

1 AN ACT in relation to taxes.

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  
8 is hereby created 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  
13 (c) and (d) of Section 201 of the Illinois Income Tax Act,  
14 except for those amounts deposited into the Income Tax Refund  
15 Fund pursuant to subsection (c) of Section 901 of the  
16 Illinois Income Tax Act; and

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

25 As soon as may be after the end of each month, the  
26 Department of Revenue shall certify to the Treasurer and the  
27 Comptroller the amount of all refunds paid out of the General  
28 Revenue Fund through the preceding month on account of  
29 overpayment of liability on taxes paid into the Personal  
30 Property Tax Replacement Fund. Upon receipt of such  
31 certification, the Treasurer and the Comptroller shall

1 transfer the amount so certified from the Personal Property  
2 Tax Replacement Fund into the General Revenue Fund.

3 The payments of revenue into the Personal Property Tax  
4 Replacement Fund shall be used exclusively for distribution  
5 to taxing districts as provided in this Section, payment of  
6 the expenses of the Department of Revenue incurred in  
7 administering the collection and distribution of monies paid  
8 into the Personal Property Tax Replacement Fund and transfers  
9 due to refunds to taxpayers for overpayment of liability for  
10 taxes paid into the Personal Property Tax Replacement Fund.

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

30 All interest earned by monies accumulated in the Personal  
31 Property Tax Replacement Fund shall be deposited in such  
32 Fund. All amounts allocated pursuant to this Section are  
33 appropriated on a continuing basis.

34 Prior to December 31, 1980, as soon as may be after the

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

29 Any township which receives an allocation based in whole  
30 or in part upon personal property taxes which it levied  
31 pursuant to Section 6-507 or 6-512 of the Illinois Highway  
32 Code and which was previously required to be paid over to a  
33 municipality shall immediately pay over to that municipality  
34 a proportionate share of the personal property replacement

1 funds which such township receives.

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

20 Any township which receives an allocation based in whole  
21 or in part on personal property taxes which it levied  
22 pursuant to Section 1c of the Public Graveyards Act and which  
23 taxes were previously required to be paid over to or used for  
24 such public cemetery or cemeteries shall immediately pay over  
25 to or use for such public cemetery or cemeteries a  
26 proportionate share of the personal property tax replacement  
27 funds which the township receives.

28 Any taxing district which receives an allocation based in  
29 whole or in part upon personal property taxes which it levied  
30 for another governmental body or school district in Cook  
31 County in 1976 or for another governmental body or school  
32 district in the remainder of the State in 1977 shall  
33 immediately pay over to that governmental body or school  
34 district the amount of personal property replacement funds

1 which such governmental body or school district would receive  
2 directly under the provisions of paragraph (2) of this  
3 Section, had it levied its own taxes.

4 (1) The portion of the Personal Property Tax Replacement  
5 Fund required to be distributed as of the time allocation is  
6 required to be made shall be the amount available in such  
7 Fund as of the time allocation is required to be made.

8 The amount available for distribution shall be the total  
9 amount in the fund at such time minus the necessary  
10 administrative expenses as limited by the appropriation and  
11 the amount determined by: (a) \$2.8 million for fiscal year  
12 1981; (b) for fiscal year 1982, .54% of the funds distributed  
13 from the fund during the preceding fiscal year; (c) for  
14 fiscal year 1983 through fiscal year 1988, .54% of the funds  
15 distributed from the fund during the preceding fiscal year  
16 less .02% of such fund for fiscal year 1983 and less .02% of  
17 such funds for each fiscal year thereafter, or (d) for fiscal  
18 year 1989 and beyond no more than 105% of the actual  
19 administrative expenses of the prior fiscal year. Such  
20 portion of the fund shall be determined after the transfer  
21 into the General Revenue Fund due to refunds, if any, paid  
22 from the General Revenue Fund during the preceding quarter.  
23 If at any time, for any reason, there is insufficient amount  
24 in the Personal Property Tax Replacement Fund for payment of  
25 costs of administration or for transfers due to refunds at  
26 the end of any particular month, the amount of such  
27 insufficiency shall be carried over for the purposes of  
28 transfers into the General Revenue Fund and for purposes of  
29 costs of administration to the following month or months.  
30 Net replacement revenue held, and defined above, shall be  
31 transferred by the Treasurer and Comptroller to the Personal  
32 Property Tax Replacement Fund within 10 days of such  
33 certification.

34 (2) Each quarterly allocation shall first be apportioned

1 in the following manner: 51.65% for taxing districts in Cook  
2 County and 48.35% for taxing districts in the remainder of  
3 the State.

4 The Personal Property Replacement Ratio of each taxing  
5 district outside Cook County shall be the ratio which the Tax  
6 Base of that taxing district bears to the Downstate Tax Base.  
7 The Tax Base of each taxing district outside of Cook County  
8 is the personal property tax collections for that taxing  
9 district for the 1977 tax year. The Downstate Tax Base is  
10 the personal property tax collections for all taxing  
11 districts in the State outside of Cook County for the 1977  
12 tax year. The Department of Revenue shall have authority to  
13 review for accuracy and completeness the personal property  
14 tax collections for each taxing district outside Cook County  
15 for the 1977 tax year.

16 The Personal Property Replacement Ratio of each Cook  
17 County taxing district shall be the ratio which the Tax Base  
18 of that taxing district bears to the Cook County Tax Base.  
19 The Tax Base of each Cook County taxing district is the  
20 personal property tax collections for that taxing district  
21 for the 1976 tax year. The Cook County Tax Base is the  
22 personal property tax collections for all taxing districts in  
23 Cook County for the 1976 tax year. The Department of Revenue  
24 shall have authority to review for accuracy and completeness  
25 the personal property tax collections for each taxing  
26 district within Cook County for the 1976 tax year.

27 For all purposes of this Section 12, amounts paid to a  
28 taxing district for such tax years as may be applicable by a  
29 foreign corporation under the provisions of Section 7-202 of  
30 the Public Utilities Act, as amended, shall be deemed to be  
31 personal property taxes collected by such taxing district for  
32 such tax years as may be applicable. The Director shall  
33 determine from the Illinois Commerce Commission, for any tax  
34 year as may be applicable, the amounts so paid by any such

1 foreign corporation to any and all taxing districts. The  
2 Illinois Commerce Commission shall furnish such information  
3 to the Director. For all purposes of this Section 12, the  
4 Director shall deem such amounts to be collected personal  
5 property taxes of each such taxing district for the  
6 applicable tax year or years.

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

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

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

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

30 If a portion of the territory of a taxing district is  
31 disconnected and annexed to another taxing district of the  
32 same type, the Tax Base of the taxing district from which  
33 disconnection was made shall be reduced in proportion to the  
34 then current equalized assessed value of the disconnected

1 territory as compared with the then current equalized  
2 assessed value within the entire territory of the taxing  
3 district prior to disconnection, and the amount of such  
4 reduction shall be added to the Tax Base of the taxing  
5 district to which annexation is made.

6 If a community college district is created after July 1,  
7 1979, beginning on the effective date of this amendatory Act  
8 of 1995, its Tax Base shall be 3.5% of the sum of the  
9 personal property tax collected for the 1977 tax year within  
10 the territorial jurisdiction of the district.

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

21 Monies received by any taxing districts from the Personal  
22 Property Tax Replacement Fund shall be first applied toward  
23 payment of the proportionate amount of debt service which was  
24 previously levied and collected from extensions against  
25 personal property on bonds outstanding as of December 31,  
26 1978 and next applied toward payment of the proportionate  
27 share of the pension or retirement obligations of the taxing  
28 district which were previously levied and collected from  
29 extensions against personal property. For each such  
30 outstanding bond issue, the County Clerk shall determine the  
31 percentage of the debt service which was collected from  
32 extensions against real estate in the taxing district for  
33 1978 taxes payable in 1979, as related to the total amount of  
34 such levies and collections from extensions against both real



1 and personal property. For 1979 and subsequent years' taxes,  
2 the County Clerk shall levy and extend taxes against the real  
3 estate of each taxing district which will yield the said  
4 percentage or percentages of the debt service on such  
5 outstanding bonds. The balance of the amount necessary to  
6 fully pay such debt service shall constitute a first and  
7 prior lien upon the monies received by each such taxing  
8 district through the Personal Property Tax Replacement Fund  
9 and shall be first applied or set aside for such purpose. In  
10 counties having fewer than 3,000,000 inhabitants, the  
11 amendments to this paragraph as made by this amendatory Act  
12 of 1980 shall be first applicable to 1980 taxes to be  
13 collected in 1981.

14 (Source: P.A. 89-327, eff. 1-1-96; 90-154, eff. 1-1-98.)