

# HB6568



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

**HB6568**

by Rep. Bill Mitchell

#### SYNOPSIS AS INTRODUCED:

30 ILCS 115/12

from Ch. 85, par. 616

Amends the State Revenue Sharing Act. Provides that, if a taxing district received an overpayment of moneys from the Personal Property Tax Replacement Fund on or after January 1, 2014 and prior to the effective date of the amendatory Act, then the taxing district may retain the amount of the overpayment and is not required to reimburse the State or any other taxing district. Effective immediately.

LRB099 21591 HLH 47994 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 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 is  
8 hereby created the Personal Property Tax Replacement Fund, a  
9 special fund in the State Treasury into which shall be paid all  
10 revenue realized:

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

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

1           As soon as may be after the end of each month, the  
2 Department of Revenue shall certify to the Treasurer and the  
3 Comptroller the amount of all refunds paid out of the General  
4 Revenue Fund through the preceding month on account of  
5 overpayment of liability on taxes paid into the Personal  
6 Property Tax Replacement Fund. Upon receipt of such  
7 certification, the Treasurer and the Comptroller shall  
8 transfer the amount so certified from the Personal Property Tax  
9 Replacement Fund into the General Revenue Fund.

10           The payments of revenue into the Personal Property Tax  
11 Replacement Fund shall be used exclusively for distribution to  
12 taxing districts, regional offices and officials, and local  
13 officials as provided in this Section and in the School Code,  
14 payment of the ordinary and contingent expenses of the Property  
15 Tax Appeal Board, payment of the expenses of the Department of  
16 Revenue incurred in administering the collection and  
17 distribution of monies paid into the Personal Property Tax  
18 Replacement Fund and transfers due to refunds to taxpayers for  
19 overpayment of liability for taxes paid into the Personal  
20 Property Tax Replacement Fund.

21           In addition, moneys in the Personal Property Tax  
22 Replacement Fund may be used to pay any of the following: (i)  
23 salary, stipends, and additional compensation as provided by  
24 law for chief election clerks, county clerks, and county  
25 recorders; (ii) costs associated with regional offices of  
26 education and educational service centers; (iii)

1 reimbursements payable by the State Board of Elections under  
2 Section 4-25, 5-35, 6-71, 13-10, 13-10a, or 13-11 of the  
3 Election Code; (iv) expenses of the Illinois Educational Labor  
4 Relations Board; and (v) salary, personal services, and  
5 additional compensation as provided by law for court reporters  
6 under the Court Reporters Act.

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

26 All interest earned by monies accumulated in the Personal

1 Property Tax Replacement Fund shall be deposited in such Fund.  
2 All amounts allocated pursuant to this Section are appropriated  
3 on a continuing basis.

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

1 district shall be proportionately reduced. Except as provided  
2 in Section 13 of this Act, the Department shall then certify,  
3 pursuant to appropriation, such allocations to the State  
4 Comptroller who shall pay over to the several taxing districts  
5 the respective amounts allocated to them.

6 Any township which receives an allocation based in whole or  
7 in part upon personal property taxes which it levied pursuant  
8 to Section 6-507 or 6-512 of the Illinois Highway Code and  
9 which was previously required to be paid over to a municipality  
10 shall immediately pay over to that municipality a proportionate  
11 share of the personal property replacement funds which such  
12 township receives.

13 Any municipality or township, other than a municipality  
14 with a population in excess of 500,000, which receives an  
15 allocation based in whole or in part on personal property taxes  
16 which it levied pursuant to Sections 3-1, 3-4 and 3-6 of the  
17 Illinois Local Library Act and which was previously required to  
18 be paid over to a public library shall immediately pay over to  
19 that library a proportionate share of the personal property tax  
20 replacement funds which such municipality or township  
21 receives; provided that if such a public library has converted  
22 to a library organized under The Illinois Public Library  
23 District Act, regardless of whether such conversion has  
24 occurred on, after or before January 1, 1988, such  
25 proportionate share shall be immediately paid over to the  
26 library district which maintains and operates the library.

1 However, any library that has converted prior to January 1,  
2 1988, and which hitherto has not received the personal property  
3 tax replacement funds, shall receive such funds commencing on  
4 January 1, 1988.

5 Any township which receives an allocation based in whole or  
6 in part on personal property taxes which it levied pursuant to  
7 Section 1c of the Public Graveyards Act and which taxes were  
8 previously required to be paid over to or used for such public  
9 cemetery or cemeteries shall immediately pay over to or use for  
10 such public cemetery or cemeteries a proportionate share of the  
11 personal property tax replacement funds which the township  
12 receives.

13 Any taxing district which receives an allocation based in  
14 whole or in part upon personal property taxes which it levied  
15 for another governmental body or school district in Cook County  
16 in 1976 or for another governmental body or school district in  
17 the remainder of the State in 1977 shall immediately pay over  
18 to that governmental body or school district the amount of  
19 personal property replacement funds which such governmental  
20 body or school district would receive directly under the  
21 provisions of paragraph (2) of this Section, had it levied its  
22 own taxes.

23 (1) The portion of the Personal Property Tax  
24 Replacement Fund required to be distributed as of the time  
25 allocation is required to be made shall be the amount  
26 available in such Fund as of the time allocation is

1 required to be made.

2 The amount available for distribution shall be the  
3 total amount in the fund at such time minus the necessary  
4 administrative and other authorized expenses as limited by  
5 the appropriation and the amount determined by: (a) \$2.8  
6 million for fiscal year 1981; (b) for fiscal year 1982,  
7 .54% of the funds distributed from the fund during the  
8 preceding fiscal year; (c) for fiscal year 1983 through  
9 fiscal year 1988, .54% of the funds distributed from the  
10 fund during the preceding fiscal year less .02% of such  
11 fund for fiscal year 1983 and less .02% of such funds for  
12 each fiscal year thereafter; (d) for fiscal year 1989  
13 through fiscal year 2011 no more than 105% of the actual  
14 administrative expenses of the prior fiscal year; (e) for  
15 fiscal year 2012 and beyond, a sufficient amount to pay (i)  
16 stipends, additional compensation, salary reimbursements,  
17 and other amounts directed to be paid out of this Fund for  
18 local officials as authorized or required by statute and  
19 (ii) no more than 105% of the actual administrative  
20 expenses of the prior fiscal year, including payment of the  
21 ordinary and contingent expenses of the Property Tax Appeal  
22 Board and payment of the expenses of the Department of  
23 Revenue incurred in administering the collection and  
24 distribution of moneys paid into the Fund; or (f) for  
25 fiscal years 2012 and 2013 only, a sufficient amount to pay  
26 stipends, additional compensation, salary reimbursements,



1 and other amounts directed to be paid out of this Fund for  
2 regional offices and officials as authorized or required by  
3 statute. Such portion of the fund shall be determined after  
4 the transfer into the General Revenue Fund due to refunds,  
5 if any, paid from the General Revenue Fund during the  
6 preceding quarter. If at any time, for any reason, there is  
7 insufficient amount in the Personal Property Tax  
8 Replacement Fund for payments for regional offices and  
9 officials or local officials or payment of costs of  
10 administration or for transfers due to refunds at the end  
11 of any particular month, the amount of such insufficiency  
12 shall be carried over for the purposes of payments for  
13 regional offices and officials, local officials, transfers  
14 into the General Revenue Fund, and costs of administration  
15 to the following month or months. Net replacement revenue  
16 held, and defined above, shall be transferred by the  
17 Treasurer and Comptroller to the Personal Property Tax  
18 Replacement Fund within 10 days of such certification.

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

23 The Personal Property Replacement Ratio of each taxing  
24 district outside Cook County shall be the ratio which the Tax  
25 Base of that taxing district bears to the Downstate Tax Base.  
26 The Tax Base of each taxing district outside of Cook County is

1 the personal property tax collections for that taxing district  
2 for the 1977 tax year. The Downstate Tax Base is the personal  
3 property tax collections for all taxing districts in the State  
4 outside of Cook County for the 1977 tax year. The Department of  
5 Revenue shall have authority to review for accuracy and  
6 completeness the personal property tax collections for each  
7 taxing district outside Cook County for the 1977 tax year.

8 The Personal Property Replacement Ratio of each Cook County  
9 taxing district shall be the ratio which the Tax Base of that  
10 taxing district bears to the Cook County Tax Base. The Tax Base  
11 of each Cook County taxing district is the personal property  
12 tax collections for that taxing district for the 1976 tax year.  
13 The Cook County Tax Base is the personal property tax  
14 collections for all taxing districts in Cook County for the  
15 1976 tax year. The Department of Revenue shall have authority  
16 to review for accuracy and completeness the personal property  
17 tax collections for each taxing district within Cook County for  
18 the 1976 tax year.

19 For all purposes of this Section 12, amounts paid to a  
20 taxing district for such tax years as may be applicable by a  
21 foreign corporation under the provisions of Section 7-202 of  
22 the Public Utilities Act, as amended, shall be deemed to be  
23 personal property taxes collected by such taxing district for  
24 such tax years as may be applicable. The Director shall  
25 determine from the Illinois Commerce Commission, for any tax  
26 year as may be applicable, the amounts so paid by any such

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

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

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

18 If two or more taxing districts in existence on July 1,  
19 1979, or a successor or successors thereto shall consolidate  
20 into one taxing district, the Tax Base of such consolidated  
21 taxing district shall be the sum of the Tax Bases of each of  
22 the taxing districts which have consolidated.

23 If a single taxing district in existence on July 1, 1979,  
24 or a successor or successors thereto shall be divided into two  
25 or more separate taxing districts, the tax base of the taxing  
26 district so divided shall be allocated to each of the resulting

1 taxing districts in proportion to the then current equalized  
2 assessed value of each resulting taxing district.

3 If a portion of the territory of a taxing district is  
4 disconnected and annexed to another taxing district of the same  
5 type, the Tax Base of the taxing district from which  
6 disconnection was made shall be reduced in proportion to the  
7 then current equalized assessed value of the disconnected  
8 territory as compared with the then current equalized assessed  
9 value within the entire territory of the taxing district prior  
10 to disconnection, and the amount of such reduction shall be  
11 added to the Tax Base of the taxing district to which  
12 annexation is made.

13 If a community college district is created after July 1,  
14 1979, beginning on the effective date of this amendatory Act of  
15 1995, its Tax Base shall be 3.5% of the sum of the personal  
16 property tax collected for the 1977 tax year within the  
17 territorial jurisdiction of the district.

18 The amounts allocated and paid to taxing districts pursuant  
19 to the provisions of this amendatory Act of 1979 shall be  
20 deemed to be substitute revenues for the revenues derived from  
21 taxes imposed on personal property pursuant to the provisions  
22 of the "Revenue Act of 1939" or "An Act for the assessment and  
23 taxation of private car line companies", approved July 22,  
24 1943, as amended, or Section 414 of the Illinois Insurance  
25 Code, prior to the abolition of such taxes and shall be used  
26 for the same purposes as the revenues derived from ad valorem

1 taxes on real estate.

2 Monies received by any taxing districts from the Personal  
3 Property Tax Replacement Fund shall be first applied toward  
4 payment of the proportionate amount of debt service which was  
5 previously levied and collected from extensions against  
6 personal property on bonds outstanding as of December 31, 1978  
7 and next applied toward payment of the proportionate share of  
8 the pension or retirement obligations of the taxing district  
9 which were previously levied and collected from extensions  
10 against personal property. For each such outstanding bond  
11 issue, the County Clerk shall determine the percentage of the  
12 debt service which was collected from extensions against real  
13 estate in the taxing district for 1978 taxes payable in 1979,  
14 as related to the total amount of such levies and collections  
15 from extensions against both real and personal property. For  
16 1979 and subsequent years' taxes, the County Clerk shall levy  
17 and extend taxes against the real estate of each taxing  
18 district which will yield the said percentage or percentages of  
19 the debt service on such outstanding bonds. The balance of the  
20 amount necessary to fully pay such debt service shall  
21 constitute a first and prior lien upon the monies received by  
22 each such taxing district through the Personal Property Tax  
23 Replacement Fund and shall be first applied or set aside for  
24 such purpose. In counties having fewer than 3,000,000  
25 inhabitants, the amendments to this paragraph as made by this  
26 amendatory Act of 1980 shall be first applicable to 1980 taxes

1 to be collected in 1981.

2 Notwithstanding any other provision of law, if a taxing  
3 district received an overpayment of moneys under this Section  
4 on or after January 1, 2014 and prior to the effective date of  
5 this amendatory Act of the 99th General Assembly, then the  
6 taxing district may retain the amount of the overpayment and is  
7 not required to reimburse the State or any other taxing  
8 district.

9 (Source: P.A. 97-72, eff. 7-1-11; 97-619, eff. 11-14-11;  
10 97-732, eff. 6-30-12; 98-24, eff. 6-19-13; 98-674, eff.  
11 6-30-14.)

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.