

**SB0942**



**99TH GENERAL ASSEMBLY**

**State of Illinois**

**2015 and 2016**

**SB0942**

Introduced 2/11/2015, by Sen. Christine Radogno

**SYNOPSIS AS INTRODUCED:**

65 ILCS 5/8-11-1

from Ch. 24, par. 8-11-1

Amends the Home Rule Municipal Retailers' Occupation Tax Act in the Illinois Municipal Code. Makes a technical change in a Section authorizing the imposition of the tax.

LRB099 05525 AWJ 25561 b

**A BILL FOR**

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by  
5 changing Section 8-11-1 as follows:

6 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

7 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax  
8 Act. The ~~The~~ corporate authorities of a home rule municipality  
9 may impose a tax upon all persons engaged in the business of  
10 selling tangible personal property, other than an item of  
11 tangible personal property titled or registered with an agency  
12 of this State's government, at retail in the municipality on  
13 the gross receipts from these sales made in the course of such  
14 business. If imposed, the tax shall only be imposed in 1/4%  
15 increments. On and after September 1, 1991, this additional tax  
16 may not be imposed on the sales of food for human consumption  
17 that is to be consumed off the premises where it is sold (other  
18 than alcoholic beverages, soft drinks and food that has been  
19 prepared for immediate consumption) and prescription and  
20 nonprescription medicines, drugs, medical appliances and  
21 insulin, urine testing materials, syringes and needles used by  
22 diabetics. The tax imposed by a home rule municipality under  
23 this Section and all civil penalties that may be assessed as an

1 incident of the tax shall be collected and enforced by the  
2 State Department of Revenue. The certificate of registration  
3 that is issued by the Department to a retailer under the  
4 Retailers' Occupation Tax Act shall permit the retailer to  
5 engage in a business that is taxable under any ordinance or  
6 resolution enacted pursuant to this Section without  
7 registering separately with the Department under such  
8 ordinance or resolution or under this Section. The Department  
9 shall have full power to administer and enforce this Section;  
10 to collect all taxes and penalties due hereunder; to dispose of  
11 taxes and penalties so collected in the manner hereinafter  
12 provided; and to determine all rights to credit memoranda  
13 arising on account of the erroneous payment of tax or penalty  
14 hereunder. In the administration of, and compliance with, this  
15 Section the Department and persons who are subject to this  
16 Section shall have the same rights, remedies, privileges,  
17 immunities, powers and duties, and be subject to the same  
18 conditions, restrictions, limitations, penalties and  
19 definitions of terms, and employ the same modes of procedure,  
20 as are prescribed in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k,  
21 1m, 1n, 2 through 2-65 (in respect to all provisions therein  
22 other than the State rate of tax), 2c, 3 (except as to the  
23 disposition of taxes and penalties collected), 4, 5, 5a, 5b,  
24 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9,  
25 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and  
26 Section 3-7 of the Uniform Penalty and Interest Act, as fully

1 as if those provisions were set forth herein.

2 No tax may be imposed by a home rule municipality under  
3 this Section unless the municipality also imposes a tax at the  
4 same rate under Section 8-11-5 of this Act.

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

12 Whenever the Department determines that a refund should be  
13 made under this Section to a claimant instead of issuing a  
14 credit memorandum, the Department shall notify the State  
15 Comptroller, who shall cause the order to be drawn for the  
16 amount specified and to the person named in the notification  
17 from the Department. The refund shall be paid by the State  
18 Treasurer out of the home rule municipal retailers' occupation  
19 tax fund.

20 The Department shall immediately pay over to the State  
21 Treasurer, ex officio, as trustee, all taxes and penalties  
22 collected hereunder.

23 As soon as possible after the first day of each month,  
24 beginning January 1, 2011, upon certification of the Department  
25 of Revenue, the Comptroller shall order transferred, and the  
26 Treasurer shall transfer, to the STAR Bonds Revenue Fund the

1 local sales tax increment, as defined in the Innovation  
2 Development and Economy Act, collected under this Section  
3 during the second preceding calendar month for sales within a  
4 STAR bond district.

5 After the monthly transfer to the STAR Bonds Revenue Fund,  
6 on or before the 25th day of each calendar month, the  
7 Department shall prepare and certify to the Comptroller the  
8 disbursement of stated sums of money to named municipalities,  
9 the municipalities to be those from which retailers have paid  
10 taxes or penalties hereunder to the Department during the  
11 second preceding calendar month. The amount to be paid to each  
12 municipality shall be the amount (not including credit  
13 memoranda) collected hereunder during the second preceding  
14 calendar month by the Department plus an amount the Department  
15 determines is necessary to offset any amounts that were  
16 erroneously paid to a different taxing body, and not including  
17 an amount equal to the amount of refunds made during the second  
18 preceding calendar month by the Department on behalf of such  
19 municipality, and not including any amount that the Department  
20 determines is necessary to offset any amounts that were payable  
21 to a different taxing body but were erroneously paid to the  
22 municipality, and not including any amounts that are  
23 transferred to the STAR Bonds Revenue Fund. Within 10 days  
24 after receipt by the Comptroller of the disbursement  
25 certification to the municipalities provided for in this  
26 Section to be given to the Comptroller by the Department, the

1 Comptroller shall cause the orders to be drawn for the  
2 respective amounts in accordance with the directions contained  
3 in the certification.

4 In addition to the disbursement required by the preceding  
5 paragraph and in order to mitigate delays caused by  
6 distribution procedures, an allocation shall, if requested, be  
7 made within 10 days after January 14, 1991, and in November of  
8 1991 and each year thereafter, to each municipality that  
9 received more than \$500,000 during the preceding fiscal year,  
10 (July 1 through June 30) whether collected by the municipality  
11 or disbursed by the Department as required by this Section.  
12 Within 10 days after January 14, 1991, participating  
13 municipalities shall notify the Department in writing of their  
14 intent to participate. In addition, for the initial  
15 distribution, participating municipalities shall certify to  
16 the Department the amounts collected by the municipality for  
17 each month under its home rule occupation and service  
18 occupation tax during the period July 1, 1989 through June 30,  
19 1990. The allocation within 10 days after January 14, 1991,  
20 shall be in an amount equal to the monthly average of these  
21 amounts, excluding the 2 months of highest receipts. The  
22 monthly average for the period of July 1, 1990 through June 30,  
23 1991 will be determined as follows: the amounts collected by  
24 the municipality under its home rule occupation and service  
25 occupation tax during the period of July 1, 1990 through  
26 September 30, 1990, plus amounts collected by the Department

1 and paid to such municipality through June 30, 1991, excluding  
2 the 2 months of highest receipts. The monthly average for each  
3 subsequent period of July 1 through June 30 shall be an amount  
4 equal to the monthly distribution made to each such  
5 municipality under the preceding paragraph during this period,  
6 excluding the 2 months of highest receipts. The distribution  
7 made in November 1991 and each year thereafter under this  
8 paragraph and the preceding paragraph shall be reduced by the  
9 amount allocated and disbursed under this paragraph in the  
10 preceding period of July 1 through June 30. The Department  
11 shall prepare and certify to the Comptroller for disbursement  
12 the allocations made in accordance with this paragraph.

13 For the purpose of determining the local governmental unit  
14 whose tax is applicable, a retail sale by a producer of coal or  
15 other mineral mined in Illinois is a sale at retail at the  
16 place where the coal or other mineral mined in Illinois is  
17 extracted from the earth. This paragraph does not apply to coal  
18 or other mineral when it is delivered or shipped by the seller  
19 to the purchaser at a point outside Illinois so that the sale  
20 is exempt under the United States Constitution as a sale in  
21 interstate or foreign commerce.

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

26 An ordinance or resolution imposing or discontinuing a tax

1 hereunder or effecting a change in the rate thereof shall be  
2 adopted and a certified copy thereof filed with the Department  
3 on or before the first day of June, whereupon the Department  
4 shall proceed to administer and enforce this Section as of the  
5 first day of September next following the adoption and filing.  
6 Beginning January 1, 1992, an ordinance or resolution imposing  
7 or discontinuing the tax hereunder or effecting a change in the  
8 rate thereof shall be adopted and a certified copy thereof  
9 filed with the Department on or before the first day of July,  
10 whereupon the Department shall proceed to administer and  
11 enforce this Section as of the first day of October next  
12 following such adoption and filing. Beginning January 1, 1993,  
13 an ordinance or resolution imposing or discontinuing the tax  
14 hereunder or effecting a change in the rate thereof shall be  
15 adopted and a certified copy thereof filed with the Department  
16 on or before the first day of October, whereupon the Department  
17 shall proceed to administer and enforce this Section as of the  
18 first day of January next following the adoption and filing.  
19 However, a municipality located in a county with a population  
20 in excess of 3,000,000 that elected to become a home rule unit  
21 at the general primary election in 1994 may adopt an ordinance  
22 or resolution imposing the tax under this Section and file a  
23 certified copy of the ordinance or resolution with the  
24 Department on or before July 1, 1994. The Department shall then  
25 proceed to administer and enforce this Section as of October 1,  
26 1994. Beginning April 1, 1998, an ordinance or resolution



1 imposing or discontinuing the tax hereunder or effecting a  
2 change in the rate thereof shall either (i) be adopted and a  
3 certified copy thereof filed with the Department on or before  
4 the first day of April, whereupon the Department shall proceed  
5 to administer and enforce this Section as of the first day of  
6 July next following the adoption and filing; or (ii) be adopted  
7 and a certified copy thereof filed with the Department on or  
8 before the first day of October, whereupon the Department shall  
9 proceed to administer and enforce this Section as of the first  
10 day of January next following the adoption and filing.

11 When certifying the amount of a monthly disbursement to a  
12 municipality under this Section, the Department shall increase  
13 or decrease the amount by an amount necessary to offset any  
14 misallocation of previous disbursements. The offset amount  
15 shall be the amount erroneously disbursed within the previous 6  
16 months from the time a misallocation is discovered.

17 Any unobligated balance remaining in the Municipal  
18 Retailers' Occupation Tax Fund on December 31, 1989, which fund  
19 was abolished by Public Act 85-1135, and all receipts of  
20 municipal tax as a result of audits of liability periods prior  
21 to January 1, 1990, shall be paid into the Local Government Tax  
22 Fund for distribution as provided by this Section prior to the  
23 enactment of Public Act 85-1135. All receipts of municipal tax  
24 as a result of an assessment not arising from an audit, for  
25 liability periods prior to January 1, 1990, shall be paid into  
26 the Local Government Tax Fund for distribution before July 1,

1 1990, as provided by this Section prior to the enactment of  
2 Public Act 85-1135; and on and after July 1, 1990, all such  
3 receipts shall be distributed as provided in Section 6z-18 of  
4 the State Finance Act.

5 As used in this Section, "municipal" and "municipality"  
6 means a city, village or incorporated town, including an  
7 incorporated town that has superseded a civil township.

8 This Section shall be known and may be cited as the Home  
9 Rule Municipal Retailers' Occupation Tax Act.

10 (Source: P.A. 96-939, eff. 6-24-10.)