



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB2587

by Rep. Anthony DeLuca

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-11-1.1	from Ch. 24, par. 8-11-1.1
65 ILCS 5/8-11-1.2	from Ch. 24, par. 8-11-1.2
65 ILCS 5/8-11-1.3	from Ch. 24, par. 8-11-1.3
65 ILCS 5/8-11-1.4	from Ch. 24, par. 8-11-1.4
65 ILCS 5/8-11-1.5	from Ch. 24, par. 8-11-1.5

Amends the Illinois Municipal Code. Provides that the rate of tax under the Non-Home Rule Municipal Retailers' Occupation Tax Act, the Non-Home Rule Municipal Service Occupation Tax Act, and the Non-Home Rule Municipal Use Tax Act may not exceed 2% (currently, 1%). Provides that the rate of tax that may be imposed for municipal operations may not exceed 1%. With respect to the Non-Home Rule Municipal Retailers' Occupation Tax Act, the Non-Home Rule Municipal Service Occupation Tax Act, and the Non-Home Rule Municipal Use Tax Act, provides that the term "public infrastructure" includes the acquisition, repair, and maintenance of public safety equipment. Effective immediately.

LRB100 10437 AWJ 20647 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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 of  
9 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, impose  
13 by ordinance or resolution the tax authorized in Sections  
14 8-11-1.3, 8-11-1.4 and 8-11-1.5 of this Act.

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

23 Notwithstanding any provision of law to the contrary, if

1 the proceeds of the tax may be used for municipal operations  
2 pursuant to Section 8-11-1.3, 8-11-1.4, or 8-11-1.5, then the  
3 election authority must submit the question in substantially  
4 the following form:

5           Shall the corporate authorities of the municipality be  
6 authorized to levy a tax at a rate of (rate)% for  
7 expenditures on municipal operations, expenditures on  
8 public infrastructure, or property tax relief?

9           If a majority of the electors in the municipality voting  
10 upon the question vote in the affirmative, such tax shall be  
11 imposed.

12           Until January 1, 1992, an ordinance or resolution imposing  
13 the tax of not more than 1% hereunder or discontinuing the same  
14 shall be adopted and a certified copy thereof, together with a  
15 certification that the ordinance or resolution received  
16 referendum approval in the case of the imposition of such tax,  
17 filed with the Department of Revenue, on or before the first  
18 day of June, whereupon the Department shall proceed to  
19 administer and enforce the additional tax or to discontinue the  
20 tax, as the case may be, as of the first day of September next  
21 following such adoption and filing.

22           Beginning January 1, 1992 and through December 31, 1992, an  
23 ordinance or resolution imposing or discontinuing the tax  
24 hereunder shall be adopted and a certified copy thereof filed  
25 with the Department on or before the first day of July,  
26 whereupon the Department shall proceed to administer and

1 enforce this Section as of the first day of October next  
2 following such adoption and filing.

3 Beginning January 1, 1993, and through September 30, 2002,  
4 an ordinance or resolution imposing or discontinuing the tax  
5 hereunder shall be adopted and a certified copy thereof filed  
6 with the Department on or before the first day of October,  
7 whereupon the Department shall proceed to administer and  
8 enforce this Section as of the first day of January next  
9 following such adoption and filing.

10 Beginning October 1, 2002, and through December 31, 2013,  
11 an ordinance or resolution imposing or discontinuing the tax  
12 under this Section or effecting a change in the rate of tax  
13 must either (i) be adopted and a certified copy of the  
14 ordinance or resolution filed with the Department on or before  
15 the first day of April, whereupon the Department shall proceed  
16 to administer and enforce this Section as of the first day of  
17 July next following the adoption and filing; or (ii) be adopted  
18 and a certified copy of the ordinance or resolution filed with  
19 the Department on or before the first day of October, whereupon  
20 the Department shall proceed to administer and enforce this  
21 Section as of the first day of January next following the  
22 adoption and filing.

23 Beginning January 1, 2014, if an ordinance or resolution  
24 imposing the tax under this Section, discontinuing the tax  
25 under this Section, or effecting a change in the rate of tax  
26 under this Section is adopted, a certified copy thereof,

1 together with a certification that the ordinance or resolution  
2 received referendum approval in the case of the imposition of  
3 or increase in the rate of such tax, shall be filed with the  
4 Department of Revenue, either (i) on or before the first day of  
5 May, whereupon the Department shall proceed to administer and  
6 enforce this Section as of the first day of July next following  
7 the adoption and filing; or (ii) on or before the first day of  
8 October, whereupon the Department shall proceed to administer  
9 and enforce this Section as of the first day of January next  
10 following the adoption and filing.

11 Notwithstanding any provision in this Section to the  
12 contrary, if, in a non-home rule municipality with more than  
13 150,000 but fewer than 200,000 inhabitants, as determined by  
14 the last preceding federal decennial census, an ordinance or  
15 resolution under this Section imposes or discontinues a tax or  
16 changes the tax rate as of July 1, 2007, then that ordinance or  
17 resolution, together with a certification that the ordinance or  
18 resolution received referendum approval in the case of the  
19 imposition of the tax, must be adopted and a certified copy of  
20 that ordinance or resolution must be filed with the Department  
21 on or before May 15, 2007, whereupon the Department shall  
22 proceed to administer and enforce this Section as of July 1,  
23 2007.

24 Notwithstanding any provision in this Section to the  
25 contrary, if, in a non-home rule municipality with more than  
26 6,500 but fewer than 7,000 inhabitants, as determined by the

1 last preceding federal decennial census, an ordinance or  
2 resolution under this Section imposes or discontinues a tax or  
3 changes the tax rate on or before May 20, 2009, then that  
4 ordinance or resolution, together with a certification that the  
5 ordinance or resolution received referendum approval in the  
6 case of the imposition of the tax, must be adopted and a  
7 certified copy of that ordinance or resolution must be filed  
8 with the Department on or before May 20, 2009, whereupon the  
9 Department shall proceed to administer and enforce this Section  
10 as of July 1, 2009.

11 A non-home rule municipality may file a certified copy of  
12 an ordinance or resolution, with a certification that the  
13 ordinance or resolution received referendum approval in the  
14 case of the imposition of the tax, with the Department of  
15 Revenue, as required under this Section, only after October 2,  
16 2000.

17 The tax authorized by this Section may not be more than 2%  
18 ~~4%~~ and may be imposed only in 1/4% increments. It is the intent  
19 of the General Assembly that the rate of tax that may be  
20 imposed for municipal operations may not exceed 1%; therefore,  
21 notwithstanding any other provision of law, if the tax under  
22 this Section is imposed at a rate of more than 1%, then,  
23 beginning with the first disbursement to occur on or after the  
24 effective date of the increase, the total amount that may be  
25 used for municipal operations may not exceed the total amount  
26 of the proceeds disbursed to the municipality under Sections

1 8-11-1.3, 8-11-1.4, and 8-11-1.5, multiplied by a fraction  
2 having a numerator of 1 and a denominator of the rate of tax.

3 (Source: P.A. 98-584, eff. 8-27-13.)

4 (65 ILCS 5/8-11-1.2) (from Ch. 24, par. 8-11-1.2)

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

7 (a) "Public infrastructure" means municipal roads and  
8 streets, access roads, bridges, and sidewalks; waste disposal  
9 systems; the acquisition, repair, and maintenance of public  
10 safety equipment; and water and sewer line extensions, water  
11 distribution and purification facilities, storm water drainage  
12 and retention facilities, and sewage treatment facilities. For  
13 purposes of referenda authorizing the imposition of taxes by  
14 the City of DuQuoin under Sections 8-11-1.3, 8-11-1.4, and  
15 8-11-1.5 of this Act that are approved in November, 2002, or  
16 for purposes of referenda authorizing the imposition of taxes  
17 by the Village of Forsyth under Sections 8-11-1.3, 8-11-1.4,  
18 and 8-11-1.5 of this Act that are approved after the effective  
19 date of this amendatory Act of the 94th General Assembly,  
20 "public infrastructure" shall also include public schools.

21 (a-5) For the purposes of this Section, "public safety  
22 equipment" means firefighting, police, rescue, transportation,  
23 or communications equipment used by police departments, fire  
24 departments, or other first responders, including, but not  
25 limited to, police vehicles, fire trucks, surveillance

1 equipment, and body cameras.

2 (b) "Property tax relief" means the action of a  
3 municipality to reduce the levy for real estate taxes or avoid  
4 an increase in the levy for real estate taxes that would  
5 otherwise have been required. Property tax relief or the  
6 avoidance of property tax must uniformly apply to all classes  
7 of property.

8 (Source: P.A. 94-1078, eff. 1-9-07; 95-331, eff. 8-21-07.)

9 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

10 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'  
11 Occupation Tax Act. The corporate authorities of a non-home  
12 rule municipality may impose a tax upon all persons engaged in  
13 the business of selling tangible personal property, other than  
14 on an item of tangible personal property which is titled and  
15 registered by an agency of this State's Government, at retail  
16 in the municipality for expenditure on public infrastructure or  
17 for property tax relief or both as defined in Section 8-11-1.2  
18 if approved by referendum as provided in Section 8-11-1.1, of  
19 the gross receipts from such sales made in the course of such  
20 business. If the tax is approved by referendum on or after July  
21 14, 2010 (the effective date of Public Act 96-1057), the  
22 corporate authorities of a non-home rule municipality may,  
23 until December 31, 2020, use the proceeds of the tax for  
24 expenditure on municipal operations, in addition to or in lieu  
25 of any expenditure on public infrastructure or for property tax



1 relief. The tax imposed may not be more than 2% ~~1%~~ and may be  
2 imposed only in 1/4% increments. It is the intent of the  
3 General Assembly that the rate of tax that may be imposed for  
4 municipal operations may not exceed 1%; therefore,  
5 notwithstanding any other provision of law, if the tax under  
6 this Section is imposed at a rate of more than 1%, then,  
7 beginning with the first disbursement to occur on or after the  
8 effective date of the increase, the total amount that may be  
9 used for municipal operations may not exceed the total amount  
10 of the proceeds disbursed to the municipality under this  
11 Section, Section 8-11-1.4, and Section 8-11-1.5, multiplied by  
12 a fraction having a numerator of 1 and a denominator of the  
13 rate of tax. The tax may not be imposed on the sale of food for  
14 human consumption that is to be consumed off the premises where  
15 it is sold (other than alcoholic beverages, soft drinks, and  
16 food that has been prepared for immediate consumption) and  
17 prescription and nonprescription medicines, drugs, medical  
18 appliances, and insulin, urine testing materials, syringes,  
19 and needles used by diabetics. The tax imposed by a  
20 municipality pursuant to this Section and all civil penalties  
21 that may be assessed as an incident thereof shall be collected  
22 and enforced by the State Department of Revenue. The  
23 certificate of registration which is issued by the Department  
24 to a retailer under the Retailers' Occupation Tax Act shall  
25 permit such retailer to engage in a business which is taxable  
26 under any ordinance or resolution enacted pursuant to this

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

22 No municipality may impose a tax under this Section unless  
23 the municipality also imposes a tax at the same rate under  
24 Section 8-11-1.4 of this Code.

25 Persons subject to any tax imposed pursuant to the  
26 authority granted in this Section may reimburse themselves for

1 their seller's tax liability hereunder by separately stating  
2 such tax as an additional charge, which charge may be stated in  
3 combination, in a single amount, with State tax which sellers  
4 are required to collect under the Use Tax Act, pursuant to such  
5 bracket schedules as the Department may prescribe.

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

14 The Department shall forthwith pay over to the State  
15 Treasurer, ex officio, as trustee, all taxes and penalties  
16 collected hereunder.

17 As soon as possible after the first day of each month,  
18 beginning January 1, 2011, upon certification of the Department  
19 of Revenue, the Comptroller shall order transferred, and the  
20 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
21 local sales tax increment, as defined in the Innovation  
22 Development and Economy Act, collected under this Section  
23 during the second preceding calendar month for sales within a  
24 STAR bond district.

25 After the monthly transfer to the STAR Bonds Revenue Fund,  
26 on or before the 25th day of each calendar month, the

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

24 For the purpose of determining the local governmental unit  
25 whose tax is applicable, a retail sale, by a producer of coal  
26 or other mineral mined in Illinois, is a sale at retail at the

1 place where the coal or other mineral mined in Illinois is  
2 extracted from the earth. This paragraph does not apply to coal  
3 or other mineral when it is delivered or shipped by the seller  
4 to the purchaser at a point outside Illinois so that the sale  
5 is exempt under the Federal Constitution as a sale in  
6 interstate or foreign commerce.

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

11 When certifying the amount of a monthly disbursement to a  
12 municipality under this Section, the Department shall increase  
13 or decrease such 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 The Department of Revenue shall implement this amendatory  
18 Act of the 91st General Assembly so as to collect the tax on  
19 and after January 1, 2002.

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

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

25 (Source: P.A. 99-217, eff. 7-31-15.)

1 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

2 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation  
3 Tax Act. The corporate authorities of a non-home rule  
4 municipality may impose a tax upon all persons engaged, in such  
5 municipality, in the business of making sales of service for  
6 expenditure on public infrastructure or for property tax relief  
7 or both as defined in Section 8-11-1.2 if approved by  
8 referendum as provided in Section 8-11-1.1, of the selling  
9 price of all tangible personal property transferred by such  
10 servicemen either in the form of tangible personal property or  
11 in the form of real estate as an incident to a sale of service.  
12 If the tax is approved by referendum on or after July 14, 2010  
13 (the effective date of Public Act 96-1057), the corporate  
14 authorities of a non-home rule municipality may, until December  
15 31, 2020, use the proceeds of the tax for expenditure on  
16 municipal operations, in addition to or in lieu of any  
17 expenditure on public infrastructure or for property tax  
18 relief. The tax imposed may not be more than 2% 1% and may be  
19 imposed only in 1/4% increments. It is the intent of the  
20 General Assembly that the rate of tax that may be imposed for  
21 municipal operations may not exceed 1%; therefore,  
22 notwithstanding any other provision of law, if the tax under  
23 this Section is imposed at a rate of more than 1%, then,  
24 beginning with the first disbursement to occur on or after the  
25 effective date of the increase, the total amount that may be  
26 used for municipal operations may not exceed the total amount

1 of the proceeds disbursed to the municipality under this  
2 Section, Section 8-11-1.3, and Section 8-11-1.5, multiplied by  
3 a fraction having a numerator of 1 and a denominator of the  
4 rate of tax. The tax may not be imposed on the sale of food for  
5 human consumption that is to be consumed off the premises where  
6 it is sold (other than alcoholic beverages, soft drinks, and  
7 food that has been prepared for immediate consumption) and  
8 prescription and nonprescription medicines, drugs, medical  
9 appliances, and insulin, urine testing materials, syringes,  
10 and needles used by diabetics. The tax imposed by a  
11 municipality pursuant to this Section and all civil penalties  
12 that may be assessed as an incident thereof shall be collected  
13 and enforced by the State Department of Revenue. The  
14 certificate of registration which is issued by the Department  
15 to a retailer under the Retailers' Occupation Tax Act or under  
16 the Service Occupation Tax Act shall permit such registrant to  
17 engage in a business which is taxable under any ordinance or  
18 resolution enacted pursuant to this Section without  
19 registering separately with the Department under such  
20 ordinance or resolution or under this Section. The Department  
21 shall have full power to administer and enforce this Section;  
22 to collect all taxes and penalties due hereunder; to dispose of  
23 taxes and penalties so collected in the manner hereinafter  
24 provided, and to determine all rights to credit memoranda  
25 arising on account of the erroneous payment of tax or penalty  
26 hereunder. In the administration of, and compliance with, this

1 Section the Department and persons who are subject to this  
2 Section shall have the same rights, remedies, privileges,  
3 immunities, powers and duties, and be subject to the same  
4 conditions, restrictions, limitations, penalties and  
5 definitions of terms, and employ the same modes of procedure,  
6 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
7 respect to all provisions therein other than the State rate of  
8 tax), 4 (except that the reference to the State shall be to the  
9 taxing municipality), 5, 7, 8 (except that the jurisdiction to  
10 which the tax shall be a debt to the extent indicated in that  
11 Section 8 shall be the taxing municipality), 9 (except as to  
12 the disposition of taxes and penalties collected, and except  
13 that the returned merchandise credit for this municipal tax may  
14 not be taken against any State tax), 10, 11, 12 (except the  
15 reference therein to Section 2b of the Retailers' Occupation  
16 Tax Act), 13 (except that any reference to the State shall mean  
17 the taxing municipality), the first paragraph of Section 15,  
18 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and  
19 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
20 as if those provisions were set forth herein.

21 No municipality may impose a tax under this Section unless  
22 the municipality also imposes a tax at the same rate under  
23 Section 8-11-1.3 of this Code.

24 Persons subject to any tax imposed pursuant to the  
25 authority granted in this Section may reimburse themselves for  
26 their serviceman's tax liability hereunder by separately



1 stating such tax as an additional charge, which charge may be  
2 stated in combination, in a single amount, with State tax which  
3 servicemen are authorized to collect under the Service Use Tax  
4 Act, pursuant to such bracket schedules as the Department may  
5 prescribe.

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

13 The Department shall forthwith pay over to the State  
14 Treasurer, ex officio, as trustee, all taxes and penalties  
15 collected hereunder.

16 As soon as possible after the first day of each month,  
17 beginning January 1, 2011, upon certification of the Department  
18 of Revenue, the Comptroller shall order transferred, and the  
19 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
20 local sales tax increment, as defined in the Innovation  
21 Development and Economy Act, collected under this Section  
22 during the second preceding calendar month for sales within a  
23 STAR bond district.

24 After the monthly transfer to the STAR Bonds Revenue Fund,  
25 on or before the 25th day of each calendar month, the  
26 Department shall prepare and certify to the Comptroller the

1 disbursement of stated sums of money to named municipalities,  
2 the municipalities to be those from which suppliers and  
3 servicemen have paid taxes or penalties hereunder to the  
4 Department during the second preceding calendar month. The  
5 amount to be paid to each municipality shall be the amount (not  
6 including credit memoranda) collected hereunder during the  
7 second preceding calendar month by the Department, and not  
8 including an amount equal to the amount of refunds made during  
9 the second preceding calendar month by the Department on behalf  
10 of such municipality, and not including any amounts that are  
11 transferred to the STAR Bonds Revenue Fund. Within 10 days  
12 after receipt, by the Comptroller, of the disbursement  
13 certification to the municipalities and the General Revenue  
14 Fund, provided for in this Section to be given to the  
15 Comptroller by the Department, the Comptroller shall cause the  
16 orders to be drawn for the respective amounts in accordance  
17 with the directions contained in such certification.

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

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

25 As used in this Section, "municipal" or "municipality"  
26 means or refers to a city, village or incorporated town,

1 including an incorporated town which has superseded a civil  
2 township.

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

5 (Source: P.A. 96-939, eff. 6-24-10; 96-1057, eff. 7-14-10;  
6 97-333, eff. 8-12-11; 97-837, eff. 7-20-12.)

7 (65 ILCS 5/8-11-1.5) (from Ch. 24, par. 8-11-1.5)

8 Sec. 8-11-1.5. Non-Home Rule Municipal Use Tax Act. The  
9 corporate authorities of a non-home rule municipality may  
10 impose a tax upon the privilege of using, in such municipality,  
11 any item of tangible personal property which is purchased at  
12 retail from a retailer, and which is titled or registered with  
13 an agency of this State's government, based on the selling  
14 price of such tangible personal property, as "selling price" is  
15 defined in the Use Tax Act, for expenditure on public  
16 infrastructure or for property tax relief or both as defined in  
17 Section 8-11-1.2, if approved by referendum as provided in  
18 Section 8-11-1.1. If the tax is approved by referendum on or  
19 after the effective date of this amendatory Act of the 96th  
20 General Assembly, the corporate authorities of a non-home rule  
21 municipality may, until December 31, 2020, use the proceeds of  
22 the tax for expenditure on municipal operations, in addition to  
23 or in lieu of any expenditure on public infrastructure or for  
24 property tax relief. The tax imposed may not be more than 2% ~~1%~~  
25 and may be imposed only in 1/4% increments. It is the intent of

1 the General Assembly that the rate of tax that may be imposed  
2 for municipal operations may not exceed 1%; therefore,  
3 notwithstanding any other provision of law, if the tax under  
4 this Section is imposed at a rate of more than 1%, then,  
5 beginning with the first disbursement to occur on or after the  
6 effective date of the increase, the total amount that may be  
7 used for municipal operations may not exceed the total amount  
8 of the proceeds disbursed to the municipality under this  
9 Section, Section 8-11-1.3, and Section 8-11-1.4, multiplied by  
10 a fraction having a numerator of 1 and a denominator of the  
11 rate of tax. Such tax shall be collected from persons whose  
12 Illinois address for title or registration purposes is given as  
13 being in such municipality. Such tax shall be collected by the  
14 municipality imposing such tax. A non-home rule municipality  
15 may not impose and collect the tax prior to January 1, 2002.

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

18 (Source: P.A. 96-1057, eff. 7-14-10; 97-837, eff. 7-20-12.)

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