



Sen. Toi W. Hutchinson

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09900HB3448sam002

LRB099 10410 HLH 36465 a

1 AMENDMENT TO HOUSE BILL 3448

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3448 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Local Tax Collection Act is amended by  
5 changing Section 1 as follows:

6 (35 ILCS 720/1) (from Ch. 120, par. 1901)

7 Sec. 1. (a) The Department of Revenue and any unit of local  
8 government ~~county or municipality~~ may agree to the Department's  
9 collecting, and transmitting back to the unit of local  
10 government ~~such county or municipality~~, any tax lawfully  
11 imposed by that unit of local government ~~county or~~  
12 ~~municipality~~, the subject of which is similar to that of a tax  
13 imposed by the State and collected by the Department of  
14 Revenue, unless the General Assembly has specifically required  
15 a different method of collection for such tax. However, the  
16 Department may not enter into a contract with any unit of local

1 government ~~municipality or county~~ pursuant to this Act for the  
2 collection of any tax based on the sale or use of tangible  
3 personal property generally, not including taxes based only on  
4 the sale or use of specifically limited kinds of tangible  
5 personal property, unless the ~~municipal or county~~ ordinance  
6 adopted by the unit of local government imposes a sales or use  
7 tax which is substantively identical to and which contains the  
8 same exemptions as the taxes imposed by the unit of local  
9 government's ~~municipalities' or counties'~~ ordinances  
10 authorized by the Home Rule or Non-Home Rule Municipal or  
11 County Retailers' Occupation Tax Act, the Home Rule or Non-Home  
12 Rule ~~or the~~ Municipal or County Use Tax, or any other  
13 Retailers' Occupation Tax Act or Law that is administered by  
14 the Department of Revenue, as interpreted by the Department  
15 through its regulations as those Acts and as those regulations  
16 may from time to time be amended.

17 (b) Regarding the collection of a tax pursuant to this  
18 Section, the Department and any person subject to a tax  
19 collected by the Department pursuant to this Section shall, as  
20 much as practicable, have the same rights, remedies,  
21 privileges, immunities, powers and duties, and be subject to  
22 the same conditions, restrictions, limitations, penalties,  
23 definitions of terms and procedures, as those set forth in the  
24 Act imposing the State tax, the subject of which is similar to  
25 the tax being collected by the Department pursuant to this  
26 Section. The Department and unit of local government ~~county or~~

1 ~~municipality~~ shall specifically agree in writing to such  
2 rights, remedies, privileges, immunities, powers, duties,  
3 conditions, restrictions, limitations, penalties, definitions  
4 of terms and procedures, as well as any other terms deemed  
5 necessary or advisable. All terms so agreed upon shall be  
6 incorporated into an ordinance of such unit of local government  
7 ~~county or municipality~~, and the Department shall not collect  
8 the tax pursuant to this Section until such ordinance takes  
9 effect.

10 (c) (1) The Department shall forthwith pay over to the  
11 State Treasurer, ex officio, as trustee, all taxes and  
12 penalties collected hereunder. On or before the 25th day of  
13 each calendar month, the Department shall prepare and certify  
14 to the Comptroller the disbursement of stated sums of money to  
15 named units of local government ~~cities and counties~~ from which  
16 retailers or other taxpayers have paid taxes or penalties  
17 hereunder to the Department during the second preceding  
18 calendar month.

19 (i) The ~~an~~ amount to be paid to each unit of local  
20 government ~~county and municipality~~, which shall equal the taxes  
21 and penalties collected by the Department for the unit of local  
22 government ~~such county or municipality~~ pursuant to this Section  
23 during the second preceding calendar month (not including  
24 credit memoranda), plus an amount the Department determines is  
25 necessary to offset any amounts which were erroneously paid to  
26 a different taxing body, and not including (i) an amount equal

1 to the amount of refunds made during the second preceding  
2 calendar month by the Department of behalf of such county or  
3 municipality and (ii) any amount which the Department  
4 determines is necessary to offset any amounts which are payable  
5 to a different taxing body but were erroneously paid to the  
6 municipality or county, less 2% of the balance, or any greater  
7 amount of the balance as provided in the agreement between the  
8 Department and the unit of local government required under this  
9 Section, which sum shall be retained by the State Treasurer.  
10 ~~total amount of taxes and penalties collected by the Department~~  
11 ~~for such county or municipality pursuant to this Section or the~~  
12 ~~actual cost of collection of such taxes and penalties~~  
13 ~~determined pursuant to the agreement described in subsection~~  
14 ~~(b), whichever is less, which shall be retained by the State;~~  
15 ~~and~~

16 (ii) With respect to the total amount to be retained by the  
17 State Treasurer pursuant to subparagraph (i), the Department,  
18 at the time of each monthly disbursement to the units of local  
19 government, shall prepare and certify to the Comptroller the  
20 amount so retained by the State Treasurer, which shall be  
21 transferred ~~such amount to be deposited~~ into the Tax Compliance  
22 and Administration General Revenue Fund of the State treasury  
23 and used by the Department, subject to appropriation, to cover  
24 the costs incurred by the Department in collecting ~~such~~ taxes  
25 and penalties.

26 (2) Within 10 ~~7~~ days after receiving the certifications

1 described in paragraph (1), the Comptroller shall issue orders  
2 for payment of the amounts specified in subparagraph (i) of  
3 paragraph (1).

4 (d) Any ~~home rule~~ unit of local government which imposes a  
5 tax collected by the Department pursuant to this Section  
6 ~~substantially similar to a State imposed tax, or which imposes~~  
7 ~~a tax which is intended to be collected from a retail purchaser~~  
8 ~~of goods or services at the same time a similar State tax is~~  
9 ~~also collected,~~ must file a certified copy of the ordinance  
10 imposing the tax with the Department within 10 days after its  
11 passage. Beginning on the effective date of this amendatory Act  
12 of the 99th General Assembly, an ordinance or resolution  
13 imposing or discontinuing a tax collected by the Department  
14 under this Section or effecting a change in the rate thereof  
15 shall either (i) be adopted and a certified copy thereof filed  
16 with the Department on or before the first day of April,  
17 whereupon the Department shall proceed to administer and  
18 enforce the tax imposition, discontinuance, or rate change as  
19 of the first day of July next following the adoption and  
20 filing; or (ii) be adopted and certified copy thereof filed  
21 with the Department on or before the first day of October,  
22 whereupon the Department shall proceed to administer and  
23 enforce the tax imposition, discontinuance, or rate change as  
24 of the first day of January next following the adoption and  
25 filing. ~~No such ordinance shall become effective until it is so~~  
26 ~~filed. Any home rule unit of local government which has enacted~~

1 ~~such an ordinance prior to the effective date of this Act shall~~  
2 ~~file a copy of such ordinance with the Department within 90~~  
3 ~~days after the effective date of this Act.~~

4 (e) It is declared to be the law of this State, pursuant to  
5 paragraph (g) of Section 6 of Article VII of the Illinois  
6 Constitution, that this amendatory Act of 1988 is a denial of  
7 the power of a home rule unit to fail to comply with the  
8 requirements of paragraphs (d) and (e) of this Section.

9 (Source: P.A. 85-1215.)

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