

AN ACT concerning local government.

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

Section 5. The Illinois Municipal Code is amended by changing Section 8-3-14 and by adding Section 8-3-14a as follows:

(65 ILCS 5/8-3-14) (from Ch. 24, par. 8-3-14)

Sec. 8-3-14. Municipal hotel operators' occupation tax.
The corporate authorities of any municipality may impose a tax upon all persons engaged in such municipality in the business of renting, leasing or letting rooms in a hotel, as defined in "The Hotel Operators' Occupation Tax Act," at a rate not to exceed 6% in the City of East Peoria and in the Village of Morton and 5% in all other municipalities of the gross rental receipts from such renting, leasing or letting, excluding, however, from gross rental receipts, the proceeds of such renting, leasing or letting to permanent residents of that hotel and proceeds from the tax imposed under subsection (c) of Section 13 of the Metropolitan Pier and Exposition Authority Act, and may provide for the administration and enforcement of the tax, and for the collection thereof from the persons subject to the tax, as the corporate authorities determine to be necessary or practicable for the effective administration of

the tax. The municipality may not impose a tax under this Section if it imposes a tax under Section 8-3-14a.

Persons subject to any tax imposed pursuant to authority granted by this Section may reimburse themselves for their tax liability for such tax by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax imposed under "The Hotel Operators' Occupation Tax Act".

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

The amounts collected by any municipality pursuant to this Section shall be expended by the municipality solely to promote tourism and conventions within that municipality or otherwise to attract nonresident overnight visitors to the municipality.

No funds received pursuant to this Section shall be used to advertise for or otherwise promote new competition in the hotel business.

(Source: P.A. 95-967, eff. 9-23-08.)

(65 ILCS 5/8-3-14a new)

Sec. 8-3-14a. Municipal hotel use tax.

(a) The corporate authorities of any municipality may impose a tax upon the privilege of renting or leasing rooms in a hotel within the municipality at a rate not to exceed 5% of

the rental or lease payment. The corporate authorities may provide for the administration and enforcement of the tax and for the collection thereof from the persons subject to the tax, as the corporate authorities determine to be necessary or practical for the effective administration of the tax.

(b) Each hotel in the municipality shall collect the tax from the person making the rental or lease payment at the time that the payment is tendered to the hotel. The hotel shall, as trustee, remit the tax to the municipality.

(c) The tax authorized under this Section does not apply to any rental or lease payment by a permanent resident of that hotel or to any payment made to any hotel that is subject to the tax imposed under subsection (c) of Section 13 of the Metropolitan Pier and Exposition Authority Act. A municipality may not impose a tax under this Section if it imposes a tax under Section 8-3-14. Nothing in this Section may be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(d) The moneys collected by a municipality under this Section may be expended solely to promote tourism and conventions within that municipality or otherwise to attract nonresident overnight visitors to the municipality. No moneys received under this Section may be used to advertise for or otherwise promote new competition in the hotel business.

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(e) As used in this Section, "hotel" has the meaning set forth in Section 2 of the Hotel Operators' Occupation Tax Act.

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