

HB3873



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3873

by Rep. Michael J. Madigan

SYNOPSIS AS INTRODUCED:

30 ILCS 115/12

from Ch. 85, par. 616

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

LRB098 15432 JWD 50462 b

A BILL FOR

1 AN ACT concerning finance.

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

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

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

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

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

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

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

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

21 In addition, moneys in the Personal Property Tax
22 Replacement Fund may be used to pay any of the following: (i)
23 salary, stipends, and additional compensation as provided by
24 law for chief election clerks, county clerks, and county
25 recorders; (ii) costs associated with regional offices of
26 education and educational service centers; (iii)

1 reimbursements payable by the State Board of Elections under
2 Section 4-25, 5-35, 6-71, 13-10, 13-10a, or 13-11 of the
3 Election Code; and (iv) expenses of the Illinois Educational
4 Labor Relations Board.

5 As soon as may be after the effective date of this
6 amendatory Act of 1980, the Department of Revenue shall certify
7 to the Treasurer the amount of net replacement revenue paid
8 into the General Revenue Fund prior to that effective date from
9 the additional tax imposed by Section 2a.1 of the Messages Tax
10 Act; Section 2a.1 of the Gas Revenue Tax Act; Section 2a.1 of
11 the Public Utilities Revenue Act; Section 3 of the Water
12 Company Invested Capital Tax Act; amounts collected by the
13 Department of Revenue under the Telecommunications
14 Infrastructure Maintenance Fee Act; and the additional
15 personal property tax replacement income tax imposed by the
16 Illinois Income Tax Act, as amended by Public Act 81-1st
17 Special Session-1. Net replacement revenue shall be defined as
18 the total amount paid into and remaining in the General Revenue
19 Fund as a result of those Acts minus the amount outstanding and
20 obligated from the General Revenue Fund in state vouchers or
21 warrants prior to the effective date of this amendatory Act of
22 1980 as refunds to taxpayers for overpayment of liability under
23 those Acts.

24 All interest earned by monies accumulated in the Personal
25 Property Tax Replacement Fund shall be deposited in such Fund.
26 All amounts allocated pursuant to this Section are appropriated

1 on a continuing basis.

2 Prior to December 31, 1980, as soon as may be after the end
3 of each quarter beginning with the quarter ending December 31,
4 1979, and on and after December 31, 1980, as soon as may be
5 after January 1, March 1, April 1, May 1, July 1, August 1,
6 October 1 and December 1 of each year, the Department of
7 Revenue shall allocate to each taxing district as defined in
8 Section 1-150 of the Property Tax Code, in accordance with the
9 provisions of paragraph (2) of this Section the portion of the
10 funds held in the Personal Property Tax Replacement Fund which
11 is required to be distributed, as provided in paragraph (1),
12 for each quarter. Provided, however, under no circumstances
13 shall any taxing district during each of the first two years of
14 distribution of the taxes imposed by this amendatory Act of
15 1979 be entitled to an annual allocation which is less than the
16 funds such taxing district collected from the 1978 personal
17 property tax. Provided further that under no circumstances
18 shall any taxing district during the third year of distribution
19 of the taxes imposed by this amendatory Act of 1979 receive
20 less than 60% of the funds such taxing district collected from
21 the 1978 personal property tax. In the event that the total of
22 the allocations made as above provided for all taxing
23 districts, during either of such 3 years, exceeds the amount
24 available for distribution the allocation of each taxing
25 district shall be proportionately reduced. Except as provided
26 in Section 13 of this Act, the Department shall then certify,

1 pursuant to appropriation, such allocations to the State
2 Comptroller who shall pay over to the several taxing districts
3 the respective amounts allocated to them.

4 Any township which receives an allocation based in whole or
5 in part upon personal property taxes which it levied pursuant
6 to Section 6-507 or 6-512 of the Illinois Highway Code and
7 which was previously required to be paid over to a municipality
8 shall immediately pay over to that municipality a proportionate
9 share of the personal property replacement funds which such
10 township receives.

11 Any municipality or township, other than a municipality
12 with a population in excess of 500,000, which receives an
13 allocation based in whole or in part on personal property taxes
14 which it levied pursuant to Sections 3-1, 3-4 and 3-6 of the
15 Illinois Local Library Act and which was previously required to
16 be paid over to a public library shall immediately pay over to
17 that library a proportionate share of the personal property tax
18 replacement funds which such municipality or township
19 receives; provided that if such a public library has converted
20 to a library organized under The Illinois Public Library
21 District Act, regardless of whether such conversion has
22 occurred on, after or before January 1, 1988, such
23 proportionate share shall be immediately paid over to the
24 library district which maintains and operates the library.
25 However, any library that has converted prior to January 1,
26 1988, and which hitherto has not received the personal property

1 tax replacement funds, shall receive such funds commencing on
2 January 1, 1988.

3 Any township which receives an allocation based in whole or
4 in part on personal property taxes which it levied pursuant to
5 Section 1c of the Public Graveyards Act and which taxes were
6 previously required to be paid over to or used for such public
7 cemetery or cemeteries shall immediately pay over to or use for
8 such public cemetery or cemeteries a proportionate share of the
9 personal property tax replacement funds which the township
10 receives.

11 Any taxing district which receives an allocation based in
12 whole or in part upon personal property taxes which it levied
13 for another governmental body or school district in Cook County
14 in 1976 or for another governmental body or school district in
15 the remainder of the State in 1977 shall immediately pay over
16 to that governmental body or school district the amount of
17 personal property replacement funds which such governmental
18 body or school district would receive directly under the
19 provisions of paragraph (2) of this Section, had it levied its
20 own taxes.

21 (1) The portion of the Personal Property Tax
22 Replacement Fund required to be distributed as of the time
23 allocation is required to be made shall be the amount
24 available in such Fund as of the time allocation is
25 required to be made.

26 The amount available for distribution shall be the

1 total amount in the fund at such time minus the necessary
2 administrative and other authorized expenses as limited by
3 the appropriation and the amount determined by: (a) \$2.8
4 million for fiscal year 1981; (b) for fiscal year 1982,
5 .54% of the funds distributed from the fund during the
6 preceding fiscal year; (c) for fiscal year 1983 through
7 fiscal year 1988, .54% of the funds distributed from the
8 fund during the preceding fiscal year less .02% of such
9 fund for fiscal year 1983 and less .02% of such funds for
10 each fiscal year thereafter; (d) for fiscal year 1989
11 through fiscal year 2011 no more than 105% of the actual
12 administrative expenses of the prior fiscal year; (e) for
13 fiscal year 2012 and beyond, a sufficient amount to pay (i)
14 stipends, additional compensation, salary reimbursements,
15 and other amounts directed to be paid out of this Fund for
16 local officials as authorized or required by statute and
17 (ii) no more than 105% of the actual administrative
18 expenses of the prior fiscal year, including payment of the
19 ordinary and contingent expenses of the Property Tax Appeal
20 Board and payment of the expenses of the Department of
21 Revenue incurred in administering the collection and
22 distribution of moneys paid into the Fund; or (f) for
23 fiscal years 2012 and 2013 only, a sufficient amount to pay
24 stipends, additional compensation, salary reimbursements,
25 and other amounts directed to be paid out of this Fund for
26 regional offices and officials as authorized or required by

1 statute. Such portion of the fund shall be determined after
2 the transfer into the General Revenue Fund due to refunds,
3 if any, paid from the General Revenue Fund during the
4 preceding quarter. If at any time, for any reason, there is
5 insufficient amount in the Personal Property Tax
6 Replacement Fund for payments for regional offices and
7 officials or local officials or payment of costs of
8 administration or for transfers due to refunds at the end
9 of any particular month, the amount of such insufficiency
10 shall be carried over for the purposes of payments for
11 regional offices and officials, local officials, transfers
12 into the General Revenue Fund, and costs of administration
13 to the following month or months. Net replacement revenue
14 held, and defined above, shall be transferred by the
15 Treasurer and Comptroller to the Personal Property Tax
16 Replacement Fund within 10 days of such certification.

17 (2) Each quarterly allocation shall first be
18 apportioned in the following manner: 51.65% for taxing
19 districts in Cook County and 48.35% for taxing districts in
20 the remainder of the State.

21 The Personal Property Replacement Ratio of each taxing
22 district outside Cook County shall be the ratio which the Tax
23 Base of that taxing district bears to the Downstate Tax Base.
24 The Tax Base of each taxing district outside of Cook County is
25 the personal property tax collections for that taxing district
26 for the 1977 tax year. The Downstate Tax Base is the personal

1 property tax collections for all taxing districts in the State
2 outside of Cook County for the 1977 tax year. The Department of
3 Revenue shall have authority to review for accuracy and
4 completeness the personal property tax collections for each
5 taxing district outside Cook County for the 1977 tax year.

6 The Personal Property Replacement Ratio of each Cook County
7 taxing district shall be the ratio which the Tax Base of that
8 taxing district bears to the Cook County Tax Base. The Tax Base
9 of each Cook County taxing district is the personal property
10 tax collections for that taxing district for the 1976 tax year.
11 The Cook County Tax Base is the personal property tax
12 collections for all taxing districts in Cook County for the
13 1976 tax year. The Department of Revenue shall have authority
14 to review for accuracy and completeness the personal property
15 tax collections for each taxing district within Cook County for
16 the 1976 tax year.

17 For all purposes of this Section 12, amounts paid to a
18 taxing district for such tax years as may be applicable by a
19 foreign corporation under the provisions of Section 7-202 of
20 the Public Utilities Act, as amended, shall be deemed to be
21 personal property taxes collected by such taxing district for
22 such tax years as may be applicable. The Director shall
23 determine from the Illinois Commerce Commission, for any tax
24 year as may be applicable, the amounts so paid by any such
25 foreign corporation to any and all taxing districts. The
26 Illinois Commerce Commission shall furnish such information to

1 the Director. For all purposes of this Section 12, the Director
2 shall deem such amounts to be collected personal property taxes
3 of each such taxing district for the applicable tax year or
4 years.

5 Taxing districts located both in Cook County and in one or
6 more other counties shall receive both a Cook County allocation
7 and a Downstate allocation determined in the same way as all
8 other taxing districts.

9 If any taxing district in existence on July 1, 1979 ceases
10 to exist, or discontinues its operations, its Tax Base shall
11 thereafter be deemed to be zero. If the powers, duties and
12 obligations of the discontinued taxing district are assumed by
13 another taxing district, the Tax Base of the discontinued
14 taxing district shall be added to the Tax Base of the taxing
15 district assuming such powers, duties and obligations.

16 If two or more taxing districts in existence on July 1,
17 1979, or a successor or successors thereto shall consolidate
18 into one taxing district, the Tax Base of such consolidated
19 taxing district shall be the sum of the Tax Bases of each of
20 the taxing districts which have consolidated.

21 If a single taxing district in existence on July 1, 1979,
22 or a successor or successors thereto shall be divided into two
23 or more separate taxing districts, the tax base of the taxing
24 district so divided shall be allocated to each of the resulting
25 taxing districts in proportion to the then current equalized
26 assessed value of each resulting taxing district.

1 If a portion of the territory of a taxing district is
2 disconnected and annexed to another taxing district of the same
3 type, the Tax Base of the taxing district from which
4 disconnection was made shall be reduced in proportion to the
5 then current equalized assessed value of the disconnected
6 territory as compared with the then current equalized assessed
7 value within the entire territory of the taxing district prior
8 to disconnection, and the amount of such reduction shall be
9 added to the Tax Base of the taxing district to which
10 annexation is made.

11 If a community college district is created after July 1,
12 1979, beginning on the effective date of this amendatory Act of
13 1995, its Tax Base shall be 3.5% of the sum of the personal
14 property tax collected for the 1977 tax year within the
15 territorial jurisdiction of the district.

16 The amounts allocated and paid to taxing districts pursuant
17 to the provisions of this amendatory Act of 1979 shall be
18 deemed to be substitute revenues for the revenues derived from
19 taxes imposed on personal property pursuant to the provisions
20 of the "Revenue Act of 1939" or "An Act for the assessment and
21 taxation of private car line companies", approved July 22,
22 1943, as amended, or Section 414 of the Illinois Insurance
23 Code, prior to the abolition of such taxes and shall be used
24 for the same purposes as the revenues derived from ad valorem
25 taxes on real estate.

26 Monies received by any taxing districts from the Personal

1 Property Tax Replacement Fund shall be first applied toward
2 payment of the proportionate amount of debt service which was
3 previously levied and collected from extensions against
4 personal property on bonds outstanding as of December 31, 1978
5 and next applied toward payment of the proportionate share of
6 the pension or retirement obligations of the taxing district
7 which were previously levied and collected from extensions
8 against personal property. For each such outstanding bond
9 issue, the County Clerk shall determine the percentage of the
10 debt service which was collected from extensions against real
11 estate in the taxing district for 1978 taxes payable in 1979,
12 as related to the total amount of such levies and collections
13 from extensions against both real and personal property. For
14 1979 and subsequent years' taxes, the County Clerk shall levy
15 and extend taxes against the real estate of each taxing
16 district which will yield the said percentage or percentages of
17 the debt service on such outstanding bonds. The balance of the
18 amount necessary to fully pay such debt service shall
19 constitute a first and prior lien upon the monies received by
20 each such taxing district through the Personal Property Tax
21 Replacement Fund and shall be first applied or set aside for
22 such purpose. In counties having fewer than 3,000,000
23 inhabitants, the amendments to this paragraph as made by this
24 amendatory Act of 1980 shall be first applicable to 1980 taxes
25 to be collected in 1981.

26 (Source: P.A. 97-72, eff. 7-1-11; 97-619, eff. 11-14-11;

1 97-732, eff. 6-30-12; 98-24, eff. 6-19-13.)