragraphs (12) and (13) of Section 2-5  
5 occurs for trailers, as defined in Section 1-209 of the  
6 Illinois Vehicle Code, semitrailers as defined in Section 1-187  
7 of the Illinois Vehicle Code, and pole trailers as defined in  
8 Section 1-161 of the Illinois Vehicle Code, when during a  
9 12-month period the rolling stock has carried persons or  
10 property for hire in interstate commerce for greater than 50%  
11 of its total trips for that period or for greater than 50% of  
12 its total miles for that period. The person claiming the  
13 exemption for a trailer or trailers that will not be dedicated  
14 to a motor vehicle or group of motor vehicles shall make an  
15 election at the time of purchase to use either the trips or  
16 mileage method. Persons who purchased trailers prior to July 1,  
17 2004 that are not dedicated to a motor vehicle or group of  
18 motor vehicles shall make an election to use either the trips  
19 or mileage method and document that election in their books and  
20 records. If no election is made under this subsection to use  
21 the trips or mileage method, the person shall be deemed to have  
22 chosen the mileage method. ~~Any election to use either the trips  
23 or mileage method will remain in effect for that trailer for  
24 any period for which the Department may issue a notice of tax  
25 liability under this Act.~~

26 For purposes of determining qualifying trips or miles,

1 trailers, semitrailers, or pole trailers that carry property  
2 for hire, even just between points in Illinois, will be  
3 considered used for hire in interstate commerce if the  
4 trailers, semitrailers, or pole trailers transport property  
5 whose shipments originate or terminate outside Illinois. This  
6 definition applies to all property purchased for the purpose of  
7 being attached to those trailers, semitrailers, or pole  
8 trailers as a part thereof. In lieu of a person providing  
9 documentation regarding the qualifying use of each individual  
10 trailer, semitrailer, or pole trailer, that person may document  
11 such qualifying use by providing documentation of the  
12 following:

13 (1) If a trailer, semitrailer, or pole trailer is  
14 dedicated to a motor vehicle that qualifies as rolling  
15 stock moving in interstate commerce under subsection (c) of  
16 this Section, then that trailer, semitrailer, or pole  
17 trailer qualifies as rolling stock moving in interstate  
18 commerce under this subsection.

19 (2) If a trailer, semitrailer, or pole trailer is  
20 dedicated to a group of motor vehicles that all qualify as  
21 rolling stock moving in interstate commerce under  
22 subsection (c) of this Section, then that trailer,  
23 semitrailer, or pole trailer qualifies as rolling stock  
24 moving in interstate commerce under this subsection.

25 (3) If one or more trailers, semitrailers, or pole  
26 trailers are dedicated to a group of motor vehicles and not



1 all of those motor vehicles in that group qualify as  
2 rolling stock moving in interstate commerce under  
3 subsection (c) of this Section, then the percentage of  
4 those trailers, semitrailers, or pole trailers that  
5 qualifies as rolling stock moving in interstate commerce  
6 under this subsection is equal to the percentage of those  
7 motor vehicles in that group that qualify as rolling stock  
8 moving in interstate commerce under subsection (c) of this  
9 Section to which those trailers, semitrailers, or pole  
10 trailers are dedicated. However, to determine the  
11 qualification for the exemption provided under this item  
12 (3), the mathematical application of the qualifying  
13 percentage to one or more trailers, semitrailers, or pole  
14 trailers under this subpart shall not be allowed as to any  
15 fraction of a trailer, semitrailer, or pole trailer.

16 (e) Beginning July 1, 2013, "use as rolling stock moving in  
17 interstate commerce" in paragraphs (12) and (13) of Section 2-5  
18 occurs for aircraft and watercraft when, during a 12-month  
19 period, the rolling stock has carried persons or property for  
20 hire in interstate commerce for greater than 50% of its total  
21 trips for that period or for greater than 50% of its total  
22 miles for that period. The person claiming the exemption shall  
23 make an election at the time of purchase to use either the  
24 trips or mileage method. Persons who purchased aircraft or  
25 watercraft prior to July 1, 2013 shall make an election to use  
26 either the trips or mileage method and document that election

1 in their books and records. If no election is made under this  
2 subsection to use the trips or mileage method, the person shall  
3 be deemed to have chosen the mileage method. For aircraft,  
4 flight hours may be used in lieu of recording miles in  
5 determining whether the aircraft meets the mileage test in this  
6 subsection. For watercraft, nautical miles or trip hours may be  
7 used in lieu of recording miles in determining whether the  
8 watercraft meets the mileage test in this subsection.

9 (f) Any election to use either the trips or mileage method  
10 made under the provisions of subsections (c), (d), or (e) of  
11 this Section will remain in effect for the life of that item.

12 (Source: P.A. 95-528, eff. 8-28-07.)

13 (35 ILCS 120/5) (from Ch. 120, par. 444)

14 Sec. 5. In case any person engaged in the business of  
15 selling tangible personal property at retail fails to file a  
16 return when and as herein required, but thereafter, prior to  
17 the Department's issuance of a notice of tax liability under  
18 this Section, files a return and pays the tax, he shall also  
19 pay a penalty in an amount determined in accordance with  
20 Section 3-3 of the Uniform Penalty and Interest Act.

21 In case any person engaged in the business of selling  
22 tangible personal property at retail files the return at the  
23 time required by this Act but fails to pay the tax, or any part  
24 thereof, when due, a penalty in an amount determined in  
25 accordance with Section 3-3 of the Uniform Penalty and Interest

1 Act shall be added thereto.

2 In case any person engaged in the business of selling  
3 tangible personal property at retail fails to file a return  
4 when and as herein required, but thereafter, prior to the  
5 Department's issuance of a notice of tax liability under this  
6 Section, files a return but fails to pay the entire tax, a  
7 penalty in an amount determined in accordance with Section 3-3  
8 of the Uniform Penalty and Interest Act shall be added thereto.

9 In case any person engaged in the business of selling  
10 tangible personal property at retail fails to file a return,  
11 the Department shall determine the amount of tax due from him  
12 according to its best judgment and information, which amount so  
13 fixed by the Department shall be prima facie correct and shall  
14 be prima facie evidence of the correctness of the amount of tax  
15 due, as shown in such determination. In making any such  
16 determination of tax due, it shall be permissible for the  
17 Department to show a figure that represents the tax due for any  
18 given period of 6 months instead of showing the amount of tax  
19 due for each month separately. Proof of such determination by  
20 the Department may be made at any hearing before the Department  
21 or in any legal proceeding by a reproduced copy or computer  
22 print-out of the Department's record relating thereto in the  
23 name of the Department under the certificate of the Director of  
24 Revenue. If reproduced copies of the Department's records are  
25 offered as proof of such determination, the Director must  
26 certify that those copies are true and exact copies of records

1 on file with the Department. If computer print-outs of the  
2 Department's records are offered as proof of such  
3 determination, the Director must certify that those computer  
4 print-outs are true and exact representations of records  
5 properly entered into standard electronic computing equipment,  
6 in the regular course of the Department's business, at or  
7 reasonably near the time of the occurrence of the facts  
8 recorded, from trustworthy and reliable information. Such  
9 certified reproduced copy or certified computer print-out  
10 shall, without further proof, be admitted into evidence before  
11 the Department or in any legal proceeding and shall be prima  
12 facie proof of the correctness of the amount of tax due, as  
13 shown therein. The Department shall issue the taxpayer a notice  
14 of tax liability for the amount of tax claimed by the  
15 Department to be due, together with a penalty of 30% thereof.

16 However, where the failure to file any tax return required  
17 under this Act on the date prescribed therefor (including any  
18 extensions thereof), is shown to be unintentional and  
19 nonfraudulent and has not occurred in the 2 years immediately  
20 preceding the failure to file on the prescribed date or is due  
21 to other reasonable cause the penalties imposed by this Act  
22 shall not apply.

23 The taxpayer or the taxpayer's legal representative may,  
24 within 60 days after such notice, file a protest to such notice  
25 of tax liability with the Department and request a hearing  
26 thereon. The Department shall give notice to such person or the

1 legal representative of such person of the time and place fixed  
2 for such hearing, and shall hold a hearing in conformity with  
3 the provisions of this Act, and pursuant thereto shall issue a  
4 final assessment to such person or to the legal representative  
5 of such person for the amount found to be due as a result of  
6 such hearing. On and after July 1, 2013, protests concerning  
7 matters that are under the jurisdiction of the Illinois  
8 Independent Tax Tribunal shall be filed with the Illinois  
9 Independent Tax Tribunal in accordance with the Illinois  
10 Independent Tax Tribunal Act of 2012, and hearings concerning  
11 those matters shall be held before the Tribunal in accordance  
12 with that Act. With respect to protests filed with the Illinois  
13 Independent Tax Tribunal, the Tribunal shall give notice to  
14 that person or the legal representative of that person of the  
15 time and place fixed for a hearing, and shall hold a hearing in  
16 conformity with the provisions of this Act and the Illinois  
17 Independent Tax Tribunal Act of 2012; and pursuant thereto the  
18 Department shall issue a final assessment to such person or to  
19 the legal representative of such person for the amount found to  
20 be due as a result of the hearing. With respect to protests  
21 filed with the Department prior to July 1, 2013 that would  
22 otherwise be subject to the jurisdiction of the Illinois  
23 Independent Tax Tribunal, the taxpayer may elect to be subject  
24 to the provisions of the Illinois Independent Tax Tribunal Act  
25 of 2012 at any time on or after July 1, 2013, but not later than  
26 30 days after the date on which the protest was filed. If made,

1 the election shall be irrevocable.

2 If a protest to the notice of tax liability and a request  
3 for a hearing thereon is not filed within 60 days after such  
4 notice, such notice of tax liability shall become final without  
5 the necessity of a final assessment being issued and shall be  
6 deemed to be a final assessment.

7 After the issuance of a final assessment, or a notice of  
8 tax liability which becomes final without the necessity of  
9 actually issuing a final assessment as hereinbefore provided,  
10 the Department, at any time before such assessment is reduced  
11 to judgment, may (subject to rules of the Department) grant a  
12 rehearing (or grant departmental review and hold an original  
13 hearing if no previous hearing in the matter has been held)  
14 upon the application of the person aggrieved. Pursuant to such  
15 hearing or rehearing, the Department shall issue a revised  
16 final assessment to such person or his legal representative for  
17 the amount found to be due as a result of such hearing or  
18 rehearing.

19 Except in case of failure to file a return, or with the  
20 consent of the person to whom the notice of tax liability is to  
21 be issued, no notice of tax liability shall be issued on and  
22 after each July 1 and January 1 covering gross receipts  
23 received during any month or period of time more than 3 years  
24 prior to such July 1 and January 1, respectively, except that  
25 if a return is not filed at the required time, no a notice of  
26 tax liability may be issued on and after each July 1 and

1 January 1 for such return filed more than 3 years prior to such  
2 July 1 and January 1, respectively ~~not later than 3 years after~~  
3 ~~the time the return is filed.~~ The foregoing limitations upon  
4 the issuance of a notice of tax liability shall not apply to  
5 the issuance of any such notice with respect to any period of  
6 time prior thereto in cases where the Department has, within  
7 the period of limitation then provided, notified a person of  
8 the amount of tax computed even though the Department had not  
9 determined the amount of tax due from such person in the manner  
10 required herein prior to the issuance of such notice, but in no  
11 case shall the amount of any such notice of tax liability for  
12 any period otherwise barred by this Act exceed for such period  
13 the amount shown in the notice theretofore issued.

14 If, when a tax or penalty under this Act becomes due and  
15 payable, the person alleged to be liable therefor is out of the  
16 State, the notice of tax liability may be issued within the  
17 times herein limited after his or her coming into or return to  
18 the State; and if, after the tax or penalty under this Act  
19 becomes due and payable, the person alleged to be liable  
20 therefor departs from and remains out of the State, the time of  
21 his or her absence is no part of the time limited for the  
22 issuance of the notice of tax liability; but the foregoing  
23 provisions concerning absence from the State shall not apply to  
24 any case in which, at the time when a tax or penalty becomes  
25 due under this Act, the person allegedly liable therefor is not  
26 a resident of this State.

1           The time limitation period on the Department's right to  
2           issue a notice of tax liability shall not run during any period  
3           of time in which the order of any court has the effect of  
4           enjoining or restraining the Department from issuing the notice  
5           of tax liability.

6           In case of failure to pay the tax, or any portion thereof,  
7           or any penalty provided for in this Act, or interest, when due,  
8           the Department may bring suit to recover the amount of such  
9           tax, or portion thereof, or penalty or interest; or, if the  
10          taxpayer has died or become a person under legal disability,  
11          may file a claim therefor against his estate; provided that no  
12          such suit with respect to any tax, or portion thereof, or  
13          penalty, or interest shall be instituted more than 6 years  
14          after the date any proceedings in court for review thereof have  
15          terminated or the time for the taking thereof has expired  
16          without such proceedings being instituted, except with the  
17          consent of the person from whom such tax or penalty or interest  
18          is due; nor, except with such consent, shall such suit be  
19          instituted more than 6 years after the date any return is filed  
20          with the Department in cases where the return constitutes the  
21          basis for the suit for unpaid tax, or portion thereof, or  
22          penalty provided for in this Act, or interest: Provided that  
23          the time limitation period on the Department's right to bring  
24          any such suit shall not run during any period of time in which  
25          the order of any court has the effect of enjoining or  
26          restraining the Department from bringing such suit.



1           After the expiration of the period within which the person  
2 assessed may file an action for judicial review under the  
3 Administrative Review Law or the Illinois Independent Tax  
4 Tribunal Act of 2012, as applicable, without such an action  
5 being filed, a certified copy of the final assessment or  
6 revised final assessment of the Department may be filed with  
7 the Circuit Court of the county in which the taxpayer has his  
8 principal place of business, or of Sangamon County in those  
9 cases in which the taxpayer does not have his principal place  
10 of business in this State. The certified copy of the final  
11 assessment or revised final assessment shall be accompanied by  
12 a certification which recites facts that are sufficient to show  
13 that the Department complied with the jurisdictional  
14 requirements of the Act in arriving at its final assessment or  
15 its revised final assessment and that the taxpayer had his  
16 opportunity for an administrative hearing and for judicial  
17 review, whether he availed himself or herself of either or both  
18 of these opportunities or not. If the court is satisfied that  
19 the Department complied with the jurisdictional requirements  
20 of the Act in arriving at its final assessment or its revised  
21 final assessment and that the taxpayer had his opportunity for  
22 an administrative hearing and for judicial review, whether he  
23 availed himself of either or both of these opportunities or  
24 not, the court shall render judgment in favor of the Department  
25 and against the taxpayer for the amount shown to be due by the  
26 final assessment or the revised final assessment, plus any

1 interest which may be due, and such judgment shall be entered  
2 in the judgment docket of the court. Such judgment shall bear  
3 the rate of interest as set by the Uniform Penalty and Interest  
4 Act, but otherwise shall have the same effect as other  
5 judgments. The judgment may be enforced, and all laws  
6 applicable to sales for the enforcement of a judgment shall be  
7 applicable to sales made under such judgments. The Department  
8 shall file the certified copy of its assessment, as herein  
9 provided, with the Circuit Court within 6 years after such  
10 assessment becomes final except when the taxpayer consents in  
11 writing to an extension of such filing period, and except that  
12 the time limitation period on the Department's right to file  
13 the certified copy of its assessment with the Circuit Court  
14 shall not run during any period of time in which the order of  
15 any court has the effect of enjoining or restraining the  
16 Department from filing such certified copy of its assessment  
17 with the Circuit Court.

18 If, when the cause of action for a proceeding in court  
19 accrues against a person, he or she is out of the State, the  
20 action may be commenced within the times herein limited, after  
21 his or her coming into or return to the State; and if, after  
22 the cause of action accrues, he or she departs from and remains  
23 out of the State, the time of his or her absence is no part of  
24 the time limited for the commencement of the action; but the  
25 foregoing provisions concerning absence from the State shall  
26 not apply to any case in which, at the time the cause of action

1 accrues, the party against whom the cause of action accrues is  
2 not a resident of this State. The time within which a court  
3 action is to be commenced by the Department hereunder shall not  
4 run from the date the taxpayer files a petition in bankruptcy  
5 under the Federal Bankruptcy Act until 30 days after notice of  
6 termination or expiration of the automatic stay imposed by the  
7 Federal Bankruptcy Act.

8 No claim shall be filed against the estate of any deceased  
9 person or any person under legal disability for any tax or  
10 penalty or part of either, or interest, except in the manner  
11 prescribed and within the time limited by the Probate Act of  
12 1975, as amended.

13 The collection of tax or penalty or interest by any means  
14 provided for herein shall not be a bar to any prosecution under  
15 this Act.

16 In addition to any penalty provided for in this Act, any  
17 amount of tax which is not paid when due shall bear interest at  
18 the rate and in the manner specified in Sections 3-2 and 3-9 of  
19 the Uniform Penalty and Interest Act from the date when such  
20 tax becomes past due until such tax is paid or a judgment  
21 therefor is obtained by the Department. If the time for making  
22 or completing an audit of a taxpayer's books and records is  
23 extended with the taxpayer's consent, at the request of and for  
24 the convenience of the Department, beyond the date on which the  
25 statute of limitations upon the issuance of a notice of tax  
26 liability by the Department otherwise would run, no interest

1 shall accrue during the period of such extension or until a  
2 Notice of Tax Liability is issued, whichever occurs first.

3 In addition to any other remedy provided by this Act, and  
4 regardless of whether the Department is making or intends to  
5 make use of such other remedy, where a corporation or limited  
6 liability company registered under this Act violates the  
7 provisions of this Act or of any rule or regulation promulgated  
8 thereunder, the Department may give notice to the Attorney  
9 General of the identity of such a corporation or limited  
10 liability company and of the violations committed by such a  
11 corporation or limited liability company, for such action as is  
12 not already provided for by this Act and as the Attorney  
13 General may deem appropriate.

14 If the Department determines that an amount of tax or  
15 penalty or interest was incorrectly assessed, whether as the  
16 result of a mistake of fact or an error of law, the Department  
17 shall waive the amount of tax or penalty or interest that  
18 accrued due to the incorrect assessment.

19 (Source: P.A. 96-1383, eff. 1-1-11; 97-1129, eff. 8-28-12;  
20 revised 10-10-12.)

21 Section 30. The Counties Code is amended by changing  
22 Sections 5-1006.5 and 5-1006.7 as follows:

23 (55 ILCS 5/5-1006.5)

24 Sec. 5-1006.5. Special County Retailers' Occupation Tax

1 For Public Safety, Public Facilities, or Transportation.

2 (a) The county board of any county may impose a tax upon  
3 all persons engaged in the business of selling tangible  
4 personal property, other than personal property titled or  
5 registered with an agency of this State's government, at retail  
6 in the county on the gross receipts from the sales made in the  
7 course of business to provide revenue to be used exclusively  
8 for public safety, public facility, or transportation purposes  
9 in that county, if a proposition for the tax has been submitted  
10 to the electors of that county and approved by a majority of  
11 those voting on the question. If imposed, this tax shall be  
12 imposed only in one-quarter percent increments. By resolution,  
13 the county board may order the proposition to be submitted at  
14 any election. If the tax is imposed for transportation purposes  
15 for expenditures for public highways or as authorized under the  
16 Illinois Highway Code, the county board must publish notice of  
17 the existence of its long-range highway transportation plan as  
18 required or described in Section 5-301 of the Illinois Highway  
19 Code and must make the plan publicly available prior to  
20 approval of the ordinance or resolution imposing the tax. If  
21 the tax is imposed for transportation purposes for expenditures  
22 for passenger rail transportation, the county board must  
23 publish notice of the existence of its long-range passenger  
24 rail transportation plan and must make the plan publicly  
25 available prior to approval of the ordinance or resolution  
26 imposing the tax.

1           If a tax is imposed for public facilities purposes, then  
2 the name of the project may be included in the proposition at  
3 the discretion of the county board as determined in the  
4 enabling resolution. For example, the "XXX Nursing Home" or the  
5 "YYY Museum".

6           The county clerk shall certify the question to the proper  
7 election authority, who shall submit the proposition at an  
8 election in accordance with the general election law.

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

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

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

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

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

25           "To pay for public safety purposes, shall (name of  
26 county) be authorized to impose an increase on its share of

1 local sales taxes by (insert rate) for a period not to  
2 exceed (insert number of years)?"

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. If imposed,  
8 the additional tax would cease being collected at the end  
9 of (insert number of years), if not terminated earlier by a  
10 vote of the county board."

11 For the purposes of the paragraph, "public safety  
12 purposes" means crime prevention, detention, fire  
13 fighting, police, medical, ambulance, or other emergency  
14 services.

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

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

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

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

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

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

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

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. If imposed,  
16 the additional tax would cease being collected at the end  
17 of (insert number of years), if not terminated earlier by a  
18 vote of the county board."

19           For the purposes of this paragraph, transportation  
20 purposes means construction, maintenance, operation, and  
21 improvement of public highways, any other purpose for which  
22 a county may expend funds under the Illinois Highway Code,  
23 and passenger rail transportation.

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

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



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

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

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

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

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

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. If imposed,  
24 the additional tax would cease being collected at the end  
25 of (insert number of years), if not terminated earlier by a  
26 vote of the county board."

1           For purposes of this Section, "public facilities  
2           purposes" means the acquisition, development,  
3           construction, reconstruction, rehabilitation, improvement,  
4           financing, architectural planning, and installation of  
5           capital facilities consisting of buildings, structures,  
6           and durable equipment and for the acquisition and  
7           improvement of real property and interest in real property  
8           required, or expected to be required, in connection with  
9           the public facilities, for use by the county for the  
10          furnishing of governmental services to its citizens,  
11          including but not limited to museums and nursing homes.

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

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

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, and  
23          needles used by diabetics. The tax imposed by a county under  
24          this Section and all civil penalties that may be assessed as an  
25          incident of the tax shall be collected and enforced by the  
26          Illinois Department of Revenue and deposited into a special

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

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

8           Whenever the Department determines that a refund should be  
9 made under this Section to a claimant instead of issuing a  
10 credit memorandum, the Department shall notify the State  
11 Comptroller, who shall cause the order to be drawn for the  
12 amount specified and to the person named in the notification  
13 from the Department. The refund shall be paid by the State  
14 Treasurer out of the County Public Safety or Transportation  
15 Retailers' Occupation Tax Fund.

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

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

1 to the State shall mean the county), Section 15, 16, 17, 18, 19  
2 and 20 of the Service Occupation Tax Act and Section 3-7 of the  
3 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 subsection may reimburse themselves for their  
7 serviceman's tax liability by separately stating the tax as an  
8 additional charge, which charge may be stated in combination,  
9 in a single amount, with State tax that servicemen are  
10 authorized to collect under the Service Use Tax Act, in  
11 accordance with such bracket schedules as the Department may  
12 prescribe.

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

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

25 (c) The Department shall immediately pay over to the State  
26 Treasurer, ex officio, as trustee, all taxes and penalties

1 collected under this Section to be deposited into the County  
2 Public Safety or Transportation Retailers' Occupation Tax  
3 Fund, which shall be an unappropriated trust fund held outside  
4 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.

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

1 Department on behalf of the county, (ii) any amount that the  
2 Department determines is necessary to offset any amounts that  
3 were payable to a different taxing body but were erroneously  
4 paid to the county, and (iii) any amounts that are transferred  
5 to the STAR Bonds Revenue Fund. Within 10 days after receipt by  
6 the Comptroller of the disbursement certification to the  
7 counties provided for in this Section to be given to the  
8 Comptroller by the Department, the Comptroller shall cause the  
9 orders to be drawn for the respective amounts in accordance  
10 with directions contained in the certification.

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

26 A county may direct, by ordinance, that all or a portion of



1 the taxes and penalties collected under the Special County  
2 Retailers' Occupation Tax For Public Safety or Transportation  
3 be deposited into the Transportation Development Partnership  
4 Trust Fund.

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

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

18 (e-5) If a county imposes a tax under this Section, the  
19 county board may, by ordinance, discontinue or lower the rate  
20 of the tax. If the county board lowers the tax rate or  
21 discontinues the tax, a referendum must be held in accordance  
22 with subsection (a) of this Section in order to increase the  
23 rate of the tax or to reimpose the discontinued tax.

24 (f) Beginning April 1, 1998 and through December 31, 2013 ,  
25 the results of any election authorizing a proposition to impose  
26 a tax under this Section or effecting a change in the rate of

1 tax, or any ordinance lowering the rate or discontinuing the  
2 tax, shall be certified by the county clerk and filed with the  
3 Illinois Department of Revenue either (i) on or before the  
4 first day of April, whereupon the Department shall proceed to  
5 administer and enforce the tax as of the first day of July next  
6 following the filing; or (ii) on or before the first day of  
7 October, whereupon the Department shall proceed to administer  
8 and enforce the tax as of the first day of January next  
9 following the filing.

10 Beginning January 1, 2014, the results of any election  
11 authorizing a proposition to impose a tax under this Section or  
12 effecting an increase in the rate of tax, along with the  
13 ordinance adopted to impose the tax or increase the rate of the  
14 tax, or any ordinance adopted to lower the rate or discontinue  
15 the tax, shall be certified by the county clerk and filed with  
16 the Illinois Department of Revenue either (i) on or before the  
17 first day of May, whereupon the Department shall proceed to  
18 administer and enforce the tax as of the first day of July next  
19 following the adoption and filing; or (ii) on or before the  
20 first day of October, whereupon the Department shall proceed to  
21 administer and enforce the tax as of the first day of January  
22 next following the adoption and filing.

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

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

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

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

1 its citizens, including but not limited to museums and nursing  
2 homes.

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

7 (Source: P.A. 96-124, eff. 8-4-09; 96-622, eff. 8-24-09;  
8 96-845, eff. 7-1-12; 96-939, eff. 6-24-10; 96-1000, eff.  
9 7-2-10.)

10 (55 ILCS 5/5-1006.7)

11 Sec. 5-1006.7. School facility occupation taxes.

12 (a) In any county, a tax shall be imposed upon all persons  
13 engaged in the business of selling tangible personal property,  
14 other than personal property titled or registered with an  
15 agency of this State's government, at retail in the county on  
16 the gross receipts from the sales made in the course of  
17 business to provide revenue to be used exclusively for school  
18 facility purposes if a proposition for the tax has been  
19 submitted to the electors of that county and approved by a  
20 majority of those voting on the question as provided in  
21 subsection (c). The tax under this Section shall be imposed  
22 only in one-quarter percent increments and may not exceed 1%.

23 This additional tax may not be imposed on the sale of food  
24 for human consumption that is to be consumed off the premises  
25 where it is sold (other than alcoholic beverages, soft drinks,

1 and food that has been prepared for immediate consumption) and  
2 prescription and non-prescription medicines, drugs, medical  
3 appliances and insulin, urine testing materials, syringes and  
4 needles used by diabetics. The Department of Revenue has full  
5 power to administer and enforce this subsection, to collect all  
6 taxes and penalties due under this subsection, to dispose of  
7 taxes and penalties so collected in the manner provided in this  
8 subsection, and to determine all rights to credit memoranda  
9 arising on account of the erroneous payment of a tax or penalty  
10 under this subsection. The Department shall deposit all taxes  
11 and penalties collected under this subsection into a special  
12 fund created for that purpose.

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

1           The certificate of registration that is issued by the  
2 Department to a retailer under the Retailers' Occupation Tax  
3 Act permits the retailer to engage in a business that is  
4 taxable without registering separately with the Department  
5 under an ordinance or resolution under this subsection.

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

13           (b) If a tax has been imposed under subsection (a), then a  
14 service occupation tax must also be imposed at the same rate  
15 upon all persons engaged, in the county, 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 county as an incident to a sale of service.

19           This tax may not be imposed on sales of food for human  
20 consumption that is to be consumed off the premises where it is  
21 sold (other than alcoholic beverages, soft drinks, and food  
22 prepared for immediate consumption) and prescription and  
23 non-prescription medicines, drugs, medical appliances and  
24 insulin, urine testing materials, syringes, and needles used by  
25 diabetics.

26           The tax imposed under this subsection and all civil

1 penalties that may be assessed as an incident thereof shall be  
2 collected and enforced by the Department and deposited into a  
3 special fund created for that purpose. The Department has full  
4 power to administer and enforce this subsection, to collect all  
5 taxes and penalties due under this subsection, to dispose of  
6 taxes and penalties so collected in the manner provided in this  
7 subsection, and to determine all rights to credit memoranda  
8 arising on account of the erroneous payment of a tax or penalty  
9 under this subsection.

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

1 reference to the State means the county), Section 15, 16, 17,  
2 18, 19, and 20 of the Service Occupation Tax Act and all  
3 provisions of the Uniform Penalty and Interest Act, as fully as  
4 if those provisions were set forth herein.

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

12 (c) The tax under this Section may not be imposed until the  
13 question of imposing the tax has been submitted to the electors  
14 of the county at a regular election and approved by a majority  
15 of the electors voting on the question. For all regular  
16 elections held prior to the effective date of this amendatory  
17 Act of the 97th General Assembly, upon a resolution by the  
18 county board or a resolution by school district boards that  
19 represent at least 51% of the student enrollment within the  
20 county, the county board must certify the question to the  
21 proper election authority in accordance with the Election Code.

22 For all regular elections held prior to the effective date  
23 of this amendatory Act of the 97th General Assembly, the  
24 election authority must submit the question in substantially  
25 the following form:

26 Shall (name of county) be authorized to impose a



1           retailers' occupation tax and a service occupation tax  
2           (commonly referred to as a "sales tax") at a rate of  
3           (insert rate) to be used exclusively for school facility  
4           purposes?

5           The election authority must record the votes as "Yes" or "No".

6           If a majority of the electors voting on the question vote  
7           in the affirmative, then the county may, thereafter, impose the  
8           tax.

9           For all regular elections held on or after the effective  
10          date of this amendatory Act of the 97th General Assembly, the  
11          regional superintendent of schools for the county must, upon  
12          receipt of a resolution or resolutions of school district  
13          boards that represent more than 50% of the student enrollment  
14          within the county, certify the question to the proper election  
15          authority for submission to the electors of the county at the  
16          next regular election at which the question lawfully may be  
17          submitted to the electors, all in accordance with the Election  
18          Code.

19          For all regular elections held on or after the effective  
20          date of this amendatory Act of the 97th General Assembly, the  
21          election authority must submit the question in substantially  
22          the following form:

23                 Shall a retailers' occupation tax and a service  
24                 occupation tax (commonly referred to as a "sales tax") be  
25                 imposed in (name of county) at a rate of (insert rate) to  
26                 be used exclusively for school facility purposes?

1 The election authority must record the votes as "Yes" or "No".

2 If a majority of the electors voting on the question vote  
3 in the affirmative, then the tax shall be imposed at the rate  
4 set forth in the question.

5 For the purposes of this subsection (c), "enrollment" means  
6 the head count of the students residing in the county on the  
7 last school day of September of each year, which must be  
8 reported on the Illinois State Board of Education Public School  
9 Fall Enrollment/Housing Report.

10 (d) The Department shall immediately pay over to the State  
11 Treasurer, ex officio, as trustee, all taxes and penalties  
12 collected under this Section to be deposited into the School  
13 Facility Occupation Tax Fund, which shall be an unappropriated  
14 trust fund held outside the State treasury.

15 On or before the 25th day of each calendar month, the  
16 Department shall prepare and certify to the Comptroller the  
17 disbursement of stated sums of money to the regional  
18 superintendents of schools in counties from which retailers or  
19 servicemen have paid taxes or penalties to the Department  
20 during the second preceding calendar month. The amount to be  
21 paid to each regional superintendent of schools and disbursed  
22 to him or her in accordance with Section 3-14.31 of the School  
23 Code, is equal to the amount (not including credit memoranda)  
24 collected from the county under this Section during the second  
25 preceding calendar month by the Department, (i) less 2% of that  
26 amount, which shall be deposited into the Tax Compliance and

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

18 Within 10 days after receipt by the Comptroller from the  
19 Department of the disbursement certification to the regional  
20 superintendents of the schools provided for in this Section,  
21 the Comptroller shall cause the orders to be drawn for the  
22 respective amounts in accordance with directions contained in  
23 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 School Facility Occupation Tax Fund.

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

14 (f) Nothing in this Section may be construed to authorize a  
15 tax to be imposed upon the privilege of engaging in any  
16 business that under the Constitution of the United States may  
17 not be made the subject of taxation by this State.

18 (g) If a county board imposes a tax under this Section  
19 pursuant to a referendum held before the effective date of this  
20 amendatory Act of the 97th General Assembly at a rate below the  
21 rate set forth in the question approved by a majority of  
22 electors of that county voting on the question as provided in  
23 subsection (c), then the county board may, by ordinance,  
24 increase the rate of the tax up to the rate set forth in the  
25 question approved by a majority of electors of that county  
26 voting on the question as provided in subsection (c). If a

1 county board imposes a tax under this Section pursuant to a  
2 referendum held before the effective date of this amendatory  
3 Act of the 97th General Assembly, then the board may, by  
4 ordinance, discontinue or reduce the rate of the tax. If a tax  
5 is imposed under this Section pursuant to a referendum held on  
6 or after the effective date of this amendatory Act of the 97th  
7 General Assembly, then the county board may reduce or  
8 discontinue the tax, but only in accordance with subsection  
9 (h-5) of this Section. If, however, a school board issues bonds  
10 that are secured by the proceeds of the tax under this Section,  
11 then the county board may not reduce the tax rate or  
12 discontinue the tax if that rate reduction or discontinuance  
13 would adversely affect the school board's ability to pay the  
14 principal and interest on those bonds as they become due or  
15 necessitate the extension of additional property taxes to pay  
16 the principal and interest on those bonds. If the county board  
17 reduces the tax rate or discontinues the tax, then a referendum  
18 must be held in accordance with subsection (c) of this Section  
19 in order to increase the rate of the tax or to reimpose the  
20 discontinued tax.

21 Until January 1, 2014, the ~~The~~ results of any election that  
22 imposes, reduces, or discontinues a tax under this Section must  
23 be certified by the election authority, and any ordinance that  
24 increases or lowers the rate or discontinues the tax must be  
25 certified by the county clerk and, in each case, filed with the  
26 Illinois Department of Revenue either (i) on or before the

1 first day of April, whereupon the Department shall proceed to  
2 administer and enforce the tax or change in the rate as of the  
3 first day of July next following the filing; or (ii) on or  
4 before the first day of October, whereupon the Department shall  
5 proceed to administer and enforce the tax or change in the rate  
6 as of the first day of January next following the filing.

7 Beginning January 1, 2014, the results of any election that  
8 imposes, reduces, or discontinues a tax under this Section must  
9 be certified by the election authority, and any ordinance that  
10 increases or lowers the rate or discontinues the tax must be  
11 certified by the county clerk and, in each case, filed with the  
12 Illinois Department of Revenue either (i) on or before the  
13 first day of May, whereupon the Department shall proceed to  
14 administer and enforce the tax or change in the rate as of the  
15 first day of July next following the filing; or (ii) on or  
16 before the first day of October, whereupon the Department shall  
17 proceed to administer and enforce the tax or change in the rate  
18 as of the first day of January next following the filing.

19 (h) For purposes of this Section, "school facility  
20 purposes" means (i) the acquisition, development,  
21 construction, reconstruction, rehabilitation, improvement,  
22 financing, architectural planning, and installation of capital  
23 facilities consisting of buildings, structures, and durable  
24 equipment and for the acquisition and improvement of real  
25 property and interest in real property required, or expected to  
26 be required, in connection with the capital facilities and (ii)

1 the payment of bonds or other obligations heretofore or  
2 hereafter issued, including bonds or other obligations  
3 heretofore or hereafter issued to refund or to continue to  
4 refund bonds or other obligations issued, for school facility  
5 purposes, provided that the taxes levied to pay those bonds are  
6 abated by the amount of the taxes imposed under this Section  
7 that are used to pay those bonds. "School-facility purposes"  
8 also includes fire prevention, safety, energy conservation,  
9 disabled accessibility, school security, and specified repair  
10 purposes set forth under Section 17-2.11 of the School Code.

11 (h-5) A county board in a county where a tax has been  
12 imposed under this Section pursuant to a referendum held on or  
13 after the effective date of this amendatory Act of the 97th  
14 General Assembly may, by ordinance or resolution, submit to the  
15 voters of the county the question of reducing or discontinuing  
16 the tax. In the ordinance or resolution, the county board shall  
17 certify the question to the proper election authority in  
18 accordance with the Election Code. The election authority must  
19 submit the question in substantially the following form:

20 Shall the school facility retailers' occupation tax  
21 and service occupation tax (commonly referred to as the  
22 "school facility sales tax") currently imposed in (name of  
23 county) at a rate of (insert rate) be (reduced to (insert  
24 rate)) (discontinued)?

25 If a majority of the electors voting on the question vote in  
26 the affirmative, then, subject to the provisions of subsection

1 (g) of this Section, the tax shall be reduced or discontinued  
2 as set forth in the question.

3 (i) This Section does not apply to Cook County.

4 (j) This Section may be cited as the County School Facility  
5 Occupation Tax Law.

6 (Source: P.A. 97-542, eff. 8-23-11; 97-813, eff. 7-13-12.)

7 (55 ILCS 5/5-1035 rep.)

8 Section 40. The Counties Code is amended by repealing  
9 Section 5-1035.

10 Section 45. The Illinois Municipal Code is amended by  
11 changing Section 8-11-1.1 as follows:

12 (65 ILCS 5/8-11-1.1) (from Ch. 24, par. 8-11-1.1)

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

15 (a) The corporate authorities of a non-home rule  
16 municipality may, upon approval of the electors of the  
17 municipality pursuant to subsection (b) of this Section, impose  
18 by ordinance or resolution the tax authorized in Sections  
19 8-11-1.3, 8-11-1.4 and 8-11-1.5 of this Act.

20 (b) The corporate authorities of the municipality may by  
21 ordinance or resolution call for the submission to the electors  
22 of the municipality the question of whether the municipality  
23 shall impose such tax. Such question shall be certified by the



1 municipal clerk to the election authority in accordance with  
2 Section 28-5 of the Election Code and shall be in a form in  
3 accordance with Section 16-7 of the Election Code.

4 Notwithstanding any provision of law to the contrary, if  
5 the proceeds of the tax may be used for municipal operations  
6 pursuant to Section 8-11-1.3, 8-11-1.4, or 8-11-1.5, then the  
7 election authority must submit the question in substantially  
8 the following form:

9 Shall the corporate authorities of the municipality be  
10 authorized to levy a tax at a rate of (rate)% for  
11 expenditures on municipal operations, expenditures on  
12 public infrastructure, or property tax relief?

13 If a majority of the electors in the municipality voting  
14 upon the question vote in the affirmative, such tax shall be  
15 imposed.

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

26 Beginning January 1, 1992, and through December 31, 1992 an

1 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 July,  
4 whereupon the Department shall proceed to administer and  
5 enforce this Section as of the first day of October next  
6 following such adoption and filing.

7 Beginning January 1, 1993, and through September 30, 2002,  
8 an ordinance or resolution imposing or discontinuing the tax  
9 hereunder shall be adopted and a certified copy thereof filed  
10 with the Department on or before the first day of October,  
11 whereupon the Department shall proceed to administer and  
12 enforce this Section as of the first day of January next  
13 following such adoption and filing.

14 Beginning October 1, 2002, and through December 31, 2013,  
15 an ordinance or resolution imposing or discontinuing the tax  
16 under this Section or effecting a change in the rate of tax  
17 must either (i) be adopted and a certified copy of the  
18 ordinance or resolution filed with the Department on or before  
19 the first day of April, whereupon the Department shall proceed  
20 to administer and enforce this Section as of the first day of  
21 July next following the adoption and filing; or (ii) be adopted  
22 and a certified copy of the ordinance or resolution filed with  
23 the Department on or before the first day of October, whereupon  
24 the Department shall proceed to administer and enforce this  
25 Section as of the first day of January next following the  
26 adoption and filing.

1       Beginning January 1, 2014, if an ordinance or resolution  
2       imposing the tax under this Section, discontinuing the tax  
3       under this Section, or effecting a change in the rate of tax  
4       under this Section is adopted, a certified copy thereof,  
5       together with a certification that the ordinance or resolution  
6       received referendum approval in the case of the imposition of  
7       or increase in the rate of such tax, shall be filed with the  
8       Department of Revenue, either (i) on or before the first day of  
9       May, whereupon the Department shall proceed to administer and  
10       enforce this Section as of the first day of July next following  
11       the adoption and filing; or (ii) on or before the first day of  
12       October, whereupon the Department shall proceed to administer  
13       and enforce this Section as of the first day of January next  
14       following the adoption and filing.

15       Notwithstanding any provision in this Section to the  
16       contrary, if, in a non-home rule municipality with more than  
17       150,000 but fewer than 200,000 inhabitants, as determined by  
18       the last preceding federal decennial census, an ordinance or  
19       resolution under this Section imposes or discontinues a tax or  
20       changes the tax rate as of July 1, 2007, then that ordinance or  
21       resolution, together with a certification that the ordinance or  
22       resolution received referendum approval in the case of the  
23       imposition of the tax, must be adopted and a certified copy of  
24       that ordinance or resolution must be filed with the Department  
25       on or before May 15, 2007, whereupon the Department shall  
26       proceed to administer and enforce this Section as of July 1,

1 2007.

2 Notwithstanding any provision in this Section to the  
3 contrary, if, in a non-home rule municipality with more than  
4 6,500 but fewer than 7,000 inhabitants, as determined by the  
5 last preceding federal decennial census, an ordinance or  
6 resolution under this Section imposes or discontinues a tax or  
7 changes the tax rate on or before May 20, 2009, then that  
8 ordinance or resolution, together with a certification that the  
9 ordinance or resolution received referendum approval in the  
10 case of the imposition of the tax, must be adopted and a  
11 certified copy of that ordinance or resolution must be filed  
12 with the Department on or before May 20, 2009, whereupon the  
13 Department shall proceed to administer and enforce this Section  
14 as of July 1, 2009.

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

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

23 (Source: P.A. 95-8, eff. 6-29-07; 96-10, eff. 5-20-09; 96-1057,  
24 eff. 7-14-10.)

25 (65 ILCS 5/8-11-9 rep.)

1           Section 50. The Illinois Municipal Code is amended by  
2           repealing Section 8-11-9.

3           Section 55. The Environmental Protection Act is amended by  
4           changing Section 55.8 as follows:

5           (415 ILCS 5/55.8) (from Ch. 111 1/2, par. 1055.8)

6           Sec. 55.8. Tire retailers.

7           (a) Any person selling new or used tires at retail or  
8           offering new or used tires for retail sale in this State shall:

9           (1) beginning on June 20, 2003 (the effective date of  
10           Public Act 93-32), collect from retail customers a fee of  
11           \$2 per new or used tire sold and delivered in this State,  
12           to be paid to the Department of Revenue and deposited into  
13           the Used Tire Management Fund, less a collection allowance  
14           of 10 cents per tire to be retained by the retail seller  
15           and a collection allowance of 10 cents per tire to be  
16           retained by the Department of Revenue and paid into the  
17           General Revenue Fund; the collection allowance for retail  
18           sellers, however, shall be allowed only if the return is  
19           filed timely and only for the amount that is paid timely in  
20           accordance with this Title XIV;

21           (1.5) beginning on July 1, 2003, collect from retail  
22           customers an additional 50 cents per new or used tire sold  
23           and delivered in this State; the money collected from this  
24           fee shall be deposited into the Emergency Public Health

1 Fund;

2 (2) accept for recycling used tires from customers, at  
3 the point of transfer, in a quantity equal to the number of  
4 new tires purchased; and

5 (3) post in a conspicuous place a written notice at  
6 least 8.5 by 11 inches in size that includes the universal  
7 recycling symbol and the following statements: "DO NOT put  
8 used tires in the trash."; "Recycle your used tires."; and  
9 "State law requires us to accept used tires for recycling,  
10 in exchange for new tires purchased."

11 (b) A person who accepts used tires for recycling under  
12 subsection (a) shall not allow the tires to accumulate for  
13 periods of more than 90 days.

14 (c) The requirements of subsection (a) of this Section do  
15 not apply to mail order sales nor shall the retail sale of a  
16 motor vehicle be considered to be the sale of tires at retail  
17 or offering of tires for retail sale. Instead of filing  
18 returns, retailers of tires may remit the tire user fee of  
19 \$1.00 per tire to their suppliers of tires if the supplier of  
20 tires is a registered retailer of tires and agrees or otherwise  
21 arranges to collect and remit the tire fee to the Department of  
22 Revenue, notwithstanding the fact that the sale of the tire is  
23 a sale for resale and not a sale at retail. A tire supplier who  
24 enters into such an arrangement with a tire retailer shall be  
25 liable for the tax on all tires sold to the tire retailer and  
26 must (i) provide the tire retailer with a receipt that

1 separately reflects the tire tax collected from the retailer on  
2 each transaction and (ii) accept used tires for recycling from  
3 the retailer's customers. The tire supplier shall be entitled  
4 to the collection allowance of 10 cents per tire, but only if  
5 the return is filed timely and only for the amount that is paid  
6 timely in accordance with this Title XIV.

7 The retailer of the tires must maintain in its books and  
8 records evidence that the appropriate fee was paid to the tire  
9 supplier and that the tire supplier has agreed to remit the fee  
10 to the Department of Revenue for each tire sold by the  
11 retailer. Otherwise, the tire retailer shall be directly liable  
12 for the fee on all tires sold at retail. Tire retailers paying  
13 the fee to their suppliers are not entitled to the collection  
14 allowance of 10 cents per tire.

15 (d) The requirements of subsection (a) of this Section  
16 shall apply exclusively to tires to be used for vehicles  
17 defined in Section 1-217 of the Illinois Vehicle Code, aircraft  
18 tires, special mobile equipment, and implements of husbandry.

19 (e) The requirements of paragraph (1) of subsection (a) do  
20 not apply to the sale of reprocessed tires. For purposes of  
21 this Section, "reprocessed tire" means a used tire that has  
22 been recapped, retreaded, or regrooved and that has not been  
23 placed on a vehicle wheel rim.

24 (Source: P.A. 95-49, eff. 8-10-07; 95-331, eff. 8-21-07;  
25 95-876, eff. 8-21-08; 96-520, eff. 8-14-09.)

26 Section 99. Effective date. This Act takes effect July 1,

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1 2013.