



Sen. Andy Manar

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1 AMENDMENT TO SENATE BILL 488

2 AMENDMENT NO. _____. Amend Senate Bill 488 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Municipal Code is amended by
5 changing Sections 8-11-1, 8-11-5, and 8-11-6 as follows:

6 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

7 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax
8 Act. The corporate authorities of a home rule municipality may
9 impose a tax upon all persons engaged in the business of
10 selling tangible personal property, other than an item of
11 tangible personal property titled or registered with an agency
12 of this State's government, at retail in the municipality on
13 the gross receipts from these sales made in the course of such
14 business. If imposed, the tax shall only be imposed in 1/4%
15 increments. On and after September 1, 1991, this additional tax
16 may not be imposed on the sales of food for human consumption

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

1 as are prescribed in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k,
2 1m, 1n, 2 through 2-65 (in respect to all provisions therein
3 other than the State rate of tax), 2c, 3 (except as to the
4 disposition of taxes and penalties collected), 4, 5, 5a, 5b,
5 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8,
6 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
7 Section 3-7 of the Uniform Penalty and Interest Act, as fully
8 as if those provisions were set forth herein.

9 No tax may be imposed by a home rule municipality under
10 this Section unless the municipality also imposes a tax at the
11 same rate under Section 8-11-5 of this Act.

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

19 Whenever the Department determines that a refund should be
20 made under this Section to a claimant instead of issuing a
21 credit memorandum, the Department shall notify the State
22 Comptroller, who shall cause the order to be drawn for the
23 amount specified and to the person named in the notification
24 from the Department. The refund shall be paid by the State
25 Treasurer out of the home rule municipal retailers' occupation
26 tax fund.

1 The Department shall immediately pay over to the State
2 Treasurer, ex officio, as trustee, all taxes and penalties
3 collected hereunder.

4 As soon as possible after the first day of each month,
5 beginning January 1, 2011, upon certification of the Department
6 of Revenue, the Comptroller shall order transferred, and the
7 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
8 local sales tax increment, as defined in the Innovation
9 Development and Economy Act, collected under this Section
10 during the second preceding calendar month for sales within a
11 STAR bond district.

12 After the monthly transfer to the STAR Bonds Revenue Fund,
13 on or before the 25th day of each calendar month, the
14 Department shall prepare and certify to the Comptroller the
15 disbursement of stated sums of money to named municipalities,
16 the municipalities to be those from which retailers have paid
17 taxes or penalties hereunder to the Department during the
18 second preceding calendar month. The amount to be paid to each
19 municipality shall be the amount (not including credit
20 memoranda) collected hereunder during the second preceding
21 calendar month by the Department plus an amount the Department
22 determines is necessary to offset any amounts that were
23 erroneously paid to a different taxing body, and not including
24 an amount equal to the amount of refunds made during the second
25 preceding calendar month by the Department on behalf of such
26 municipality, and not including any amount that the Department

1 determines is necessary to offset any amounts that were payable
2 to a different taxing body but were erroneously paid to the
3 municipality, and not including any amounts that are
4 transferred to the STAR Bonds Revenue Fund, less 2% of the
5 remainder, which the Department shall transfer into the Tax
6 Compliance and Administration Fund. The Department, at the time
7 of each monthly disbursement to the municipalities, shall
8 prepare and certify to the State Comptroller the amount to be
9 transferred into the Tax Compliance and Administration Fund
10 under this Section. Within 10 days after receipt by the
11 Comptroller of the disbursement certification to the
12 municipalities and the Tax Compliance and Administration Fund
13 provided for in this Section to be given to the Comptroller by
14 the Department, the Comptroller shall cause the orders to be
15 drawn for the respective amounts in accordance with the
16 directions contained in the certification.

17 In addition to the disbursement required by the preceding
18 paragraph and in order to mitigate delays caused by
19 distribution procedures, an allocation shall, if requested, be
20 made within 10 days after January 14, 1991, and in November of
21 1991 and each year thereafter, to each municipality that
22 received more than \$500,000 during the preceding fiscal year,
23 (July 1 through June 30) whether collected by the municipality
24 or disbursed by the Department as required by this Section.
25 Within 10 days after January 14, 1991, participating
26 municipalities shall notify the Department in writing of their

1 intent to participate. In addition, for the initial
2 distribution, participating municipalities shall certify to
3 the Department the amounts collected by the municipality for
4 each month under its home rule occupation and service
5 occupation tax during the period July 1, 1989 through June 30,
6 1990. The allocation within 10 days after January 14, 1991,
7 shall be in an amount equal to the monthly average of these
8 amounts, excluding the 2 months of highest receipts. The
9 monthly average for the period of July 1, 1990 through June 30,
10 1991 will be determined as follows: the amounts collected by
11 the municipality under its home rule occupation and service
12 occupation tax during the period of July 1, 1990 through
13 September 30, 1990, plus amounts collected by the Department
14 and paid to such municipality through June 30, 1991, excluding
15 the 2 months of highest receipts. The monthly average for each
16 subsequent period of July 1 through June 30 shall be an amount
17 equal to the monthly distribution made to each such
18 municipality under the preceding paragraph during this period,
19 excluding the 2 months of highest receipts. The distribution
20 made in November 1991 and each year thereafter under this
21 paragraph and the preceding paragraph shall be reduced by the
22 amount allocated and disbursed under this paragraph in the
23 preceding period of July 1 through June 30. The Department
24 shall prepare and certify to the Comptroller for disbursement
25 the allocations made in accordance with this paragraph.

26 For the purpose of determining the local governmental unit

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

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

13 An ordinance or resolution imposing or discontinuing a tax
14 hereunder or effecting a change in the rate thereof shall be
15 adopted and a certified copy thereof filed with the Department
16 on or before the first day of June, whereupon the Department
17 shall proceed to administer and enforce this Section as of the
18 first day of September next following the adoption and filing.
19 Beginning January 1, 1992, an ordinance or resolution imposing
20 or discontinuing the tax hereunder or effecting a change in the
21 rate thereof shall be adopted and a certified copy thereof
22 filed with the Department on or before the first day of July,
23 whereupon the Department shall proceed to administer and
24 enforce this Section as of the first day of October next
25 following such adoption and filing. Beginning January 1, 1993,
26 an ordinance or resolution imposing or discontinuing the tax

1 hereunder or effecting a change in the rate thereof shall be
2 adopted and a certified copy thereof filed with the Department
3 on or before the first day of October, whereupon the Department
4 shall proceed to administer and enforce this Section as of the
5 first day of January next following the adoption and filing.
6 However, a municipality located in a county with a population
7 in excess of 3,000,000 that elected to become a home rule unit
8 at the general primary election in 1994 may adopt an ordinance
9 or resolution imposing the tax under this Section and file a
10 certified copy of the ordinance or resolution with the
11 Department on or before July 1, 1994. The Department shall then
12 proceed to administer and enforce this Section as of October 1,
13 1994. Beginning April 1, 1998, an ordinance or resolution
14 imposing or discontinuing the tax hereunder or effecting a
15 change in the rate thereof shall either (i) be adopted and a
16 certified copy thereof filed with the Department on or before
17 the first day of April, whereupon the Department shall proceed
18 to administer and enforce this Section as of the first day of
19 July next following the adoption and filing; or (ii) be adopted
20 and a certified copy thereof filed with the Department on or
21 before the first day of October, whereupon the Department shall
22 proceed to administer and enforce this Section as of the first
23 day of January next following the adoption and filing.
24 Notwithstanding the provisions of this Section, an ordinance
25 passed by the City of Springfield in calendar year 2018
26 effecting a change in the rate of a tax imposed under this

1 Section shall be adopted and a certified copy thereof filed
2 with the Department on or before April 1, 2018, whereupon the
3 Department shall proceed to administer and enforce the change
4 as of May 1, 2018.

5 When certifying the amount of a monthly disbursement to a
6 municipality under this Section, the Department shall increase
7 or decrease the amount by an amount necessary to offset any
8 misallocation of previous disbursements. The offset amount
9 shall be the amount erroneously disbursed within the previous 6
10 months from the time a misallocation is discovered.

11 Any unobligated balance remaining in the Municipal
12 Retailers' Occupation Tax Fund on December 31, 1989, which fund
13 was abolished by Public Act 85-1135, and all receipts of
14 municipal tax as a result of audits of liability periods prior
15 to January 1, 1990, shall be paid into the Local Government Tax
16 Fund for distribution as provided by this Section prior to the
17 enactment of Public Act 85-1135. All receipts of municipal tax
18 as a result of an assessment not arising from an audit, for
19 liability periods prior to January 1, 1990, shall be paid into
20 the Local Government Tax Fund for distribution before July 1,
21 1990, as provided by this Section prior to the enactment of
22 Public Act 85-1135; and on and after July 1, 1990, all such
23 receipts shall be distributed as provided in Section 6z-18 of
24 the State Finance Act.

25 As used in this Section, "municipal" and "municipality"
26 means a city, village or incorporated town, including an

1 incorporated town that has superseded a civil township.

2 This Section shall be known and may be cited as the Home
3 Rule Municipal Retailers' Occupation Tax Act.

4 (Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17.)

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

6 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax
7 Act. The corporate authorities of a home rule municipality may
8 impose a tax upon all persons engaged, in such municipality, in
9 the business of making sales of service at the same rate of tax
10 imposed pursuant to Section 8-11-1, of the selling price of all
11 tangible personal property transferred by such servicemen
12 either in the form of tangible personal property or in the form
13 of real estate as an incident to a sale of service. If imposed,
14 such tax shall only be imposed in 1/4% increments. On and after
15 September 1, 1991, this additional tax may not be imposed on
16 the sales of food for human consumption which is to be consumed
17 off the premises where it is sold (other than alcoholic
18 beverages, soft drinks and food which has been prepared for
19 immediate consumption) and prescription and nonprescription
20 medicines, drugs, medical appliances and insulin, urine
21 testing materials, syringes and needles used by diabetics. The
22 tax imposed by a home rule municipality pursuant to this
23 Section and all civil penalties that may be assessed as an
24 incident thereof shall be collected and enforced by the State
25 Department of Revenue. The certificate of registration which is

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

1 State tax), 10, 11, 12 (except the reference therein to Section
2 2b of the Retailers' Occupation Tax Act), 13 (except that any
3 reference to the State shall mean the taxing municipality), the
4 first paragraph of Section 15, 16, 17 (except that credit
5 memoranda issued hereunder may not be used to discharge any
6 State tax liability), 18, 19 and 20 of the Service Occupation
7 Tax Act and Section 3-7 of the Uniform Penalty and Interest
8 Act, as fully as if those provisions were set forth herein.

9 No tax may be imposed by a home rule municipality pursuant
10 to this Section unless such municipality also imposes a tax at
11 the same rate pursuant to Section 8-11-1 of this Act.

12 Persons subject to any tax imposed pursuant to the
13 authority granted in this Section may reimburse themselves for
14 their serviceman's tax liability hereunder by separately
15 stating such tax as an additional charge, which charge may be
16 stated in combination, in a single amount, with State tax which
17 servicemen are authorized to collect under the Service Use Tax
18 Act, pursuant to such bracket schedules as the Department may
19 prescribe.

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

1 The Department shall forthwith pay over to the State
2 Treasurer, ex-officio, as trustee, all taxes and penalties
3 collected hereunder.

4 As soon as possible after the first day of each month,
5 beginning January 1, 2011, upon certification of the Department
6 of Revenue, the Comptroller shall order transferred, and the
7 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
8 local sales tax increment, as defined in the Innovation
9 Development and Economy Act, collected under this Section
10 during the second preceding calendar month for sales within a
11 STAR bond district.

12 After the monthly transfer to the STAR Bonds Revenue Fund,
13 on or before the 25th day of each calendar month, the
14 Department shall prepare and certify to the Comptroller the
15 disbursement of stated sums of money to named municipalities,
16 the municipalities to be those from which suppliers and
17 servicemen have paid taxes or penalties hereunder to the
18 Department during the second preceding calendar month. The
19 amount to be paid to each municipality shall be the amount (not
20 including credit memoranda) collected hereunder during the
21 second preceding calendar month by the Department, and not
22 including an amount equal to the amount of refunds made during
23 the second preceding calendar month by the Department on behalf
24 of such municipality, and not including any amounts that are
25 transferred to the STAR Bonds Revenue Fund, less 2% of the
26 remainder, which the Department shall transfer into the Tax

1 Compliance and Administration Fund. The Department, at the time
2 of each monthly disbursement to the municipalities, shall
3 prepare and certify to the State Comptroller the amount to be
4 transferred into the Tax Compliance and Administration Fund
5 under this Section. Within 10 days after receipt, by the
6 Comptroller, of the disbursement certification to the
7 municipalities and the Tax Compliance and Administration Fund
8 provided for in this Section to be given to the Comptroller by
9 the Department, the Comptroller shall cause the orders to be
10 drawn for the respective amounts in accordance with the
11 directions contained in such certification.

12 In addition to the disbursement required by the preceding
13 paragraph and in order to mitigate delays caused by
14 distribution procedures, an allocation shall, if requested, be
15 made within 10 days after January 14, 1991, and in November of
16 1991 and each year thereafter, to each municipality that
17 received more than \$500,000 during the preceding fiscal year,
18 (July 1 through June 30) whether collected by the municipality
19 or disbursed by the Department as required by this Section.
20 Within 10 days after January 14, 1991, participating
21 municipalities shall notify the Department in writing of their
22 intent to participate. In addition, for the initial
23 distribution, participating municipalities shall certify to
24 the Department the amounts collected by the municipality for
25 each month under its home rule occupation and service
26 occupation tax during the period July 1, 1989 through June 30,

1 1990. The allocation within 10 days after January 14, 1991,
2 shall be in an amount equal to the monthly average of these
3 amounts, excluding the 2 months of highest receipts. Monthly
4 average for the period of July 1, 1990 through June 30, 1991
5 will be determined as follows: the amounts collected by the
6 municipality under its home rule occupation and service
7 occupation tax during the period of July 1, 1990 through
8 September 30, 1990, plus amounts collected by the Department
9 and paid to such municipality through June 30, 1991, excluding
10 the 2 months of highest receipts. The monthly average for each
11 subsequent period of July 1 through June 30 shall be an amount
12 equal to the monthly distribution made to each such
13 municipality under the preceding paragraph during this period,
14 excluding the 2 months of highest receipts. The distribution
15 made in November 1991 and each year thereafter under this
16 paragraph and the preceding paragraph shall be reduced by the
17 amount allocated and disbursed under this paragraph in the
18 preceding period of July 1 through June 30. The Department
19 shall prepare and certify to the Comptroller for disbursement
20 the allocations made in accordance with this paragraph.

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 An ordinance or resolution imposing or discontinuing a tax
26 hereunder or effecting a change in the rate thereof shall be

1 adopted and a certified copy thereof filed with the Department
2 on or before the first day of June, whereupon the Department
3 shall proceed to administer and enforce this Section as of the
4 first day of September next following such adoption and filing.
5 Beginning January 1, 1992, an ordinance or resolution imposing
6 or discontinuing the tax hereunder or effecting a change in the
7 rate thereof shall be adopted and a certified copy thereof
8 filed with the Department on or before the first day of July,
9 whereupon the Department shall proceed to administer and
10 enforce this Section as of the first day of October next
11 following such adoption and filing. Beginning January 1, 1993,
12 an ordinance or resolution imposing or discontinuing the tax
13 hereunder or effecting a change in the rate thereof shall be
14 adopted and a certified copy thereof filed with the Department
15 on or before the first day of October, whereupon the Department
16 shall proceed to administer and enforce this Section as of the
17 first day of January next following such adoption and filing.
18 However, a municipality located in a county with a population
19 in excess of 3,000,000 that elected to become a home rule unit
20 at the general primary election in 1994 may adopt an ordinance
21 or resolution imposing the tax under this Section and file a
22 certified copy of the ordinance or resolution with the
23 Department on or before July 1, 1994. The Department shall then
24 proceed to administer and enforce this Section as of October 1,
25 1994. Beginning April 1, 1998, an ordinance or resolution
26 imposing or discontinuing the tax hereunder or effecting a

1 change in the rate thereof shall either (i) be adopted and a
2 certified copy thereof filed with the Department on or before
3 the first day of April, whereupon the Department shall proceed
4 to administer and enforce this Section as of the first day of
5 July next following the adoption and filing; or (ii) be adopted
6 and a certified copy thereof filed with the Department on or
7 before the first day of October, whereupon the Department shall
8 proceed to administer and enforce this Section as of the first
9 day of January next following the adoption and filing.
10 Notwithstanding the provisions of this Section, an ordinance
11 passed by the City of Springfield in calendar year 2018
12 effecting a change in the rate of a tax imposed under this
13 Section shall be adopted and a certified copy thereof filed
14 with the Department on or before April 1, 2018, whereupon the
15 Department shall proceed to administer and enforce the change
16 as of May 1, 2018.

17 Any unobligated balance remaining in the Municipal
18 Retailers' Occupation Tax Fund on December 31, 1989, which fund
19 was abolished by Public Act 85-1135, and all receipts of
20 municipal tax as a result of audits of liability periods prior
21 to January 1, 1990, shall be paid into the Local Government Tax
22 Fund, for distribution as provided by this Section prior to the
23 enactment of Public Act 85-1135. All receipts of municipal tax
24 as a result of an assessment not arising from an audit, for
25 liability periods prior to January 1, 1990, shall be paid into
26 the Local Government Tax Fund for distribution before July 1,

1 1990, as provided by this Section prior to the enactment of
2 Public Act 85-1135, and on and after July 1, 1990, all such
3 receipts shall be distributed as provided in Section 6z-18 of
4 the State Finance Act.

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

8 This Section shall be known and may be cited as the Home
9 Rule Municipal Service Occupation Tax Act.

10 (Source: P.A. 100-23, eff. 7-6-17.)

11 (65 ILCS 5/8-11-6) (from Ch. 24, par. 8-11-6)

12 Sec. 8-11-6. Home Rule Municipal Use Tax Act.

13 (a) The corporate authorities of a home rule municipality
14 may impose a tax upon the privilege of using, in such
15 municipality, any item of tangible personal property which is
16 purchased at retail from a retailer, and which is titled or
17 registered at a location within the corporate limits of such
18 home rule municipality with an agency of this State's
19 government, at a rate which is an increment of 1/4% and based
20 on the selling price of such tangible personal property, as
21 "selling price" is defined in the Use Tax Act. In home rule
22 municipalities with less than 2,000,000 inhabitants, the tax
23 shall be collected by the municipality imposing the tax from
24 persons whose Illinois address for titling or registration
25 purposes is given as being in such municipality.

1 (b) In home rule municipalities with 2,000,000 or more
2 inhabitants, the corporate authorities of the municipality may
3 additionally impose a tax beginning July 1, 1991 upon the
4 privilege of using in the municipality, any item of tangible
5 personal property, other than tangible personal property
6 titled or registered with an agency of the State's government,
7 that is purchased at retail from a retailer located outside the
8 corporate limits of the municipality, at a rate that is an
9 increment of 1/4% not to exceed 1% and based on the selling
10 price of the tangible personal property, as "selling price" is
11 defined in the Use Tax Act. Such tax shall be collected from
12 the purchaser either by the municipality imposing such tax or
13 by the Department of Revenue pursuant to an agreement between
14 the Department and the municipality.

15 To prevent multiple home rule taxation, the use in a home
16 rule municipality of tangible personal property that is
17 acquired outside the municipality and caused to be brought into
18 the municipality by a person who has already paid a home rule
19 municipal tax in another municipality in respect to the sale,
20 purchase, or use of that property, shall be exempt to the
21 extent of the amount of the tax properly due and paid in the
22 other home rule municipality.

23 (c) If a municipality having 2,000,000 or more inhabitants
24 imposes the tax authorized by subsection (a), then the tax
25 shall be collected by the Illinois Department of Revenue when
26 the property is purchased at retail from a retailer in the

1 county in which the home rule municipality imposing the tax is
2 located, and in all contiguous counties. The tax shall be
3 remitted to the State, or an exemption determination must be
4 obtained from the Department before the title or certificate of
5 registration for the property may be issued. The tax or proof
6 of exemption may be transmitted to the Department by way of the
7 State agency with which, or State officer with whom, the
8 tangible personal property must be titled or registered if the
9 Department and that agency or State officer determine that this
10 procedure will expedite the processing of applications for
11 title or registration.

12 The Department shall have full power to administer and
13 enforce this Section to collect all taxes, penalties and
14 interest due hereunder, to dispose of taxes, penalties and
15 interest so collected in the manner hereinafter provided, and
16 determine all rights to credit memoranda or refunds arising on
17 account of the erroneous payment of tax, penalty or interest
18 hereunder. In the administration of and compliance with this
19 Section the Department and persons who are subject to this
20 Section shall have the same rights, remedies, privileges,
21 immunities, powers and duties, and be subject to the same
22 conditions, restrictions, limitations, penalties and
23 definitions of terms, and employ the same modes of procedure as
24 are prescribed in Sections 2 (except the definition of
25 "retailer maintaining a place of business in this State"), 3
26 (except provisions pertaining to the State rate of tax, and

1 except provisions concerning collection or refunding of the tax
2 by retailers), 4, 11, 12, 12a, 14, 15, 19, 20, 21 and 22 of the
3 Use Tax Act, which are not inconsistent with this Section, as
4 fully as if provisions contained in those Sections of the Use
5 Tax Act were set forth herein.

6 Whenever the Department determines that a refund shall 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 home rule municipal retailers' occupation
13 tax fund.

14 The Department shall forthwith pay over to the State
15 Treasurer, ex officio, as trustee, all taxes, penalties and
16 interest collected hereunder. On or before the 25th day of each
17 calendar month, the Department shall prepare and certify to the
18 State Comptroller the disbursement of stated sums of money to
19 named municipalities, the municipality in each instance to be
20 that municipality from which the Department during the second
21 preceding calendar month, collected municipal use tax from any
22 person whose Illinois address for titling or registration
23 purposes is given as being in such municipality. The amount to
24 be paid to each municipality shall be the amount (not including
25 credit memoranda) collected hereunder during the second
26 preceding calendar month by the Department, and not including

1 an amount equal to the amount of refunds made during the second
2 preceding calendar month by the Department on behalf of such
3 municipality, less 2% of the balance, which sum shall be
4 retained by the State Treasurer to cover the costs incurred by
5 the Department in administering and enforcing the provisions of
6 this Section. The Department, at the time of each monthly
7 disbursement to the municipalities, shall prepare and certify
8 to the Comptroller the amount so retained by the State
9 Treasurer, which shall be transferred into the Tax Compliance
10 and Administration Fund. Within 10 days after receipt by the
11 State Comptroller of the disbursement certification to the
12 municipalities provided for in this Section to be given to the
13 State Comptroller by the Department, the State Comptroller
14 shall cause the orders to be drawn for the respective amounts
15 in accordance with the directions contained in that
16 certification.

17 Any ordinance imposing or discontinuing any tax to be
18 collected and enforced by the Department under this Section
19 shall be adopted and a certified copy thereof filed with the
20 Department on or before October 1, whereupon the Department of
21 Revenue shall proceed to administer and enforce this Section on
22 behalf of the municipalities as of January 1 next following
23 such adoption and filing. Beginning April 1, 1998, any
24 ordinance imposing or discontinuing any tax to be collected and
25 enforced by the Department under this Section shall either (i)
26 be adopted and a certified copy thereof filed with the

1 Department on or before April 1, whereupon the Department of
2 Revenue shall proceed to administer and enforce this Section on
3 behalf of the municipalities as of July 1 next following the
4 adoption and filing; or (ii) be adopted and a certified copy
5 thereof filed with the Department on or before October 1,
6 whereupon the Department of Revenue shall proceed to administer
7 and enforce this Section on behalf of the municipalities as of
8 January 1 next following the adoption and filing.
9 Notwithstanding the provisions of this Section, an ordinance
10 passed by the City of Springfield in calendar year 2018
11 effecting a change in the rate of a tax imposed under this
12 Section shall be adopted and a certified copy thereof filed
13 with the Department on or before April 1, 2018, whereupon the
14 Department shall proceed to administer and enforce the change
15 as of May 1, 2018.

16 Nothing in this subsection (c) shall prevent a home rule
17 municipality from collecting the tax pursuant to subsection (a)
18 in any situation where such tax is not collected by the
19 Department of Revenue under this subsection (c).

20 (d) Any unobligated balance remaining in the Municipal
21 Retailers' Occupation Tax Fund on December 31, 1989, which fund
22 was abolished by Public Act 85-1135, and all receipts of
23 municipal tax as a result of audits of liability periods prior
24 to January 1, 1990, shall be paid into the Local Government Tax
25 Fund, for distribution as provided by this Section prior to the
26 enactment of Public Act 85-1135. All receipts of municipal tax

1 as a result of an assessment not arising from an audit, for
2 liability periods prior to January 1, 1990, shall be paid into
3 the Local Government Tax Fund for distribution before July 1,
4 1990, as provided by this Section prior to the enactment of
5 Public Act 85-1135, and on and after July 1, 1990, all such
6 receipts shall be distributed as provided in Section 6z-18 of
7 the State Finance Act.

8 (e) As used in this Section, "Municipal" and "Municipality"
9 means a city, village or incorporated town, including an
10 incorporated town which has superseded a civil township.

11 (f) This Section shall be known and may be cited as the
12 Home Rule Municipal Use Tax Act.

13 (Source: P.A. 98-1049, eff. 8-25-14.)

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