



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB2899

Introduced 2/14/2018, by Sen. Scott M. Bennett

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-705
20 ILCS 665/4a
35 ILCS 145/6

was 20 ILCS 605/46.6a
from Ch. 127, par. 200-24a
from Ch. 120, par. 481b.36

Amends the Illinois Promotion Act. Provides that moneys that are required to be deposited into the Tourism Promotion Fund from the proceeds of the tax imposed under the Hotel Operators' Occupation Tax Act shall be deposited directly into the Tourism Promotion Fund. Provides that, if the available proceeds from the Hotel Operators' Occupation Tax Act after certain other deposits have been made is less than the amount required to be deposited into the Tourism Promotion Fund, then the amount of the deficiency shall be transferred from the General Revenue Fund to the Tourism Promotion Fund in the next calendar month. Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Makes changes concerning grants from the Local Tourism Fund. Effective immediately.

LRB100 20382 HLH 35686 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois is
6 amended by changing Section 605-705 as follows:

7 (20 ILCS 605/605-705) (was 20 ILCS 605/46.6a)

8 Sec. 605-705. Grants to local tourism and convention
9 bureaus.

10 (a) To establish a grant program for local tourism and
11 convention bureaus. The Department will develop and implement a
12 program for the use of funds, as authorized under this Act, by
13 local tourism and convention bureaus. For the purposes of this
14 Act, bureaus eligible to receive funds are those local tourism
15 and convention bureaus that are (i) either units of local
16 government or incorporated as not-for-profit organizations;
17 (ii) in legal existence for a minimum of 2 years before July 1,
18 2001; (iii) operating with a paid, full-time staff whose sole
19 purpose is to promote tourism in the designated service area;
20 and (iv) affiliated with one or more municipalities or counties
21 that support the bureau with local hotel-motel taxes. After
22 July 1, 2001, bureaus requesting certification in order to
23 receive funds for the first time must be local tourism and

1 convention bureaus that are (i) either units of local
2 government or incorporated as not-for-profit organizations;
3 (ii) in legal existence for a minimum of 2 years before the
4 request for certification; (iii) operating with a paid,
5 full-time staff whose sole purpose is to promote tourism in the
6 designated service area; and (iv) affiliated with multiple
7 municipalities or counties that support the bureau with local
8 hotel-motel taxes. Each bureau receiving funds under this Act
9 will be certified by the Department as the designated recipient
10 to serve an area of the State. Notwithstanding the criteria set
11 forth in this subsection (a), or any rule adopted under this
12 subsection (a), the Director of the Department may provide for
13 the award of grant funds to one or more entities if in the
14 Department's judgment that action is necessary in order to
15 prevent a loss of funding critical to promoting tourism in a
16 designated geographic area of the State.

17 (b) To distribute grants to local tourism and convention
18 bureaus from appropriations made from the Local Tourism Fund
19 for that purpose. Of the amounts appropriated annually to the
20 Department for expenditure under this Section prior to July 1,
21 2011, one-third of those monies shall be used for grants to
22 convention and tourism bureaus in cities with a population
23 greater than 500,000. The remaining two-thirds of the annual
24 appropriation prior to July 1, 2011 shall be used for grants to
25 convention and tourism bureaus in the remainder of the State,
26 in accordance with a formula based upon the population served.

1 Of the amounts appropriated annually to the Department for
2 expenditure under this Section beginning July 1, 2011, 18% of
3 such moneys shall be used for grants to convention and tourism
4 bureaus in cities with a population greater than 500,000. Of
5 the amounts appropriated annually to the Department for
6 expenditure under this Section beginning July 1, 2011, 82% of
7 such moneys shall be used for grants to convention bureaus in
8 the remainder of the State, in accordance with a formula based
9 upon the population served. ~~The Department may reserve up to
10 10% of total local tourism funds available for costs of
11 administering the program to conduct audits of grants, to
12 provide incentive funds to those bureaus that will conduct
13 promotional activities designed to further the Department's
14 statewide advertising campaign, to fund special statewide
15 promotional activities, and to fund promotional activities
16 that support an increased use of the State's parks or historic
17 sites.~~ The Department shall require that any convention and
18 tourism bureau receiving a grant under this Section that
19 requires matching funds shall provide matching funds equal to
20 no less than 50% of the grant amount. During fiscal year 2013,
21 the Department shall reserve \$2,000,000 of the available local
22 tourism funds for appropriation to the Historic Preservation
23 Agency for the operation of the Abraham Lincoln Presidential
24 Library and Museum and State historic sites.

25 (Source: P.A. 97-617, eff. 10-26-11; 97-732, eff. 6-30-12;
26 98-252, eff. 8-9-13.)

1 Section 10. The Illinois Promotion Act is amended by
2 changing Section 4a as follows:

3 (20 ILCS 665/4a) (from Ch. 127, par. 200-24a)

4 Sec. 4a. Funds.

5 (1) All moneys deposited in the Tourism Promotion Fund
6 pursuant to this subsection are allocated to the Department for
7 utilization, as appropriated, in the performance of its powers
8 under Section 4; except that during fiscal year 2013, the
9 Department shall reserve \$9,800,000 of the total funds
10 available for appropriation in the Tourism Promotion Fund for
11 appropriation to the Historic Preservation Agency for the
12 operation of the Abraham Lincoln Presidential Library and
13 Museum and State historic sites.

14 As soon as possible after the first day of each month,
15 beginning July 1, 1997 and ending on July 6, 2017 (the
16 effective date of Public Act 100-23) ~~this amendatory Act of the~~
17 ~~100th General Assembly~~, upon certification of the Department of
18 Revenue, the Comptroller shall order transferred and the
19 Treasurer shall transfer from the General Revenue Fund to the
20 Tourism Promotion Fund an amount equal to 13% of the net
21 revenue realized from the Hotel Operators' Occupation Tax Act
22 plus an amount equal to 13% of the net revenue realized from
23 any tax imposed under Section 4.05 of the Chicago World's
24 Fair-1992 Authority Act during the preceding month. Beginning

1 on the effective date of this amendatory Act of the 100th
2 General Assembly, 13% of the net revenue realized from the
3 Hotel Operators' Occupation Tax Act shall be deposited directly
4 into the Tourism Promotion Fund as provided in Section 6 of the
5 Hotel Operators' Occupation Tax Act. "Net revenue realized for
6 a month" means the revenue collected by the State under that
7 Act during the previous month less the amount paid out during
8 that same month as refunds to taxpayers for overpayment of
9 liability under that Act.

10 (1.1) (Blank).

11 (2) As soon as possible after the first day of each month,
12 beginning July 1, 1997 and ending on July 6, 2017 (the
13 effective date of Public Act 100-23) ~~this amendatory Act of the~~
14 ~~100th General Assembly~~, upon certification of the Department of
15 Revenue, the Comptroller shall order transferred and the
16 Treasurer shall transfer from the General Revenue Fund to the
17 Tourism Promotion Fund an amount equal to 8% of the net revenue
18 realized from the Hotel Operators' Occupation Tax plus an
19 amount equal to 8% of the net revenue realized from any tax
20 imposed under Section 4.05 of the Chicago World's Fair-1992
21 Authority Act during the preceding month. Beginning on the
22 effective date of this amendatory Act of the 100th General
23 Assembly, 8% of net revenue realized from the Hotel Operators'
24 Occupation Tax Act shall be deposited directly into the Tourism
25 Promotion Fund as provided in Section 6 of the Hotel Operators'
26 Occupation Tax Act. "Net revenue realized for a month" means

1 the revenue collected by the State under that Act during the
2 previous month less the amount paid out during that same month
3 as refunds to taxpayers for overpayment of liability under that
4 Act.

5 All monies deposited in the Tourism Promotion Fund under
6 this subsection (2) shall be used solely as provided in this
7 subsection to advertise and promote tourism throughout
8 Illinois. Appropriations of monies deposited in the Tourism
9 Promotion Fund pursuant to this subsection (2) shall be used
10 solely for advertising to promote tourism, including but not
11 limited to advertising production and direct advertisement
12 costs, but shall not be used to employ any additional staff,
13 finance any individual event, or lease, rent or purchase any
14 physical facilities. The Department shall coordinate its
15 advertising under this subsection (2) with other public and
16 private entities in the State engaged in similar promotion
17 activities. Print or electronic media production made pursuant
18 to this subsection (2) for advertising promotion shall not
19 contain or include the physical appearance of or reference to
20 the name or position of any public officer. "Public officer"
21 means a person who is elected to office pursuant to statute, or
22 who is appointed to an office which is established, and the
23 qualifications and duties of which are prescribed, by statute,
24 to discharge a public duty for the State or any of its
25 political subdivisions.

26 (3) Notwithstanding anything in this Section to the

1 contrary, amounts transferred from the General Revenue Fund to
2 the Tourism Promotion Fund pursuant to this Section shall not
3 exceed \$26,300,000 in State fiscal year 2012.

4 (4) (Blank). ~~As soon as possible after the first day of~~
5 ~~each month, beginning July 1, 2017, if the amount of revenue~~
6 ~~deposited into the Tourism Promotion Fund under subsection (c)~~
7 ~~of Section 6 of the Hotel Operators' Occupation Tax Act is less~~
8 ~~than 21% of the net revenue realized from the Hotel Operators'~~
9 ~~Occupation Tax during the preceding month, then, upon~~
10 ~~certification of the Department of Revenue, the State~~
11 ~~Comptroller shall direct and the State Treasurer shall transfer~~
12 ~~from the General Revenue Fund to the Tourism Promotion Fund an~~
13 ~~amount equal to the difference between 21% of the net revenue~~
14 ~~realized from the Hotel Operators' Occupation Tax during the~~
15 ~~preceding month and the amount of revenue deposited into the~~
16 ~~Tourism Promotion Fund under subsection (c) of Section 6 of the~~
17 ~~Hotel Operators' Occupation Tax Act.~~

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

19 Section 15. The Hotel Operators' Occupation Tax Act is
20 amended by changing Section 6 as follows:

21 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

22 Sec. 6. Filing of returns and distribution of proceeds.

23 Except as provided hereinafter in this Section, on or
24 before the last day of each calendar month, every person

1 engaged in the business of renting, leasing or letting rooms in
2 a hotel in this State during the preceding calendar month shall
3 file a return with the Department, stating:

4 1. The name of the operator;

5 2. His residence address and the address of his
6 principal place of business and the address of the
7 principal place of business (if that is a different
8 address) from which he engages in the business of renting,
9 leasing or letting rooms in a hotel in this State;

10 3. Total amount of rental receipts received by him
11 during the preceding calendar month from renting, leasing
12 or letting rooms during such preceding calendar month;

13 4. Total amount of rental receipts received by him
14 during the preceding calendar month from renting, leasing
15 or letting rooms to permanent residents during such
16 preceding calendar month;

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

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

22 7. The amount of tax due;

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

25 If the operator's average monthly tax liability to the
26 Department does not exceed \$200, the Department may authorize

1 his returns to be filed on a quarter annual basis, with the
2 return for January, February and March of a given year being
3 due by April 30 of such year; with the return for April, May
4 and June of a given year being due by July 31 of such year; with
5 the return for July, August and September of a given year being
6 due by October 31 of such year, and with the return for
7 October, November and December of a given year being due by
8 January 31 of the following year.

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

13 Such quarter annual and annual returns, as to form and
14 substance, shall be subject to the same requirements as monthly
15 returns.

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

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

1 shall file separate returns for each such registered business.

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

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

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

23 There shall be deposited in the Build Illinois Fund in the
24 State Treasury for each State fiscal year 40% of the amount of
25 total net proceeds from the tax imposed by subsection (a) of
26 Section 3. Of the remaining 60%, \$5,000,000 shall be deposited

1 in the Illinois Sports Facilities Fund and credited to the
2 Subsidy Account each fiscal year by making monthly deposits in
3 the amount of 1/8 of \$5,000,000 plus cumulative deficiencies in
4 such deposits for prior months, and an additional \$8,000,000
5 shall be deposited in the Illinois Sports Facilities Fund and
6 credited to the Advance Account each fiscal year by making
7 monthly deposits in the amount of 1/8 of \$8,000,000 plus any
8 cumulative deficiencies in such deposits for prior months;
9 provided, that for fiscal years ending after June 30, 2001, the
10 amount to be so deposited into the Illinois Sports Facilities
11 Fund and credited to the Advance Account each fiscal year shall
12 be increased from \$8,000,000 to the then applicable Advance
13 Amount and the required monthly deposits beginning with July
14 2001 shall be in the amount of 1/8 of the then applicable
15 Advance Amount plus any cumulative deficiencies in those
16 deposits for prior months. (The deposits of the additional
17 \$8,000,000 or the then applicable Advance Amount, as
18 applicable, during each fiscal year shall be treated as
19 advances of funds to the Illinois Sports Facilities Authority
20 for its corporate purposes to the extent paid to the Authority
21 or its trustee and shall be repaid into the General Revenue
22 Fund in the State Treasury by the State Treasurer on behalf of
23 the Authority pursuant to Section 19 of the Illinois Sports
24 Facilities Authority Act, as amended. If in any fiscal year the
25 full amount of the then applicable Advance Amount is not repaid
26 into the General Revenue Fund, then the deficiency shall be

1 paid from the amount in the Local Government Distributive Fund
2 that would otherwise be allocated to the City of Chicago under
3 the State Revenue Sharing Act.)

4 For purposes of the foregoing paragraph, the term "Advance
5 Amount" means, for fiscal year 2002, \$22,179,000, and for
6 subsequent fiscal years through fiscal year 2032, 105.615% of
7 the Advance Amount for the immediately preceding fiscal year,
8 rounded up to the nearest \$1,000.

9 Of the remaining 60% of the amount of total net proceeds
10 prior to August 1, 2011 from the tax imposed by subsection (a)
11 of Section 3 after all required deposits in the Illinois Sports
12 Facilities Fund, the amount equal to 8% of the net revenue
13 realized from this Act plus an amount equal to 8% of the net
14 revenue realized from any tax imposed under Section 4.05 of the
15 Chicago World's Fair-1992 Authority Act during the preceding
16 month shall be deposited in the Local Tourism Fund each month
17 for purposes authorized by Section 605-705 of the Department of
18 Commerce and Economic Opportunity Law (20 ILCS 605/605-705). Of
19 the remaining 60% of the amount of total net proceeds beginning
20 on August 1, 2011 from the tax imposed by subsection (a) of
21 Section 3 after all required deposits in the Illinois Sports
22 Facilities Fund, an amount equal to 8% of the net revenue
23 realized from this Act plus an amount equal to 8% of the net
24 revenue realized from any tax imposed under Section 4.05 of the
25 Chicago World's Fair-1992 Authority Act during the preceding
26 month shall be deposited as follows: 18% of such amount shall

1 be deposited into the Chicago Travel Industry Promotion Fund
2 for the purposes described in subsection (n) of Section 5 of
3 the Metropolitan Pier and Exposition Authority Act and the
4 remaining 82% of such amount shall be deposited into the Local
5 Tourism Fund each month for purposes authorized by Section
6 605-705 of the Department of Commerce and Economic Opportunity
7 Law. Beginning on August 1, 1999 and ending on July 31, 2011,
8 an amount equal to 4.5% of the net revenue realized from the
9 Hotel Operators' Occupation Tax Act during the preceding month
10 shall be deposited into the International Tourism Fund for the
11 purposes authorized in Section 605-707 of the Department of
12 Commerce and Economic Opportunity Law. Beginning on August 1,
13 2011, an amount equal to 4.5% of the net revenue realized from
14 this Act during the preceding month shall be deposited as
15 follows: 55% of such amount shall be deposited into the Chicago
16 Travel Industry Promotion Fund for the purposes described in
17 subsection (n) of Section 5 of the Metropolitan Pier and
18 Exposition Authority Act and the remaining 45% of such amount
19 deposited into the International Tourism Fund for the purposes
20 authorized in Section 605-707 of the Department of Commerce and
21 Economic Opportunity Law. Beginning on the effective date of
22 this amendatory Act of the 100th General Assembly, after all
23 required deposits into the Illinois Sports Facilities Fund, the
24 Local Tourism Fund, the Chicago Travel Industry Promotion Fund,
25 and the International Tourism Fund have been made: (1) 13% of
26 the net revenue realized from this Act shall be deposited

1 directly into the Tourism Promotion Fund to be used as provided
2 in paragraph (1) of Section 4a of the Illinois Promotion Act;
3 and (2) 8% of the net revenue realized from this Act shall be
4 deposited directly into the Tourism Promotion Fund to be used
5 as provided in paragraph (2) of Section 4a of the Illinois
6 Promotion Act. If, in any month, the amount remaining after all
7 required deposits into the Illinois Sports Facilities Fund, the
8 Local Tourism Fund, the Chicago Travel Industry Promotion Fund,
9 and the International Tourism Fund have been made is less than
10 21% of the total proceeds collected under the Act in that
11 calendar month, then, as soon as possible after the first day
12 of the next month (but in no event later than the fifth day of
13 the next month), the Department of Revenue shall certify the
14 amount of the deficiency to the State Comptroller and the State
15 Treasurer. As soon as possible after receiving the
16 certification from the Department of Revenue (but in no event
17 later than the tenth day of the month), the State Comptroller
18 shall order transferred and the State Treasurer shall transfer
19 from the General Revenue Fund to the Tourism Promotion Fund an
20 amount equal to the certified deficiency amount. "Net revenue
21 realized for a month" means the revenue collected by the State
22 under that Act during the previous month less the amount paid
23 out during that same month as refunds to taxpayers for
24 overpayment of liability under that Act.

25 After making all these deposits, all other proceeds of the
26 tax imposed under subsection (a) of Section 3 shall be

1 deposited in the General Revenue Fund ~~Tourism Promotion Fund~~ in
2 the State Treasury. All moneys received by the Department from
3 the additional tax imposed under subsection (b) of Section 3
4 shall be deposited into the Build Illinois Fund in the State
5 Treasury.

6 The Department may, upon separate written notice to a
7 taxpayer, require the taxpayer to prepare and file with the
8 Department on a form prescribed by the Department within not
9 less than 60 days after receipt of the notice an annual
10 information return for the tax year specified in the notice.
11 Such annual return to the Department shall include a statement
12 of gross receipts as shown by the operator's last State income
13 tax return. If the total receipts of the business as reported
14 in the State income tax return do not agree with the gross
15 receipts reported to the Department for the same period, the
16 operator shall attach to his annual information return a
17 schedule showing a reconciliation of the 2 amounts and the
18 reasons for the difference. The operator's annual information
19 return to the Department shall also disclose pay roll
20 information of the operator's business during the year covered
21 by such return and any additional reasonable information which
22 the Department deems would be helpful in determining the
23 accuracy of the monthly, quarterly or annual tax returns by
24 such operator as hereinbefore provided for in this Section.

25 If the annual information return required by this Section
26 is not filed when and as required the taxpayer shall be liable

1 for a penalty in an amount determined in accordance with
2 Section 3-4 of the Uniform Penalty and Interest Act until such
3 return is filed as required, the penalty to be assessed and
4 collected in the same manner as any other penalty provided for
5 in this Act.

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

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

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

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