

1 AN ACT in relation to taxes.

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

4 Section 5. The Counties Code is amended by adding
5 Section 5-1014.3 as follows:

6 (55 ILCS 5/5-1014.3 new)

7 Sec. 5-1014.3. Agreements to share or rebate occupation
8 taxes. On and after July 1, 2003, a county board shall not
9 enter into or renew any agreement with a retailer to share or
10 rebate any portion of retailers' occupation taxes generated
11 by retail sales of tangible personal property if: (1) the tax
12 on those retail sales, notwithstanding the agreement, has
13 previously been paid to another unit of local government; and
14 (2) the retailer continues to maintain, within that other
15 unit of local government, a retail location or warehouse from
16 which the tangible personal property is delivered to
17 purchasers. Any unit of local government denied retailers'
18 occupation tax revenue because of an agreement that violates
19 this Section may file an action in circuit court against the
20 county, against the retailer, or both. Any unit of local
21 government that prevails in the circuit court action is
22 entitled to damages in the amount of the tax revenue it was
23 denied as a result of the agreement, statutory interest,
24 costs, reasonable attorney's fees, and an amount equal to 50%
25 of the tax.

26 Section 10. The Illinois Municipal Code is amended by
27 adding Section 8-11-21 as follows:

28 (65 ILCS 5/8-11-21 new)

29 Sec. 8-11-21. Agreements to share or rebate occupation

1 taxes. On and after July 1, 2003, the corporate authorities
2 of a municipality shall not enter into or renew any agreement
3 with a retailer to share or rebate any portion of retailers'
4 occupation taxes generated by retail sales of tangible
5 personal property if: (1) the tax on those retail sales,
6 notwithstanding the agreement, has previously been paid to
7 another unit of local government; and (2) the retailer
8 continues to maintain, within that other unit of local
9 government, a retail location or warehouse from which the
10 tangible personal property is delivered to purchasers. Any
11 unit of local government denied retailers' occupation tax
12 revenue because of an agreement that violates this Section
13 may file an action in circuit court against the municipality,
14 against the retailer, or both. Any unit of local government
15 that prevails in the circuit court action is entitled to
16 damages in the amount of the tax revenue it was denied as a
17 result of the agreement, statutory interest, costs,
18 reasonable attorney's fees, and an amount equal to 50% of the
19 tax.

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