

AN ACT concerning revenue.

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

Section 5. The Hotel Operators' Occupation Tax Act is amended by changing Section 6 as follows:

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

Sec. 6. Filing of returns and distribution of revenue.

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

1. The name of the operator;
2. His residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of renting, leasing or letting rooms in a hotel in this State;
3. Total amount of rental receipts received by him during the preceding calendar month from renting, leasing or letting rooms during such preceding calendar month;
4. Total amount of rental receipts received by him during the preceding calendar month from renting, leasing

or letting rooms to permanent residents during such preceding calendar month;

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

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

7. The amount of tax due;

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

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

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

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as

monthly returns.

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

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

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

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

The person filing the return herein provided for shall, at the time of filing such return, pay to the Department the

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

If any payment provided for in this Section exceeds the operator's liabilities under this Act, as shown on an original return, the Department may authorize the operator to credit such excess payment against liability subsequently to be remitted to the Department under this Act, in accordance with reasonable rules adopted by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the operator, the operator's discount shall be reduced by an amount equal to the difference between the discount as applied to the credit taken and that actually due, and that operator shall be liable for penalties and interest on such difference.

(b) Until July 1, 2024, the Department shall deposit the total net revenue realized from the tax imposed under this Act as provided in this subsection (b). Beginning on July 1, 2024, the Department shall deposit the total net revenue realized from the tax imposed under this Act as provided in subsection (c).

There shall be deposited into the Build Illinois Fund in the State Treasury for each State fiscal year 40% of the amount of total net revenue from the tax imposed by subsection (a) of Section 3. Of the remaining 60%: (i) \$5,000,000 shall be deposited into the Illinois Sports Facilities Fund and credited to the Subsidy Account each fiscal year by making monthly deposits in the amount of 1/8 of \$5,000,000 plus cumulative deficiencies in such deposits for prior months, and (ii) an amount equal to the then applicable Advance Amount, as defined in subsection (d), shall be deposited into the Illinois Sports Facilities Fund and credited to the Advance Account each fiscal year by making monthly deposits in the amount of 1/8 of the then applicable Advance Amount plus any cumulative deficiencies in such deposits for prior months. (The deposits of the then applicable Advance Amount during each fiscal year shall be treated as advances of funds to the Illinois Sports Facilities Authority for its corporate purposes to the extent paid to the Authority or its trustee and shall be repaid into the General Revenue Fund in the State Treasury by the State Treasurer on behalf of the Authority pursuant to Section 19 of the Illinois Sports Facilities Authority Act, as amended. If in any fiscal year the full amount of the then applicable Advance Amount is not repaid into the General Revenue Fund, then the deficiency shall be paid from the amount in the Local Government Distributive Fund that would otherwise be allocated to the City of Chicago under

the State Revenue Sharing Act.)

~~For purposes of the foregoing paragraph, the term "Advance Amount" means, for fiscal year 2002, \$22,179,000, and for subsequent fiscal years through fiscal year 2033, 105.615% of the Advance Amount for the immediately preceding fiscal year, rounded up to the nearest \$1,000.~~

Of the remaining 60% of the amount of total net revenue beginning on August 1, 2011 through June 30, 2023, from the tax imposed by subsection (a) of Section 3 after all required deposits into the Illinois Sports Facilities Fund, an amount equal to 8% of the net revenue realized from this Act during the preceding month shall be deposited as follows: 18% of such amount shall be deposited into the Chicago Travel Industry Promotion Fund for the purposes described in subsection (n) of Section 5 of the Metropolitan Pier and Exposition Authority Act and the remaining 82% of such amount shall be deposited into the Local Tourism Fund each month for purposes authorized by Section 605-705 of the Department of Commerce and Economic Opportunity Law. Beginning on August 1, 2011 and through June 30, 2023, an amount equal to 4.5% of the net revenue realized from this Act during the preceding month shall be deposited as follows: 55% of such amount shall be deposited into the Chicago Travel Industry Promotion Fund for the purposes described in subsection (n) of Section 5 of the Metropolitan Pier and Exposition Authority Act and the remaining 45% of such amount deposited into the International Tourism Fund for

the purposes authorized in Section 605-707 of the Department of Commerce and Economic Opportunity Law. ~~"Net revenue realized" means the revenue collected by the State under this Act less the amount paid out as refunds to taxpayers for overpayment of liability under this Act.~~

Beginning on July 1, 2023 and until July 1, 2024, of the remaining 60% of the amount of total net revenue realized from the tax imposed under subsection (a) of Section 3, after all required deposits into the Illinois Sports Facilities Fund:

(1) an amount equal to 8% of the net revenue realized under this Act for the preceding month shall be deposited as follows: 82% to the Local Tourism Fund and 18% to the Chicago Travel Industry Promotion Fund; and

(2) an amount equal to 4.5% of the net revenue realized under this Act for the preceding month shall be deposited as follows: 55% to the Chicago Travel Industry Promotion Fund and 45% to the International Tourism Fund.

After making all these deposits, any remaining net revenue realized from the tax imposed under subsection (a) of Section 3 shall be deposited into the Tourism Promotion Fund in the State Treasury. All moneys received by the Department from the additional tax imposed under subsection (b) of Section 3 shall be deposited into the Build Illinois Fund in the State Treasury.

(c) Beginning on July 1, 2024, the total net revenue realized from the tax imposed under this Act for the preceding

month shall be deposited each month as follows:

(1) 50% shall be deposited into the Build Illinois Fund; and

(2) the remaining 50% shall be deposited in the following order of priority:

(A) First:

(i) \$5,000,000 shall be deposited into the Illinois Sports Facilities Fund and credited to the Subsidy Account each fiscal year by making monthly deposits in the amount of one-eighth of \$5,000,000 plus cumulative deficiencies in those deposits for prior months; and

(ii) an amount equal to the then applicable Advance Amount, as defined in subsection (d), shall be deposited into the Illinois Sports Facilities Fund and credited to the Advance Account each fiscal year by making monthly deposits in the amount of one-eighth of the then applicable Advance Amount plus any cumulative deficiencies in such deposits for prior months; the deposits of the then applicable Advance Amount during each fiscal year shall be treated as advances of funds to the Illinois Sports Facilities Authority for its corporate purposes to the extent paid to the Illinois Sports Facilities Authority or its trustee and shall be repaid into

the General Revenue Fund in the State Treasury by the State Treasurer on behalf of the Authority pursuant to Section 19 of the Illinois Sports Facilities Authority Act; if, in any fiscal year, the full amount of the Advance Amount is not repaid into the General Revenue Fund, then the deficiency shall be paid from the amount in the Local Government Distributive Fund that would otherwise be allocated to the City of Chicago under the State Revenue Sharing Act; and

(B) after all required deposits into the Illinois Sports Facilities Fund under paragraph (A) have been made each month, the remainder shall be deposited as follows:

(i) 56% into the Tourism Promotion Fund;

(ii) 23% into the Local Tourism Fund;

(iii) 14% into the Chicago Travel Industry Promotion Fund; and

(iv) 7% into the International Tourism Fund.

(d) As used in subsections (b) and (c):

"Advance Amount" means, for fiscal year 2002, \$22,179,000, and for subsequent fiscal years through fiscal year 2033, 105.615% of the Advance Amount for the immediately preceding fiscal year, rounded up to the nearest \$1,000.

"Net revenue realized" means the revenue collected by the State under this Act less the amount paid out as refunds to

taxpayers for overpayment of liability under this Act.

(e) The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the operator's last State income tax return. If the total receipts of the business as reported in the State income tax return do not agree with the gross receipts reported to the Department for the same period, the operator shall attach to his annual information return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The operator's annual information return to the Department shall also disclose payroll information of the operator's business during the year covered by such return and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual tax returns by such operator as hereinbefore provided for in this Section.

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

in this Act.

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

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

(Source: P.A. 102-16, eff. 6-17-21; 103-8, eff. 6-7-23.)

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