



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB5934

by Rep. Fred Crespo

SYNOPSIS AS INTRODUCED:

20 ILCS 665/4a
35 ILCS 145/6

from Ch. 127, par. 200-24a
from Ch. 120, par. 481b.36

Amends the Illinois Promotion Act. Provides that one-third of the monies deposited in the Tourism Promotion Fund under the Hotel Operators' Occupation Tax shall be used solely for advertising to promote tourism. Deletes a provision that 8% and 13% of the net revenue realized from the Hotel Operators' Occupation Tax Act shall be deposited into the Tourism Promotion Fund. Amends the Hotel Operators' Occupation Tax Act. Provides that beginning on July 1, 2014, an amount equal to 21% of the net revenue realized from that Act during the preceding month shall be deposited to the Tourism Promotion Fund for the purposes authorized in the Illinois Promotion Act. Effective immediately.

LRB098 19484 OMW 54656 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 Illinois Promotion Act is amended by
5 changing Section 4a as follows:

6 (20 ILCS 665/4a) (from Ch. 127, par. 200-24a)
7 Sec. 4a. Funds.

8 (1) All moneys deposited in the Tourism Promotion Fund
9 pursuant to this subsection are allocated to the Department for
10 utilization, as appropriated, in the performance of its powers
11 under Section 4; except that during fiscal year 2013, the
12 Department shall reserve \$9,800,000 of the total funds
13 available for appropriation in the Tourism Promotion Fund for
14 appropriation to the Historic Preservation Agency for the
15 operation of the Abraham Lincoln Presidential Library and
16 Museum and State historic sites.

17 As soon as possible after the first day of each month,
18 beginning July 1, 1997, upon certification of the Department of
19 Revenue, the Comptroller shall order transferred and the
20 Treasurer shall transfer from the General Revenue Fund to the
21 Tourism Promotion Fund ~~an amount equal to 13% of the net~~
22 ~~revenue realized from the Hotel Operators' Occupation Tax Act~~
23 ~~plus~~ an amount equal to 13% of the net revenue realized from

1 any tax imposed under Section 4.05 of the Chicago World's
2 Fair-1992 Authority Act during the preceding month. "Net
3 revenue realized for a month" means the revenue collected by
4 the State under that Act during the previous month less the
5 amount paid out during that same month as refunds to taxpayers
6 for overpayment of liability under that Act.

7 (1.1) (Blank).

8 (2) As soon as possible after the first day of each month,
9 beginning July 1, 1997, upon certification of the Department of
10 Revenue, the Comptroller shall order transferred and the
11 Treasurer shall transfer from the General Revenue Fund to the
12 Tourism Promotion Fund ~~an amount equal to 8% of the net revenue~~
13 ~~realized from the Hotel Operators' Occupation Tax plus~~ an
14 amount equal to 8% of the net revenue realized from any tax
15 imposed under Section 4.05 of the Chicago World's Fair-1992
16 Authority Act during the preceding month. "Net revenue realized
17 for a month" means the revenue collected by the State under
18 that Act during the previous month less the amount paid out
19 during that same month as refunds to taxpayers for overpayment
20 of liability under that Act.

21 All monies deposited in the Tourism Promotion Fund under
22 this subsection (2) shall be used solely as provided in this
23 subsection to advertise and promote tourism throughout
24 Illinois. Appropriations of monies deposited in the Tourism
25 Promotion Fund pursuant to this subsection (2) and one-third of
26 the monies deposited in the Tourism Promotion Fund pursuant to

1 Section 6 of the Hotel Operators' Occupation Tax Act shall be
2 used solely for advertising to promote tourism, including but
3 not limited to advertising production and direct advertisement
4 costs, but shall not be used to employ any additional staff,
5 finance any individual event, or lease, rent or purchase any
6 physical facilities. The Department shall coordinate its
7 advertising under this subsection (2) and one-third of the
8 monies deposited in the Tourism Promotion Fund pursuant to
9 Section 6 of the Hotel Operators' Occupation Tax Act with other
10 public and private entities in the State engaged in similar
11 promotion activities. Print or electronic media production
12 made pursuant to this subsection (2) for advertising promotion
13 shall not contain or include the physical appearance of or
14 reference to the name or position of any public officer.
15 "Public officer" means a person who is elected to office
16 pursuant to statute, or who is appointed to an office which is
17 established, and the qualifications and duties of which are
18 prescribed, by statute, to discharge a public duty for the
19 State or any of its political subdivisions.

20 (3) Notwithstanding anything in this Section to the
21 contrary, amounts transferred from the General Revenue Fund to
22 the Tourism Promotion Fund pursuant to this Section shall not
23 exceed \$26,300,000 in State fiscal year 2012.

24 (Source: P.A. 97-641, eff. 12-19-11; 97-732, eff. 6-30-12.)

25 Section 10. The Hotel Operators' Occupation Tax Act is

1 amended by changing Section 6 as follows:

2 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

3 Sec. 6. Except as provided hereinafter in this Section, on
4 or before the last day of each calendar month, every person
5 engaged in the business of renting, leasing or letting rooms in
6 a hotel in this State during the preceding calendar month shall
7 file a return with the Department, stating:

8 1. The name of the operator;

9 2. His residence address and the address of his
10 principal place of business and the address of the
11 principal place of business (if that is a different
12 address) from which he engages in the business of renting,
13 leasing or letting rooms in a hotel in this State;

14 3. Total amount of rental receipts received by him
15 during the preceding calendar month from renting, leasing
16 or letting rooms during such preceding calendar month;

17 4. Total amount of rental receipts received by him
18 during the preceding calendar month from renting, leasing
19 or letting rooms to permanent residents during such
20 preceding calendar month;

21 5. Total amount of other exclusions from gross rental
22 receipts allowed by this Act;

23 6. Gross rental receipts which were received by him
24 during the preceding calendar month and upon the basis of
25 which the tax is imposed;

1 7. The amount of tax due;

2 8. Such other reasonable information as the Department
3 may require.

4 If the operator's average monthly tax liability to the
5 Department does not exceed \$200, the Department may authorize
6 his returns to be filed on a quarter annual basis, with the
7 return for January, February and March of a given year being
8 due by April 30 of such year; with the return for April, May
9 and June of a given year being due by July 31 of such year; with
10 the return for July, August and September of a given year being
11 due by October 31 of such year, and with the return for
12 October, November and December of a given year being due by
13 January 31 of the following year.

14 If the operator's average monthly tax liability to the
15 Department does not exceed \$50, the Department may authorize
16 his returns to be filed on an annual basis, with the return for
17 a given year being due by January 31 of the following year.

18 Such quarter annual and annual returns, as to form and
19 substance, shall be subject to the same requirements as monthly
20 returns.

21 Notwithstanding any other provision in this Act concerning
22 the time within which an operator may file his return, in the
23 case of any operator who ceases to engage in a kind of business
24 which makes him responsible for filing returns under this Act,
25 such operator shall file a final return under this Act with the
26 Department not more than 1 month after discontinuing such

1 business.

2 Where the same person has more than 1 business registered
3 with the Department under separate registrations under this
4 Act, such person shall not file each return that is due as a
5 single return covering all such registered businesses, but
6 shall file separate returns for each such registered business.

7 In his return, the operator shall determine the value of
8 any consideration other than money received by him in
9 connection with the renting, leasing or letting of rooms in the
10 course of his business and he shall include such value in his
11 return. Such determination shall be subject to review and
12 revision by the Department in the manner hereinafter provided
13 for the correction of returns.

14 Where the operator is a corporation, the return filed on
15 behalf of such corporation shall be signed by the president,
16 vice-president, secretary or treasurer or by the properly
17 accredited agent of such corporation.

18 The person filing the return herein provided for shall, at
19 the time of filing such return, pay to the Department the
20 amount of tax herein imposed. The operator filing the return
21 under this Section shall, at the time of filing such return,
22 pay to the Department the amount of tax imposed by this Act
23 less a discount of 2.1% or \$25 per calendar year, whichever is
24 greater, which is allowed to reimburse the operator for the
25 expenses incurred in keeping records, preparing and filing
26 returns, remitting the tax and supplying data to the Department

1 on request.

2 There shall be deposited in the Build Illinois Fund in the
3 State Treasury for each State fiscal year 40% of the amount of
4 total net proceeds from the tax imposed by subsection (a) of
5 Section 3. Of the remaining 60%, \$5,000,000 shall be deposited
6 in the Illinois Sports Facilities Fund and credited to the
7 Subsidy Account each fiscal year by making monthly deposits in
8 the amount of 1/8 of \$5,000,000 plus cumulative deficiencies in
9 such deposits for prior months, and an additional \$8,000,000
10 shall be deposited in the Illinois Sports Facilities Fund and
11 credited to the Advance Account each fiscal year by making
12 monthly deposits in the amount of 1/8 of \$8,000,000 plus any
13 cumulative deficiencies in such deposits for prior months;
14 provided, that for fiscal years ending after June 30, 2001, the
15 amount to be so deposited into the Illinois Sports Facilities
16 Fund and credited to the Advance Account each fiscal year shall
17 be increased from \$8,000,000 to the then applicable Advance
18 Amount and the required monthly deposits beginning with July
19 2001 shall be in the amount of 1/8 of the then applicable
20 Advance Amount plus any cumulative deficiencies in those
21 deposits for prior months. (The deposits of the additional
22 \$8,000,000 or the then applicable Advance Amount, as
23 applicable, during each fiscal year shall be treated as
24 advances of funds to the Illinois Sports Facilities Authority
25 for its corporate purposes to the extent paid to the Authority
26 or its trustee and shall be repaid into the General Revenue

1 Fund in the State Treasury by the State Treasurer on behalf of
2 the Authority pursuant to Section 19 of the Illinois Sports
3 Facilities Authority Act, as amended. If in any fiscal year the
4 full amount of the then applicable Advance Amount is not repaid
5 into the General Revenue Fund, then the deficiency shall be
6 paid from the amount in the Local Government Distributive Fund
7 that would otherwise be allocated to the City of Chicago under
8 the State Revenue Sharing Act.)

9 For purposes of the foregoing paragraph, the term "Advance
10 Amount" means, for fiscal year 2002, \$22,179,000, and for
11 subsequent fiscal years through fiscal year 2032, 105.615% of
12 the Advance Amount for the immediately preceding fiscal year,
13 rounded up to the nearest \$1,000.

14 Of the remaining 60% of the amount of total net proceeds
15 prior to August 1, 2011 from the tax imposed by subsection (a)
16 of Section 3 after all required deposits in the Illinois Sports
17 Facilities Fund, the amount equal to 8% of the net revenue
18 realized from this Act plus an amount equal to 8% of the net
19 revenue realized from any tax imposed under Section 4.05 of the
20 Chicago World's Fair-1992 Authority Act during the preceding
21 month shall be deposited in the Local Tourism Fund each month
22 for purposes authorized by Section 605-705 of the Department of
23 Commerce and Economic Opportunity Law (20 ILCS 605/605-705). Of
24 the remaining 60% of the amount of total net proceeds beginning
25 on August 1, 2011 from the tax imposed by subsection (a) of
26 Section 3 after all required deposits in the Illinois Sports

1 Facilities Fund, an amount equal to 8% of the net revenue
2 realized from this Act plus an amount equal to 8% of the net
3 revenue realized from any tax imposed under Section 4.05 of the
4 Chicago World's Fair-1992 Authority Act during the preceding
5 month shall be deposited as follows: 18% of such amount shall
6 be deposited into the Chicago Travel Industry Promotion Fund
7 for the purposes described in subsection (n) of Section 5 of
8 the Metropolitan Pier and Exposition Authority Act and the
9 remaining 82% of such amount shall be deposited into the Local
10 Tourism Fund each month for purposes authorized by Section
11 605-705 of the Department of Commerce and Economic Opportunity
12 Law. Beginning on August 1, 1999 and ending on July 31, 2011,
13 an amount equal to 4.5% of the net revenue realized from the
14 Hotel Operators' Occupation Tax Act during the preceding month
15 shall be deposited into the International Tourism Fund for the
16 purposes authorized in Section 605-707 of the Department of
17 Commerce and Economic Opportunity Law. Beginning on August 1,
18 2011, an amount equal to 4.5% of the net revenue realized from
19 this Act during the preceding month shall be deposited as
20 follows: 55% of such amount shall be deposited into the Chicago
21 Travel Industry Promotion Fund for the purposes described in
22 subsection (n) of Section 5 of the Metropolitan Pier and
23 Exposition Authority Act and the remaining 45% of such amount
24 deposited into the International Tourism Fund for the purposes
25 authorized in Section 605-707 of the Department of Commerce and
26 Economic Opportunity Law. Beginning on July 1, 2014, an amount

1 equal to 21% of the net revenue realized from this Act during
2 the preceding month shall be deposited to the Tourism Promotion
3 Fund for the purposes authorized in the Illinois Promotion Act.

4 "Net revenue realized for a month" means the revenue collected
5 by the State under that Act during the previous month less the
6 amount paid out during that same month as refunds to taxpayers
7 for overpayment of liability under that Act.

8 After making all these deposits, all other proceeds of the
9 tax imposed under subsection (a) of Section 3 shall be
10 deposited in the General Revenue Fund in the State Treasury.
11 All moneys received by the Department from the additional tax
12 imposed under subsection (b) of Section 3 shall be deposited
13 into the Build Illinois Fund in the State Treasury.

14 The Department may, upon separate written notice to a
15 taxpayer, require the taxpayer to prepare and file with the
16 Department on a form prescribed by the Department within not
17 less than 60 days after receipt of the notice an annual
18 information return for the tax year specified in the notice.
19 Such annual return to the Department shall include a statement
20 of gross receipts as shown by the operator's last State income
21 tax return. If the total receipts of the business as reported
22 in the State income tax return do not agree with the gross
23 receipts reported to the Department for the same period, the
24 operator shall attach to his annual information return a
25 schedule showing a reconciliation of the 2 amounts and the
26 reasons for the difference. The operator's annual information

1 return to the Department shall also disclose pay roll
2 information of the operator's business during the year covered
3 by such return and any additional reasonable information which
4 the Department deems would be helpful in determining the
5 accuracy of the monthly, quarterly or annual tax returns by
6 such operator as hereinbefore provided for in this Section.

7 If the annual information return required by this Section
8 is not filed when and as required the taxpayer shall be liable
9 for a penalty in an amount determined in accordance with
10 Section 3-4 of the Uniform Penalty and Interest Act until such
11 return is filed as required, the penalty to be assessed and
12 collected in the same manner as any other penalty provided for
13 in this Act.

14 The chief executive officer, proprietor, owner or highest
15 ranking manager shall sign the annual return to certify the
16 accuracy of the information contained therein. Any person who
17 willfully signs the annual return containing false or
18 inaccurate information shall be guilty of perjury and punished
19 accordingly. The annual return form prescribed by the
20 Department shall include a warning that the person signing the
21 return may be liable for perjury.

22 The foregoing portion of this Section concerning the filing
23 of an annual information return shall not apply to an operator
24 who is not required to file an income tax return with the
25 United States Government.

26 (Source: P.A. 97-617, eff. 10-26-11.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.