

1 AN ACT concerning taxes.

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

4 Section 5. The State Revenue Sharing Act is amended by
5 changing Section 12 as follows:

6 (30 ILCS 115/12) (from Ch. 85, par. 616)

7 Sec. 12. Personal Property Tax Replacement Fund. There
8 is hereby created the Personal Property Tax Replacement Fund,
9 a special fund in the State Treasury into which shall be paid
10 all revenue realized:

11 (a) all amounts realized from the additional personal
12 property tax replacement income tax imposed by subsections
13 (c) and (d) of Section 201 of the Illinois Income Tax Act,
14 except for those amounts deposited into the Income Tax Refund
15 Fund pursuant to subsection (c) of Section 901 of the
16 Illinois Income Tax Act; and

17 (b) all amounts realized from the additional personal
18 property replacement invested capital taxes imposed by
19 Section 2a.1 of the Messages Tax Act, Section 2a.1 of the Gas
20 Revenue Tax Act, Section 2a.1 of the Public Utilities
21 Revenue Act, and Section 3 of the Water Company Invested
22 Capital Tax Act, and amounts payable to the Department of
23 Revenue under the Telecommunications Infrastructure
24 Maintenance Fee Act.

25 As soon as may be after the end of each month, the
26 Department of Revenue must shall certify to the Treasurer and
27 the Comptroller the amount of all refunds paid out of the
28 General Revenue Fund through the preceding month on account
29 of overpayment of liability on taxes paid into the Personal
30 Property Tax Replacement Fund. Upon receipt of such
31 certification, the Treasurer and the Comptroller shall

1 transfer the amount so certified from the Personal Property
2 Tax Replacement Fund into the General Revenue Fund.

3 The payments of revenue into the Personal Property Tax
4 Replacement Fund shall be used exclusively for distribution
5 to taxing districts as provided in this Section, payment of
6 the expenses of the Department of Revenue incurred in
7 administering the collection and distribution of monies paid
8 into the Personal Property Tax Replacement Fund and transfers
9 due to refunds to taxpayers for overpayment of liability for
10 taxes paid into the Personal Property Tax Replacement Fund.

11 As soon as may be after the effective date of this
12 amendatory Act of 1980, the Department of Revenue shall
13 certify to the Treasurer the amount of net replacement
14 revenue paid into the General Revenue Fund prior to that
15 effective date from the additional tax imposed by Section
16 2a.1 of the Messages Tax Act; Section 2a.1 of the Gas Revenue
17 Tax Act; Section 2a.1 of the Public Utilities Revenue Act;
18 Section 3 of the Water Company Invested Capital Tax Act;
19 amounts collected by the Department of Revenue under the
20 Telecommunications Infrastructure Maintenance Fee Act; and
21 the additional personal property tax replacement income tax
22 imposed by the Illinois Income Tax Act, as amended by Public
23 Act 81-1st Special Session-1. Net replacement revenue shall
24 be defined as the total amount paid into and remaining in the
25 General Revenue Fund as a result of those Acts minus the
26 amount outstanding and obligated from the General Revenue
27 Fund in state vouchers or warrants prior to the effective
28 date of this amendatory Act of 1980 as refunds to taxpayers
29 for overpayment of liability under those Acts.

30 All interest earned by monies accumulated in the Personal
31 Property Tax Replacement Fund shall be deposited in such
32 Fund. All amounts allocated pursuant to this Section are
33 appropriated on a continuing basis.

34 Prior to December 31, 1980, as soon as may be after the

1 end of each quarter beginning with the quarter ending
2 December 31, 1979, and on and after December 31, 1980, as
3 soon as may be after January 1, March 1, April 1, May 1, July
4 1, August 1, October 1 and December 1 of each year, the
5 Department of Revenue shall allocate to each taxing district
6 as defined in Section 1-150 of the Property Tax Code, in
7 accordance with the provisions of paragraph (2) of this
8 Section the portion of the funds held in the Personal
9 Property Tax Replacement Fund which is required to be
10 distributed, as provided in paragraph (1), for each quarter.
11 Provided, however, under no circumstances shall any taxing
12 district during each of the first two years of distribution
13 of the taxes imposed by this amendatory Act of 1979 be
14 entitled to an annual allocation which is less than the funds
15 such taxing district collected from the 1978 personal
16 property tax. Provided further that under no circumstances
17 shall any taxing district during the third year of
18 distribution of the taxes imposed by this amendatory Act of
19 1979 receive less than 60% of the funds such taxing district
20 collected from the 1978 personal property tax. In the event
21 that the total of the allocations made as above provided for
22 all taxing districts, during either of such 3 years, exceeds
23 the amount available for distribution the allocation of each
24 taxing district shall be proportionately reduced. Except as
25 provided in Section 13 of this Act, the Department shall then
26 certify, pursuant to appropriation, such allocations to the
27 State Comptroller who shall pay over to the several taxing
28 districts the respective amounts allocated to them.

29 Any township which receives an allocation based in whole
30 or in part upon personal property taxes which it levied
31 pursuant to Section 6-507 or 6-512 of the Illinois Highway
32 Code and which was previously required to be paid over to a
33 municipality shall immediately pay over to that municipality
34 a proportionate share of the personal property replacement

1 funds which such township receives.

2 Any municipality or township, other than a municipality
3 with a population in excess of 500,000, which receives an
4 allocation based in whole or in part on personal property
5 taxes which it levied pursuant to Sections 3-1, 3-4 and 3-6
6 of the Illinois Local Library Act and which was previously
7 required to be paid over to a public library shall
8 immediately pay over to that library a proportionate share of
9 the personal property tax replacement funds which such
10 municipality or township receives; provided that if such a
11 public library has converted to a library organized under The
12 Illinois Public Library District Act, regardless of whether
13 such conversion has occurred on, after or before January 1,
14 1988, such proportionate share shall be immediately paid over
15 to the library district which maintains and operates the
16 library. However, any library that has converted prior to
17 January 1, 1988, and which hitherto has not received the
18 personal property tax replacement funds, shall receive such
19 funds commencing on January 1, 1988.

20 Any township which receives an allocation based in whole
21 or in part on personal property taxes which it levied
22 pursuant to Section 1c of the Public Graveyards Act and which
23 taxes were previously required to be paid over to or used for
24 such public cemetery or cemeteries shall immediately pay over
25 to or use for such public cemetery or cemeteries a
26 proportionate share of the personal property tax replacement
27 funds which the township receives.

28 Any taxing district which receives an allocation based in
29 whole or in part upon personal property taxes which it levied
30 for another governmental body or school district in Cook
31 County in 1976 or for another governmental body or school
32 district in the remainder of the State in 1977 shall
33 immediately pay over to that governmental body or school
34 district the amount of personal property replacement funds

1 which such governmental body or school district would receive
2 directly under the provisions of paragraph (2) of this
3 Section, had it levied its own taxes.

4 (1) The portion of the Personal Property Tax
5 Replacement Fund required to be distributed as of the
6 time allocation is required to be made shall be the
7 amount available in such Fund as of the time allocation
8 is required to be made.

9 The amount available for distribution shall be the
10 total amount in the fund at such time minus the necessary
11 administrative expenses as limited by the appropriation
12 and the amount determined by: (a) \$2.8 million for
13 fiscal year 1981; (b) for fiscal year 1982, .54% of the
14 funds distributed from the fund during the preceding
15 fiscal year; (c) for fiscal year 1983 through fiscal year
16 1988, .54% of the funds distributed from the fund during
17 the preceding fiscal year less .02% of such fund for
18 fiscal year 1983 and less .02% of such funds for each
19 fiscal year thereafter, or (d) for fiscal year 1989 and
20 beyond no more than 105% of the actual administrative
21 expenses of the prior fiscal year. Such portion of the
22 fund shall be determined after the transfer into the
23 General Revenue Fund due to refunds, if any, paid from
24 the General Revenue Fund during the preceding quarter. If
25 at any time, for any reason, there is insufficient amount
26 in the Personal Property Tax Replacement Fund for payment
27 of costs of administration or for transfers due to
28 refunds at the end of any particular month, the amount of
29 such insufficiency shall be carried over for the purposes
30 of transfers into the General Revenue Fund and for
31 purposes of costs of administration to the following
32 month or months. Net replacement revenue held, and
33 defined above, shall be transferred by the Treasurer and
34 Comptroller to the Personal Property Tax Replacement Fund

1 within 10 days of such certification.

2 (2) Each quarterly allocation shall first be
3 apportioned in the following manner: 51.65% for taxing
4 districts in Cook County and 48.35% for taxing districts
5 in the remainder of the State.

6 The Personal Property Replacement Ratio of each taxing
7 district outside Cook County shall be the ratio which the Tax
8 Base of that taxing district bears to the Downstate Tax Base.
9 The Tax Base of each taxing district outside of Cook County
10 is the personal property tax collections for that taxing
11 district for the 1977 tax year. The Downstate Tax Base is
12 the personal property tax collections for all taxing
13 districts in the State outside of Cook County for the 1977
14 tax year. The Department of Revenue shall have authority to
15 review for accuracy and completeness the personal property
16 tax collections for each taxing district outside Cook County
17 for the 1977 tax year.

18 The Personal Property Replacement Ratio of each Cook
19 County taxing district shall be the ratio which the Tax Base
20 of that taxing district bears to the Cook County Tax Base.
21 The Tax Base of each Cook County taxing district is the
22 personal property tax collections for that taxing district
23 for the 1976 tax year. The Cook County Tax Base is the
24 personal property tax collections for all taxing districts in
25 Cook County for the 1976 tax year. The Department of Revenue
26 shall have authority to review for accuracy and completeness
27 the personal property tax collections for each taxing
28 district within Cook County for the 1976 tax year.

29 For all purposes of this Section 12, amounts paid to a
30 taxing district for such tax years as may be applicable by a
31 foreign corporation under the provisions of Section 7-202 of
32 the Public Utilities Act, as amended, shall be deemed to be
33 personal property taxes collected by such taxing district for
34 such tax years as may be applicable. The Director shall

1 determine from the Illinois Commerce Commission, for any tax
2 year as may be applicable, the amounts so paid by any such
3 foreign corporation to any and all taxing districts. The
4 Illinois Commerce Commission shall furnish such information
5 to the Director. For all purposes of this Section 12, the
6 Director shall deem such amounts to be collected personal
7 property taxes of each such taxing district for the
8 applicable tax year or years.

9 Taxing districts located both in Cook County and in one
10 or more other counties shall receive both a Cook County
11 allocation and a Downstate allocation determined in the same
12 way as all other taxing districts.

13 If any taxing district in existence on July 1, 1979
14 ceases to exist, or discontinues its operations, its Tax Base
15 shall thereafter be deemed to be zero. If the powers, duties
16 and obligations of the discontinued taxing district are
17 assumed by another taxing district, the Tax Base of the
18 discontinued taxing district shall be added to the Tax Base
19 of the taxing district assuming such powers, duties and
20 obligations.

21 If two or more taxing districts in existence on July 1,
22 1979, or a successor or successors thereto shall consolidate
23 into one taxing district, the Tax Base of such consolidated
24 taxing district shall be the sum of the Tax Bases of each of
25 the taxing districts which have consolidated.

26 If a single taxing district in existence on July 1, 1979,
27 or a successor or successors thereto shall be divided into
28 two or more separate taxing districts, the tax base of the
29 taxing district so divided shall be allocated to each of the
30 resulting taxing districts in proportion to the then current
31 equalized assessed value of each resulting taxing district.

32 If a portion of the territory of a taxing district is
33 disconnected and annexed to another taxing district of the
34 same type, the Tax Base of the taxing district from which

1 disconnection was made shall be reduced in proportion to the
2 then current equalized assessed value of the disconnected
3 territory as compared with the then current equalized
4 assessed value within the entire territory of the taxing
5 district prior to disconnection, and the amount of such
6 reduction shall be added to the Tax Base of the taxing
7 district to which annexation is made.

8 If a community college district is created after July 1,
9 1979, beginning on the effective date of this amendatory Act
10 of 1995, its Tax Base shall be 3.5% of the sum of the
11 personal property tax collected for the 1977 tax year within
12 the territorial jurisdiction of the district.

13 The amounts allocated and paid to taxing districts
14 pursuant to the provisions of this amendatory Act of 1979
15 shall be deemed to be substitute revenues for the revenues
16 derived from taxes imposed on personal property pursuant to
17 the provisions of the "Revenue Act of 1939" or "An Act for
18 the assessment and taxation of private car line companies",
19 approved July 22, 1943, as amended, or Section 414 of the
20 Illinois Insurance Code, prior to the abolition of such taxes
21 and shall be used for the same purposes as the revenues
22 derived from ad valorem taxes on real estate.

23 Monies received by any taxing districts from the Personal
24 Property Tax Replacement Fund shall be first applied toward
25 payment of the proportionate amount of debt service which was
26 previously levied and collected from extensions against
27 personal property on bonds outstanding as of December 31,
28 1978 and next applied toward payment of the proportionate
29 share of the pension or retirement obligations of the taxing
30 district which were previously levied and collected from
31 extensions against personal property. For each such
32 outstanding bond issue, the County Clerk shall determine the
33 percentage of the debt service which was collected from
34 extensions against real estate in the taxing district for

1 1978 taxes payable in 1979, as related to the total amount of
2 such levies and collections from extensions against both real
3 and personal property. For 1979 and subsequent years' taxes,
4 the County Clerk shall levy and extend taxes against the real
5 estate of each taxing district which will yield the said
6 percentage or percentages of the debt service on such
7 outstanding bonds. The balance of the amount necessary to
8 fully pay such debt service shall constitute a first and
9 prior lien upon the monies received by each such taxing
10 district through the Personal Property Tax Replacement Fund
11 and shall be first applied or set aside for such purpose. In
12 counties having fewer than 3,000,000 inhabitants, the
13 amendments to this paragraph as made by this amendatory Act
14 of 1980 shall be first applicable to 1980 taxes to be
15 collected in 1981.

16 (Source: P.A. 92-526, eff. 1-1-03.)