

1 AN ACT concerning municipalities.

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 Sections 8-11-1.1, 8-11-1.2, 8-11-1.3, 8-11-1.4, and  
6 8-11-1.5 as follows:

7 (65 ILCS 5/8-11-1.1) (from Ch. 24, par. 8-11-1.1)

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

10 (a) The corporate authorities of a non-home rule  
11 municipality may, upon approval of the electors of the  
12 municipality pursuant to subsection (b) of this Section,  
13 impose by ordinance or resolution the ~~1/2--of--1%~~ tax  
14 authorized in Sections 8-11-1.3, 8-11-1.4 and 8-11-1.5 of  
15 this Act.

16 (b) The corporate authorities of the municipality may by  
17 ordinance or resolution call for the submission to the  
18 electors of the municipality the question of whether the  
19 municipality shall impose such tax. Such question shall be  
20 certified by the municipal clerk to the election authority in  
21 accordance with Section 28-5 of the Election Code and shall  
22 be in a form in accordance with Section 16-7 of the Election  
23 Code.

24 If a majority of the electors in the municipality voting  
25 upon the question vote in the affirmative, such tax shall be  
26 imposed.

27 An ordinance or resolution imposing the tax of not more  
28 than 1/2 of 1% tax hereunder or discontinuing the same shall  
29 be adopted and a certified copy thereof, together with a  
30 certification that the ordinance or resolution received  
31 referendum approval in the case of the imposition of such

1 tax, filed with the Department of Revenue, on or before the  
2 first day of June, whereupon the Department shall proceed to  
3 administer and enforce the additional tax or to discontinue  
4 the tax, as the case may be, as of the first day of September  
5 next following such adoption and filing. Beginning January 1,  
6 1992, an ordinance or resolution imposing or discontinuing  
7 the tax hereunder shall be adopted and a certified copy  
8 thereof filed with the Department on or before the first day  
9 of July, whereupon the Department shall proceed to administer  
10 and enforce this Section as of the first day of October next  
11 following such adoption and filing. Beginning January 1,  
12 1993, an ordinance or resolution imposing or discontinuing  
13 the tax hereunder shall be adopted and a certified copy  
14 thereof filed with the Department on or before the first day  
15 of October, whereupon the Department shall proceed to  
16 administer and enforce this Section as of the first day of  
17 January next following such adoption and filing. Beginning  
18 October 1, 2001, an ordinance or resolution imposing or  
19 discontinuing the tax under this Section or effecting a  
20 change in the rate of tax must either (i) be adopted and a  
21 certified copy of the ordinance or resolution filed with the  
22 Department on or before the first day of April, whereupon the  
23 Department shall proceed to administer and enforce this  
24 Section as of the first day of July next following the  
25 adoption and filing; or (ii) be adopted and a certified copy  
26 of the ordinance or resolution filed with the Department on  
27 or before the first day of October, whereupon the Department  
28 shall proceed to administer and enforce this Section as of  
29 the first day of January next following the adoption and  
30 filing. A non-home rule municipality may file a certified  
31 copy of an ordinance or resolution, with a certification that  
32 the ordinance or resolution received referendum approval in  
33 the case of the imposition of the tax, with the Department of  
34 Revenue, as required under this Section, only after October

1 2, 2000.

2 The tax authorized by this Section may not be more than  
3 1/2 of 1% and may be imposed only in 1/4% increments.

4 (Source: P.A. 91-51, eff. 6-30-99; 91-649, eff. 1-1-00.)

5 (65 ILCS 5/8-11-1.2) (from Ch. 24, par. 8-11-1.2)

6 Sec. 8-11-1.2. Definition. As used in Sections  
7 8-11-1.3, 8-11-1.4 and 8-11-1.5 of this Act:

8 (a) "Public infrastructure" means municipal roads and  
9 streets, access roads, bridges, and sidewalks; waste disposal  
10 systems; and water and sewer line extensions, water  
11 distribution and purification facilities, storm water  
12 drainage and retention facilities, and sewage treatment  
13 facilities.

14 (b) "Property tax relief" means the action of a  
15 municipality to reduce the levy for real estate taxes or  
16 avoid an increase in the levy for real estate taxes that  
17 would otherwise have been required.

18 (Source: P.A. 91-51, eff. 6-30-99.)

19 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

20 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'  
21 Occupation Tax Act. The corporate authorities of a non-home  
22 rule municipality may impose a tax upon all persons engaged  
23 in the business of selling tangible personal property, other  
24 than on an item of tangible personal property which is titled  
25 and registered by an agency of this State's Government, at  
26 retail in the municipality ~~at--the--rate--of--1/2--of--1%~~ for  
27 expenditure on public infrastructure or for property tax  
28 relief or both as defined in Section 8-11-1.2 if approved by  
29 referendum as provided in Section 8-11-1.1, of the gross  
30 receipts from such sales made in the course of such business.

31 The tax imposed may not be more than 1/2 of 1% and may be  
32 imposed only in 1/4% increments. The tax may not be imposed

1 on the sale of food for human consumption that is to be  
2 consumed off the premises where it is sold (other than  
3 alcoholic beverages, soft drinks, and food that has been  
4 prepared for immediate consumption) and prescription and  
5 nonprescription medicines, drugs, medical appliances, and  
6 insulin, urine testing materials, syringes, and needles used  
7 by diabetics. The tax imposed by a municipality pursuant to  
8 this Section and all civil penalties that may be assessed as  
9 an incident thereof shall be collected and enforced by the  
10 State Department of Revenue. The certificate of registration  
11 which is issued by the Department to a retailer under the  
12 Retailers' Occupation Tax Act shall permit such retailer to  
13 engage in a business which is taxable under any ordinance or  
14 resolution enacted pursuant to this Section without  
15 registering separately with the Department under such  
16 ordinance or resolution or under this Section. The  
17 Department shall have full power to administer and enforce  
18 this Section; to collect all taxes and penalties due  
19 hereunder; to dispose of taxes and penalties so collected in  
20 the manner hereinafter provided, and to determine all rights  
21 to credit memoranda, arising on account of the erroneous  
22 payment of tax or penalty hereunder. In the administration  
23 of, and compliance with, this Section, the Department and  
24 persons who are subject to this Section shall have the same  
25 rights, remedies, privileges, immunities, powers and duties,  
26 and be subject to the same conditions, restrictions,  
27 limitations, penalties and definitions of terms, and employ  
28 the same modes of procedure, as are prescribed in Sections 1,  
29 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to  
30 all provisions therein other than the State rate of tax), 2c,  
31 3 (except as to the disposition of taxes and penalties  
32 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,  
33 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the  
34 Retailers' Occupation Tax Act and Section 3-7 of the Uniform

1 Penalty and Interest Act as fully as if those provisions were  
2 set forth herein.

3 No municipality may impose a tax under this Section  
4 unless the municipality also imposes a tax at the same rate  
5 under Section 8-11-1.4 of this Code.

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

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

22 The Department shall forthwith pay over to the State  
23 Treasurer, ex officio, as trustee, all taxes and penalties  
24 collected hereunder. On or before the 25th day of each  
25 calendar month, the Department shall prepare and certify to  
26 the Comptroller the disbursement of stated sums of money to  
27 named municipalities, the municipalities to be those from  
28 which retailers have paid taxes or penalties hereunder to the  
29 Department during the second preceding calendar month. The  
30 amount to be paid to each municipality shall be the amount  
31 (not including credit memoranda) collected hereunder during  
32 the second preceding calendar month by the Department plus an  
33 amount the Department determines is necessary to offset any  
34 amounts which were erroneously paid to a different taxing

1 body, and not including an amount equal to the amount of  
2 refunds made during the second preceding calendar month by  
3 the Department on behalf of such municipality, and not  
4 including any amount which the Department determines is  
5 necessary to offset any amounts which were payable to a  
6 different taxing body but were erroneously paid to the  
7 municipality. Within 10 days after receipt, by the  
8 Comptroller, of the disbursement certification to the  
9 municipalities, provided for in this Section to be given to  
10 the Comptroller by the Department, the Comptroller shall  
11 cause the orders to be drawn for the respective amounts in  
12 accordance with the directions contained in such  
13 certification.

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

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

27 When certifying the amount of a monthly disbursement to a  
28 municipality under this Section, the Department shall  
29 increase or decrease such amount by an amount necessary to  
30 offset any misallocation of previous disbursements. The  
31 offset amount shall be the amount erroneously disbursed  
32 within the previous 6 months from the time a misallocation is  
33 discovered.

34 The Department of Revenue shall implement this amendatory

1 Act of the 91st General Assembly so as to collect the tax on  
2 and after January 1, 2002.

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

6 This Section shall be known and may be cited as the  
7 "Non-Home Rule Municipal Retailers' Occupation Tax Act".

8 (Source: P.A. 91-51, eff. 6-30-99; 91-649, eff. 1-1-00.)

9 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

10 Sec. 8-11-1.4. Non-Home Rule Municipal Service  
11 Occupation Tax Act. The corporate authorities of a non-home  
12 rule municipality may impose a tax upon all persons engaged,  
13 in such municipality, in the business of making sales of  
14 service ~~at the rate of 1/2 of 1%~~ for expenditure on public  
15 infrastructure or for property tax relief or both as defined  
16 in Section 8-11-1.2 if approved by referendum as provided in  
17 Section 8-11-1.1, of the selling price of all tangible  
18 personal property transferred by such servicemen either in  
19 the form of tangible personal property or in the form of real  
20 estate as an incident to a sale of service. The tax imposed  
21 may not be more than 1/2 of 1% and may be imposed only in  
22 1/4% increments. The tax may not be imposed on the sale of  
23 food for human consumption that is to be consumed off the  
24 premises where it is sold (other than alcoholic beverages,  
25 soft drinks, and food that has been prepared for immediate  
26 consumption) and prescription and nonprescription medicines,  
27 drugs, medical appliances, and insulin, urine testing  
28 materials, syringes, and needles used by diabetics. The tax  
29 imposed by a municipality pursuant to this Section and all  
30 civil penalties that may be assessed as an incident thereof  
31 shall be collected and enforced by the State Department of  
32 Revenue. The certificate of registration which is issued by  
33 the Department to a retailer under the Retailers' Occupation

1 Tax Act or under the Service Occupation Tax Act shall permit  
2 such registrant to engage in a business which is taxable  
3 under any ordinance or resolution enacted pursuant to this  
4 Section without registering separately with the Department  
5 under such ordinance or resolution or under this Section. The  
6 Department shall have full power to administer and enforce  
7 this Section; to collect all taxes and penalties due  
8 hereunder; to dispose of taxes and penalties so collected in  
9 the manner hereinafter provided, and to determine all rights  
10 to credit memoranda arising on account of the erroneous  
11 payment of tax or penalty hereunder. In the administration  
12 of, and compliance with, this Section the Department and  
13 persons who are subject to this Section shall have the same  
14 rights, remedies, privileges, immunities, powers and duties,  
15 and be subject to the same conditions, restrictions,  
16 limitations, penalties and definitions of terms, and employ  
17 the same modes of procedure, as are prescribed in Sections  
18 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions  
19 therein other than the State rate of tax), 4 (except that the  
20 reference to the State shall be to the taxing municipality),  
21 5, 7, 8 (except that the jurisdiction to which the tax shall  
22 be a debt to the extent indicated in that Section 8 shall be  
23 the taxing municipality), 9 (except as to the disposition of  
24 taxes and penalties collected, and except that the returned  
25 merchandise credit for this municipal tax may not be taken  
26 against any State tax), 10, 11, 12 (except the reference  
27 therein to Section 2b of the Retailers' Occupation Tax Act),  
28 13 (except that any reference to the State shall mean the  
29 taxing municipality), the first paragraph of Section 15, 16,  
30 17, 18, 19 and 20 of the Service Occupation Tax Act and  
31 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
32 as if those provisions were set forth herein.

33 No municipality may impose a tax under this Section  
34 unless the municipality also imposes a tax at the same rate



1 under Section 8-11-1.3 of this Code.

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

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

18 The Department shall forthwith pay over to the State  
19 Treasurer, ex officio, as trustee, all taxes and penalties  
20 collected hereunder. On or before the 25th day of each  
21 calendar month, the Department shall prepare and certify to  
22 the Comptroller the disbursement of stated sums of money to  
23 named municipalities, the municipalities to be those from  
24 which suppliers and servicemen have paid taxes or penalties  
25 hereunder to the Department during the second preceding  
26 calendar month. The amount to be paid to each municipality  
27 shall be the amount (not including credit memoranda)  
28 collected hereunder during the second preceding calendar  
29 month by the Department, and not including an amount equal to  
30 the amount of refunds made during the second preceding  
31 calendar month by the Department on behalf of such  
32 municipality. Within 10 days after receipt, by the  
33 Comptroller, of the disbursement certification to the  
34 municipalities and the General Revenue Fund, provided for in

1 this Section to be given to the Comptroller by the  
2 Department, the Comptroller shall cause the orders to be  
3 drawn for the respective amounts in accordance with the  
4 directions contained in such certification.

5 The Department of Revenue shall implement this amendatory  
6 Act of the 91st General Assembly so as to collect the tax on  
7 and after January 1, 2002.

8 Nothing in this Section shall be construed to authorize a  
9 municipality to impose a tax upon the privilege of engaging  
10 in any business which under the constitution of the United  
11 States may not be made the subject of taxation by this State.

12 As used in this Section, "municipal" or "municipality"  
13 means or refers to a city, village or incorporated town,  
14 including an incorporated town which has superseded a civil  
15 township.

16 This Section shall be known and may be cited as the  
17 "Non-Home Rule Municipal Service Occupation Tax Act".

18 (Source: P.A. 91-51, eff. 6-30-99; 91-649, eff. 1-1-00.)

19 (65 ILCS 5/8-11-1.5) (from Ch. 24, par. 8-11-1.5)

20 Sec. 8-11-1.5. Non-Home Rule Municipal Use Tax Act. The  
21 corporate authorities of a non-home rule municipality may  
22 impose a tax upon the privilege of using, in such  
23 municipality, any item of tangible personal property which is  
24 purchased at retail from a retailer, and which is titled or  
25 registered with an agency of this State's government, at--a  
26 rate--of--1/2--of--1%--and based on the selling price of such  
27 tangible personal property, as "selling price" is defined in  
28 the Use Tax Act, for expenditure on public infrastructure or  
29 for property tax relief or both as defined in Section  
30 8-11-1.2, if approved by referendum as provided in Section  
31 8-11-1.1. The tax imposed may not be more than 1/2 of 1% and  
32 may be imposed only in 1/4% increments. Such tax shall be  
33 collected from persons whose Illinois address for title or

1 registration purposes is given as being in such municipality.  
2 Such tax shall be collected by the municipality imposing such  
3 tax. A non-home rule municipality may not impose and collect  
4 the tax prior to January 1, 2002.

5 This Section shall be known and may be cited as the  
6 "Non-Home Rule Municipal Use Tax Act".

7 (Source: P.A. 91-649, eff. 1-1-00.)