



## 99TH GENERAL ASSEMBLY

### State of Illinois

### 2015 and 2016

### SB1224

Introduced 2/11/2015, by Sen. Daniel Biss

#### SYNOPSIS AS INTRODUCED:

|                    |                               |
|--------------------|-------------------------------|
| 35 ILCS 105/19     | from Ch. 120, par. 439.19     |
| 35 ILCS 115/12     | from Ch. 120, par. 439.112    |
| 35 ILCS 120/6d new |                               |
| 55 ILCS 5/5-1006   | from Ch. 34, par. 5-1006      |
| 55 ILCS 5/5-1006.5 |                               |
| 55 ILCS 5/5-1006.7 |                               |
| 65 ILCS 5/8-11-1   | from Ch. 24, par. 8-11-1      |
| 65 ILCS 5/8-11-1.3 | from Ch. 24, par. 8-11-1.3    |
| 65 ILCS 5/8-11-1.6 |                               |
| 70 ILCS 750/25     |                               |
| 70 ILCS 1605/30    |                               |
| 70 ILCS 3610/5.01  | from Ch. 111 2/3, par. 355.01 |
| 70 ILCS 3615/4.03  | from Ch. 111 2/3, par. 704.03 |
| 70 ILCS 3720/4     | from Ch. 111 2/3, par. 254    |

Amends the Retailers' Occupation Tax Act. Provides that a retailer is relieved from liability for any tax that becomes due and payable if the tax is represented by amounts that are found to be worthless or uncollectible, have been charged off in accordance with generally accepted accounting principles, and will be claimed as a deduction pursuant to Section 166 of the Internal Revenue Code. Provides for a deduction if the retailer had previously paid such a tax. Contains provisions concerning the payment of taxes on purchases made through a private-label credit card. Effective immediately.

LRB099 05663 HLH 26260 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 Use Tax Act is amended by changing Section  
5 19 as follows:

6 (35 ILCS 105/19) (from Ch. 120, par. 439.19)

7 Sec. 19. If it shall appear that an amount of tax or  
8 penalty or interest has been paid in error hereunder to the  
9 Department by a purchaser, as distinguished from the retailer,  
10 whether such amount be paid through a mistake of fact or an  
11 error of law, such purchaser may file a claim for credit or  
12 refund with the Department in accordance with Sections 6, 6a,  
13 6b, ~~and 6c,~~ and 6d of the Retailers' Occupation Tax Act. If it  
14 shall appear that an amount of tax or penalty or interest has  
15 been paid in error to the Department hereunder by a retailer  
16 who is required or authorized to collect and remit the use tax,  
17 whether such amount be paid through a mistake of fact or an  
18 error of law, such retailer may file a claim for credit or  
19 refund with the Department in accordance with Sections 6, 6a,  
20 6b, ~~and 6c,~~ and 6d of the Retailers' Occupation Tax Act,  
21 provided that no credit or refund shall be allowed for any  
22 amount paid by any such retailer unless it shall appear that he  
23 bore the burden of such amount and did not shift the burden

1       thereof to anyone else (as in the case of a duplicated tax  
2       payment which the retailer made to the Department and did not  
3       collect from anyone else), or unless it shall appear that he or  
4       she or his or her legal representative has unconditionally  
5       repaid such amount to his vendee (1) who bore the burden  
6       thereof and has not shifted such burden directly or indirectly  
7       in any manner whatsoever; (2) who, if he has shifted such  
8       burden, has repaid unconditionally such amount to his or her  
9       own vendee, and (3) who is not entitled to receive any  
10      reimbursement therefor from any other source than from his  
11      vendor, nor to be relieved of such burden in any other manner  
12      whatsoever. If it shall appear that an amount of tax has been  
13      paid in error hereunder by the purchaser to a retailer, who  
14      retained such tax as reimbursement for his or her tax liability  
15      on the same sale under the Retailers' Occupation Tax Act, and  
16      who remitted the amount involved to the Department under the  
17      Retailers' Occupation Tax Act, whether such amount be paid  
18      through a mistake of fact or an error of law, the procedure for  
19      recovering such tax shall be that prescribed in Sections 6, 6a,  
20      6b and 6c of the Retailers' Occupation Tax Act.

21           Any credit or refund that is allowed under this Section  
22      shall bear interest at the rate and in the manner specified in  
23      the Uniform Penalty and Interest Act.

24           Any claim filed hereunder shall be filed upon a form  
25      prescribed and furnished by the Department. The claim shall be  
26      signed by the claimant (or by the claimant's legal

1 representative if the claimant shall have died or become a  
2 person under legal disability), or by a duly authorized agent  
3 of the claimant or his or her legal representative.

4 A claim for credit or refund shall be considered to have  
5 been filed with the Department on the date upon which it is  
6 received by the Department. Upon receipt of any claim for  
7 credit or refund filed under this Act, any officer or employee  
8 of the Department, authorized in writing by the Director of  
9 Revenue to acknowledge receipt of such claims on behalf of the  
10 Department, shall execute on behalf of the Department, and  
11 shall deliver or mail to the claimant or his duly authorized  
12 agent, a written receipt, acknowledging that the claim has been  
13 filed with the Department, describing the claim in sufficient  
14 detail to identify it and stating the date upon which the claim  
15 was received by the Department. Such written receipt shall be  
16 prima facie evidence that the Department received the claim  
17 described in such receipt and shall be prima facie evidence of  
18 the date when such claim was received by the Department. In the  
19 absence of such a written receipt, the records of the  
20 Department as to when the claim was received by the Department,  
21 or as to whether or not the claim was received at all by the  
22 Department, shall be deemed to be prima facie correct upon  
23 these questions in the event of any dispute between the  
24 claimant (or his or her legal representative) and the  
25 Department concerning these questions.

26 In case the Department determines that the claimant is

1 entitled to a refund, such refund shall be made only from such  
2 appropriation as may be available for that purpose. If it  
3 appears unlikely that the amount appropriated would permit  
4 everyone having a claim allowed during the period covered by  
5 such appropriation to elect to receive a cash refund, the  
6 Department, by rule or regulation, shall provide for the  
7 payment of refunds in hardship cases and shall define what  
8 types of cases qualify as hardship cases.

9 If a retailer who has failed to pay use tax on gross  
10 receipts from retail sales is required by the Department to pay  
11 such tax, such retailer, without filing any formal claim with  
12 the Department, shall be allowed to take credit against such  
13 use tax liability to the extent, if any, to which such retailer  
14 has paid an amount equivalent to retailers' occupation tax or  
15 has paid use tax in error to his or her vendor or vendors of the  
16 same tangible personal property which such retailer bought for  
17 resale and did not first use before selling it, and no penalty  
18 or interest shall be charged to such retailer on the amount of  
19 such credit. However, when such credit is allowed to the  
20 retailer by the Department, the vendor is precluded from  
21 refunding any of that tax to the retailer and filing a claim  
22 for credit or refund with respect thereto with the Department.  
23 The provisions of this amendatory Act shall be applied  
24 retroactively, regardless of the date of the transaction.

25 (Source: P.A. 90-562, eff. 12-16-97.)

1 Section 10. The Service Occupation Tax Act is amended by  
2 changing Section 12 as follows:

3 (35 ILCS 115/12) (from Ch. 120, par. 439.112)

4 Sec. 12. All of the provisions of Sections 1d, 1e, 1f, 1i,  
5 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12, 2-54, 2a, 2b, 2c, 3  
6 (except as to the disposition by the Department of the tax  
7 collected under this Act), 4 (except that the time limitation  
8 provisions shall run from the date when the tax is due rather  
9 than from the date when gross receipts are received), 5 (except  
10 that the time limitation provisions on the issuance of notices  
11 of tax liability shall run from the date when the tax is due  
12 rather than from the date when gross receipts are received),  
13 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l, 6d, 7, 8, 9, 10, 11 and  
14 12 of the "Retailers' Occupation Tax Act" which are not  
15 inconsistent with this Act, and Section 3-7 of the Uniform  
16 Penalty and Interest Act shall apply, as far as practicable, to  
17 the subject matter of this Act to the same extent as if such  
18 provisions were included herein.

19 (Source: P.A. 98-1098, eff. 8-26-14.)

20 Section 15. The Retailers' Occupation Tax Act is amended by  
21 adding Section 6d as follows:

22 (35 ILCS 120/6d new)

23 Sec. 6d. Deduction for uncollectible debt.

1       (a) A retailer is relieved from liability for any tax that  
2 becomes due and payable if the tax is represented by amounts  
3 that are found to be worthless or uncollectible, have been  
4 charged off in accordance with generally accepted accounting  
5 principles, and will be claimed as a deduction pursuant to  
6 Section 166 of the Internal Revenue Code. A retailer that has  
7 previously paid such a tax may, under rules and regulations  
8 adopted by the Department, take as a deduction the amount  
9 charged off by the retailer. If these accounts are thereafter,  
10 in whole or in part, collected by the retailer, the amount  
11 collected shall be included in the first return filed after the  
12 collection, and the tax shall be paid with the return.

13       (b) With respect to the payment of taxes on purchases made  
14 through a private-label credit card:

15           (1) If consumer accounts or receivables are found to be  
16 worthless or uncollectible, the retailer may claim a  
17 deduction on a return in an amount equal to, or may obtain  
18 a refund of, the tax remitted by the retailer on the unpaid  
19 balance due if:

20                   (A) the accounts or receivables have been charged  
21 off as bad debt on the lender's books and records on or  
22 after January 1, 2016; and

23                   (B) a deduction was not previously claimed and a  
24 refund was not previously allowed on that portion of  
25 the account or receivable.

26           (2) If the retailer or the lender subsequently

1 collects, in whole or in part, the accounts or receivables  
2 for which a deduction or refund has been granted under  
3 paragraph (1), the retailer must include the taxable  
4 percentage of the amount collected in the first return  
5 filed after the collection and pay the tax on the portion  
6 of that amount for which a deduction or refund was granted.

7 (3) The deduction or refund allowed under this Section:

8 (A) does not apply to credit sale transaction  
9 amounts resulting from purchases of titled property;

10 (B) includes only those credit sale transaction  
11 amounts that represent purchases from the retailer  
12 whose name or logo appears on the private-label credit  
13 card used to make those purchases; and

14 (C) includes all credit sale transaction amounts  
15 eligible under paragraph (B) that are outstanding with  
16 respect to the specific private-label credit card  
17 account or receivable at the time the account or  
18 receivable is charged off, regardless of the date the  
19 credit sale transaction actually occurred.

20 (4) The retailer and lender shall maintain adequate  
21 books, records, or other documentation supporting the  
22 charge off of the accounts or receivables for which a  
23 deduction was taken or a refund was claimed under this  
24 Section. A retailer claiming a deduction or refund for bad  
25 debts from a private label credit card may not be allowed  
26 to meet a lesser standard of documentation than a retailer



1 that claims a deduction or refund for bad debts that are  
2 not from a private label credit card. For purposes of  
3 computing the deduction or refund, payments on the accounts  
4 or receivables shall be prorated against the amounts  
5 outstanding on the account.

6 (c) For purposes of this Section:

7 (1) "Retailer" means a person who holds himself or  
8 herself out as being engaged (or who habitually engages) in  
9 selling tangible personal property at retail with respect  
10 to such sales and includes a retailer's affiliates or  
11 franchisees.

12 (2) "Lender" means a person, or an affiliate, assignee,  
13 or transferee of that person, who owns or has owned a  
14 private-label credit card account or an interest in a  
15 private-label credit card receivable that the person:

16 (A) purchased directly from a retailer who  
17 remitted the tax imposed under this Act;

18 (B) originated pursuant to that person's contract  
19 with the retailer who remitted the tax imposed under  
20 this Act; or

21 (C) acquired from a third party.

22 (3) "Private-label credit card" means a charge card or  
23 credit card that carries, refers to, or is branded with the  
24 name or logo of a retailer and may only be used to make  
25 purchases from that retailer or that retailer's affiliates  
26 and franchisees.

1           (4) "Affiliate" means an entity affiliated under  
2           Section 1504 of the Internal Revenue Code, or an entity  
3           that would be an affiliate under that Section had the  
4           entity been a corporation.

5           (d) This Section is exempt from the provisions of Section  
6           2-70 of this Act, Section 3-90 of the Use Tax Act, Section 3-55  
7           of the Service Use Tax Act, Section 3-55 of the Service  
8           Occupation Tax Act, and any other provision of law that  
9           provides that an exemption, credit, or deduction automatically  
10           sunsets after a specified period of time after the effective  
11           date of the Public Act creating the exemption, credit, or  
12           deduction.

13           Section 20. The Counties Code is amended by changing  
14           Sections 5-1006, 5-1006.5, and 5-1006.7 as follows:

15           (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

16           Sec. 5-1006. Home Rule County Retailers' Occupation Tax  
17           Law. Any county that is a home rule unit may impose a tax upon  
18           all persons engaged in the business of selling tangible  
19           personal property, other than an item of tangible personal  
20           property titled or registered with an agency of this State's  
21           government, at retail in the county on the gross receipts from  
22           such sales made in the course of their business. If imposed,  
23           this tax shall only be imposed in 1/4% increments. On and after  
24           September 1, 1991, this additional tax may not be imposed on

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

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

8 No tax may be imposed by a home rule county pursuant to  
9 this Section unless the county also imposes a tax at the same  
10 rate pursuant to Section 5-1007.

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

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

26 The Department shall forthwith pay over to the State

1 Treasurer, ex officio, as trustee, all taxes and penalties  
2 collected hereunder.

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

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

1 different taxing body but were erroneously paid to the county,  
2 and not including any amounts that are transferred to the STAR  
3 Bonds Revenue Fund. Within 10 days after receipt, by the  
4 Comptroller, of the disbursement certification to the counties  
5 provided for in this Section to be given to the Comptroller by  
6 the Department, the Comptroller shall cause the orders to be  
7 drawn for the respective amounts in accordance with the  
8 directions contained in the certification.

9 In addition to the disbursement required by the preceding  
10 paragraph, an allocation shall be made in March of each year to  
11 each county that received more than \$500,000 in disbursements  
12 under the preceding paragraph in the preceding calendar year.  
13 The allocation shall be in an amount equal to the average  
14 monthly distribution made to each such county under the  
15 preceding paragraph during the preceding calendar year  
16 (excluding the 2 months of highest receipts). The distribution  
17 made in March of each year subsequent to the year in which an  
18 allocation was made pursuant to this paragraph and the  
19 preceding paragraph shall be reduced by the amount allocated  
20 and disbursed under this paragraph in the preceding calendar  
21 year. The Department shall prepare and certify to the  
22 Comptroller for disbursement the allocations made in  
23 accordance with this paragraph.

24 For the purpose of determining the local governmental unit  
25 whose tax is applicable, a retail sale by a producer of coal or  
26 other mineral mined in Illinois is a sale at retail at the

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

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

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

1 on or before the first day of October, whereupon the Department  
2 shall proceed to administer and enforce this Section as of the  
3 first day of January next following such adoption and filing.  
4 Beginning April 1, 1998, an ordinance or resolution imposing or  
5 discontinuing the tax hereunder or effecting a change in the  
6 rate thereof shall either (i) be adopted and a certified copy  
7 thereof filed with the Department on or before the first day of  
8 April, whereupon the Department shall proceed to administer and  
9 enforce this Section as of the first day of July next following  
10 the adoption and filing; or (ii) be adopted and a certified  
11 copy thereof filed with the Department on or before the first  
12 day of October, whereupon the Department shall proceed to  
13 administer and enforce this Section as of the first day of  
14 January next following the adoption and filing.

15 When certifying the amount of a monthly disbursement to a  
16 county under this Section, the Department shall increase or  
17 decrease such amount by an amount necessary to offset any  
18 misallocation of previous disbursements. The offset amount  
19 shall be the amount erroneously disbursed within the previous 6  
20 months from the time a misallocation is discovered.

21 This Section shall be known and may be cited as the Home  
22 Rule County Retailers' Occupation Tax Law.

23 (Source: P.A. 96-939, eff. 6-24-10.)

24 (55 ILCS 5/5-1006.5)

25 Sec. 5-1006.5. Special County Retailers' Occupation Tax



1 For Public Safety, Public Facilities, or Transportation.

2 (a) The county board of any county may impose a tax upon  
3 all persons engaged in the business of selling tangible  
4 personal property, other than personal property titled or  
5 registered with an agency of this State's government, at retail  
6 in the county on the gross receipts from the sales made in the  
7 course of business to provide revenue to be used exclusively  
8 for public safety, public facility, or transportation purposes  
9 in that county, if a proposition for the tax has been submitted  
10 to the electors of that county and approved by a majority of  
11 those voting on the question. If imposed, this tax shall be  
12 imposed only in one-quarter percent increments. By resolution,  
13 the county board may order the proposition to be submitted at  
14 any election. If the tax is imposed for transportation purposes  
15 for expenditures for public highways or as authorized under the  
16 Illinois Highway Code, the county board must publish notice of  
17 the existence of its long-range highway transportation plan as  
18 required or described in Section 5-301 of the Illinois Highway  
19 Code and must make the plan publicly available prior to  
20 approval of the ordinance or resolution imposing the tax. If  
21 the tax is imposed for transportation purposes for expenditures  
22 for passenger rail transportation, the county board must  
23 publish notice of the existence of its long-range passenger  
24 rail transportation plan and must make the plan publicly  
25 available prior to approval of the ordinance or resolution  
26 imposing the tax.

1           If a tax is imposed for public facilities purposes, then  
2 the name of the project may be included in the proposition at  
3 the discretion of the county board as determined in the  
4 enabling resolution. For example, the "XXX Nursing Home" or the  
5 "YYY Museum".

6           The county clerk shall certify the question to the proper  
7 election authority, who shall submit the proposition at an  
8 election in accordance with the general election law.

9           (1) The proposition for public safety purposes shall be  
10 in substantially the following form:

11           "To pay for public safety purposes, shall (name of  
12 county) be authorized to impose an increase on its share of  
13 local sales taxes by (insert rate)?"

14           As additional information on the ballot below the  
15 question shall appear the following:

16           "This would mean that a consumer would pay an  
17 additional (insert amount) in sales tax for every \$100 of  
18 tangible personal property bought at retail."

19           The county board may also opt to establish a sunset  
20 provision at which time the additional sales tax would  
21 cease being collected, if not terminated earlier by a vote  
22 of the county board. If the county board votes to include a  
23 sunset provision, the proposition for public safety  
24 purposes shall be in substantially the following form:

25           "To pay for public safety purposes, shall (name of  
26 county) be authorized to impose an increase on its share of

1 local sales taxes by (insert rate) for a period not to  
2 exceed (insert number of years)?"

3 As additional information on the ballot below the  
4 question shall appear the following:

5 "This would mean that a consumer would pay an  
6 additional (insert amount) in sales tax for every \$100 of  
7 tangible personal property bought at retail. If imposed,  
8 the additional tax would cease being collected at the end  
9 of (insert number of years), if not terminated earlier by a  
10 vote of the county board."

11 For the purposes of the paragraph, "public safety  
12 purposes" means crime prevention, detention, fire  
13 fighting, police, medical, ambulance, or other emergency  
14 services.

15 Votes shall be recorded as "Yes" or "No".

16 (2) The proposition for transportation purposes shall  
17 be in substantially the following form:

18 "To pay for improvements to roads and other  
19 transportation purposes, shall (name of county) be  
20 authorized to impose an increase on its share of local  
21 sales taxes by (insert rate)?"

22 As additional information on the ballot below the  
23 question shall appear the following:

24 "This would mean that a consumer would pay an  
25 additional (insert amount) in sales tax for every \$100 of  
26 tangible personal property bought at retail."

1           The county board may also opt to establish a sunset  
2 provision at which time the additional sales tax would  
3 cease being collected, if not terminated earlier by a vote  
4 of the county board. If the county board votes to include a  
5 sunset provision, the proposition for transportation  
6 purposes shall be in substantially the following form:

7           "To pay for road improvements and other transportation  
8 purposes, shall (name of county) be authorized to impose an  
9 increase on its share of local sales taxes by (insert rate)  
10 for a period not to exceed (insert number of years)?"

11           As additional information on the ballot below the  
12 question shall appear the following:

13           "This would mean that a consumer would pay an  
14 additional (insert amount) in sales tax for every \$100 of  
15 tangible personal property bought at retail. If imposed,  
16 the additional tax would cease being collected at the end  
17 of (insert number of years), if not terminated earlier by a  
18 vote of the county board."

19           For the purposes of this paragraph, transportation  
20 purposes means construction, maintenance, operation, and  
21 improvement of public highways, any other purpose for which  
22 a county may expend funds under the Illinois Highway Code,  
23 and passenger rail transportation.

24           The votes shall be recorded as "Yes" or "No".

25           (3) The proposition for public facilities purposes  
26 shall be in substantially the following form:

1            "To pay for public facilities purposes, shall (name of  
2 county) be authorized to impose an increase on its share of  
3 local sales taxes by (insert rate)?"

4            As additional information on the ballot below the  
5 question shall appear the following:

6            "This would mean that a consumer would pay an  
7 additional (insert amount) in sales tax for every \$100 of  
8 tangible personal property bought at retail."

9            The county board may also opt to establish a sunset  
10 provision at which time the additional sales tax would  
11 cease being collected, if not terminated earlier by a vote  
12 of the county board. If the county board votes to include a  
13 sunset provision, the proposition for public facilities  
14 purposes shall be in substantially the following form:

15           "To pay for public facilities purposes, shall (name of  
16 county) be authorized to impose an increase on its share of  
17 local sales taxes by (insert rate) for a period not to  
18 exceed (insert number of years)?"

19           As additional information on the ballot below the  
20 question shall appear the following:

21           "This would mean that a consumer would pay an  
22 additional (insert amount) in sales tax for every \$100 of  
23 tangible personal property bought at retail. If imposed,  
24 the additional tax would cease being collected at the end  
25 of (insert number of years), if not terminated earlier by a  
26 vote of the county board."

1           For purposes of this Section, "public facilities  
2           purposes" means the acquisition, development,  
3           construction, reconstruction, rehabilitation, improvement,  
4           financing, architectural planning, and installation of  
5           capital facilities consisting of buildings, structures,  
6           and durable equipment and for the acquisition and  
7           improvement of real property and interest in real property  
8           required, or expected to be required, in connection with  
9           the public facilities, for use by the county for the  
10          furnishing of governmental services to its citizens,  
11          including but not limited to museums and nursing homes.

12           The votes shall be recorded as "Yes" or "No".

13           If a majority of the electors voting on the proposition  
14          vote in favor of it, the county may impose the tax. A county  
15          may not submit more than one proposition authorized by this  
16          Section to the electors at any one time.

17           This additional tax may not be imposed on the sales of food  
18          for human consumption that is to be consumed off the premises  
19          where it is sold (other than alcoholic beverages, soft drinks,  
20          and food which has been prepared for immediate consumption) and  
21          prescription and non-prescription medicines, drugs, medical  
22          appliances and insulin, urine testing materials, syringes, and  
23          needles used by diabetics. The tax imposed by a county under  
24          this Section and all civil penalties that may be assessed as an  
25          incident of the tax shall be collected and enforced by the  
26          Illinois Department of Revenue and deposited into a special

1 fund created for that purpose. The certificate of registration  
2 that is issued by the Department to a retailer under the  
3 Retailers' Occupation Tax Act shall permit the retailer to  
4 engage in a business that is taxable without registering  
5 separately with the Department under an ordinance or resolution  
6 under this Section. The Department has full power to administer  
7 and enforce this Section, to collect all taxes and penalties  
8 due under this Section, to dispose of taxes and penalties so  
9 collected in the manner provided in this Section, and to  
10 determine all rights to credit memoranda arising on account of  
11 the erroneous payment of a tax or penalty under this Section.  
12 In the administration of and compliance with this Section, the  
13 Department and persons who are subject to this Section shall  
14 (i) have the same rights, remedies, privileges, immunities,  
15 powers, and duties, (ii) be subject to the same conditions,  
16 restrictions, limitations, penalties, and definitions of  
17 terms, and (iii) employ the same modes of procedure as are  
18 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,  
19 1n, 2 through 2-70 (in respect to all provisions contained in  
20 those Sections other than the State rate of tax), 2a, 2b, 2c, 3  
21 (except provisions relating to transaction returns and quarter  
22 monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,  
23 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13  
24 of the Retailers' Occupation Tax Act and Section 3-7 of the  
25 Uniform Penalty and Interest Act as if those provisions were  
26 set forth in this Section.

1           Persons subject to any tax imposed under the authority  
2 granted in this Section may reimburse themselves for their  
3 sellers' tax liability by separately stating the tax as an  
4 additional charge, which charge may be stated in combination,  
5 in a single amount, with State tax which sellers are required  
6 to collect under the Use Tax Act, pursuant to such bracketed  
7 schedules as the Department may prescribe.

8           Whenever the Department determines that a refund should be  
9 made under this Section to a claimant instead of issuing a  
10 credit memorandum, the Department shall notify the State  
11 Comptroller, who shall cause the order to be drawn for the  
12 amount specified and to the person named in the notification  
13 from the Department. The refund shall be paid by the State  
14 Treasurer out of the County Public Safety or Transportation  
15 Retailers' Occupation Tax Fund.

16           (b) If a tax has been imposed under subsection (a), a  
17 service occupation tax shall also be imposed at the same rate  
18 upon all persons engaged, in the county, in the business of  
19 making sales of service, who, as an incident to making those  
20 sales of service, transfer tangible personal property within  
21 the county as an incident to a sale of service. This tax may  
22 not be imposed on sales of food for human consumption that is  
23 to be consumed off the premises where it is sold (other than  
24 alcoholic beverages, soft drinks, and food prepared for  
25 immediate consumption) and prescription and non-prescription  
26 medicines, drugs, medical appliances and insulin, urine



1 testing materials, syringes, and needles used by diabetics. The  
2 tax imposed under this subsection and all civil penalties that  
3 may be assessed as an incident thereof shall be collected and  
4 enforced by the Department of Revenue. The Department has full  
5 power to administer and enforce this subsection; to collect all  
6 taxes and penalties due hereunder; to dispose of taxes and  
7 penalties so collected in the manner hereinafter provided; and  
8 to determine all rights to credit memoranda arising on account  
9 of the erroneous payment of tax or penalty hereunder. In the  
10 administration of, and compliance with this subsection, the  
11 Department and persons who are subject to this paragraph shall  
12 (i) have the same rights, remedies, privileges, immunities,  
13 powers, and duties, (ii) be subject to the same conditions,  
14 restrictions, limitations, penalties, exclusions, exemptions,  
15 and definitions of terms, and (iii) employ the same modes of  
16 procedure as are prescribed in Sections 2 (except that the  
17 reference to State in the definition of supplier maintaining a  
18 place of business in this State shall mean the county), 2a, 2b,  
19 2c, 3 through 3-50 (in respect to all provisions therein other  
20 than the State rate of tax), 4 (except that the reference to  
21 the State shall be to the county), 5, 7, 8 (except that the  
22 jurisdiction to which the tax shall be a debt to the extent  
23 indicated in that Section 8 shall be the county), 9 (except as  
24 to the disposition of taxes and penalties collected), 10, 11,  
25 12 (except the reference therein to Section 2b of the  
26 Retailers' Occupation Tax Act), 13 (except that any reference

1 to the State shall mean the county), Section 15, 16, 17, 18, 19  
2 and 20 of the Service Occupation Tax Act and Section 3-7 of the  
3 Uniform Penalty and Interest Act, as fully as if those  
4 provisions were set forth herein.

5 Persons subject to any tax imposed under the authority  
6 granted in this subsection may reimburse themselves for their  
7 serviceman's tax liability by separately stating the tax as an  
8 additional charge, which charge may be stated in combination,  
9 in a single amount, with State tax that servicemen are  
10 authorized to collect under the Service Use Tax Act, in  
11 accordance with such bracket schedules as the Department may  
12 prescribe.

13 Whenever the Department determines that a refund should be  
14 made under this subsection to a claimant instead of issuing a  
15 credit memorandum, the Department shall notify the State  
16 Comptroller, who shall cause the warrant to be drawn for the  
17 amount specified, and to the person named, in the notification  
18 from the Department. The refund shall be paid by the State  
19 Treasurer out of the County Public Safety or Transportation  
20 Retailers' Occupation Fund.

21 Nothing in this subsection shall be construed to authorize  
22 the county 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 the State.

25 (c) The Department shall immediately pay over to the State  
26 Treasurer, ex officio, as trustee, all taxes and penalties

1 collected under this Section to be deposited into the County  
2 Public Safety or Transportation Retailers' Occupation Tax  
3 Fund, which shall be an unappropriated trust fund held outside  
4 of the State treasury.

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

13 After the monthly transfer to the STAR Bonds Revenue Fund,  
14 on or before the 25th day of each calendar month, the  
15 Department shall prepare and certify to the Comptroller the  
16 disbursement of stated sums of money to the counties from which  
17 retailers have paid taxes or penalties to the Department during  
18 the second preceding calendar month. The amount to be paid to  
19 each county, and deposited by the county into its special fund  
20 created for the purposes of this Section, shall be the amount  
21 (not including credit memoranda) collected under this Section  
22 during the second preceding calendar month by the Department  
23 plus an amount the Department determines is necessary to offset  
24 any amounts that were erroneously paid to a different taxing  
25 body, and not including (i) an amount equal to the amount of  
26 refunds made during the second preceding calendar month by the

1 Department on behalf of the county, (ii) any amount that the  
2 Department determines is necessary to offset any amounts that  
3 were payable to a different taxing body but were erroneously  
4 paid to the county, and (iii) any amounts that are transferred  
5 to the STAR Bonds Revenue Fund. Within 10 days after receipt by  
6 the Comptroller of the disbursement certification to the  
7 counties provided for in this Section to be given to the  
8 Comptroller by the Department, the Comptroller shall cause the  
9 orders to be drawn for the respective amounts in accordance  
10 with directions contained in the certification.

11 In addition to the disbursement required by the preceding  
12 paragraph, an allocation shall be made in March of each year to  
13 each county that received more than \$500,000 in disbursements  
14 under the preceding paragraph in the preceding calendar year.  
15 The allocation shall be in an amount equal to the average  
16 monthly distribution made to each such county under the  
17 preceding paragraph during the preceding calendar year  
18 (excluding the 2 months of highest receipts). The distribution  
19 made in March of each year subsequent to the year in which an  
20 allocation was made pursuant to this paragraph and the  
21 preceding paragraph shall be reduced by the amount allocated  
22 and disbursed under this paragraph in the preceding calendar  
23 year. The Department shall prepare and certify to the  
24 Comptroller for disbursement the allocations made in  
25 accordance with this paragraph.

26 A county may direct, by ordinance, that all or a portion of

1 the taxes and penalties collected under the Special County  
2 Retailers' Occupation Tax For Public Safety or Transportation  
3 be deposited into the Transportation Development Partnership  
4 Trust Fund.

5 (d) For the purpose of determining the local governmental  
6 unit whose tax is applicable, a retail sale by a producer of  
7 coal or another mineral mined in Illinois is a sale at retail  
8 at the place where the coal or other mineral mined in Illinois  
9 is extracted from the earth. This paragraph does not apply to  
10 coal or another mineral when it is delivered or shipped by the  
11 seller to the purchaser at a point outside Illinois so that the  
12 sale is exempt under the United States Constitution as a sale  
13 in interstate or foreign commerce.

14 (e) Nothing in this Section shall be construed to authorize  
15 a county to impose a tax upon the privilege of engaging in any  
16 business that under the Constitution of the United States may  
17 not be made the subject of taxation by this State.

18 (e-5) If a county imposes a tax under this Section, the  
19 county board may, by ordinance, discontinue or lower the rate  
20 of the tax. If the county board lowers the tax rate or  
21 discontinues the tax, a referendum must be held in accordance  
22 with subsection (a) of this Section in order to increase the  
23 rate of the tax or to reimpose the discontinued tax.

24 (f) Beginning April 1, 1998 and through December 31, 2013,  
25 the results of any election authorizing a proposition to impose  
26 a tax under this Section or effecting a change in the rate of

1 tax, or any ordinance lowering the rate or discontinuing the  
2 tax, shall be certified by the county clerk and filed with the  
3 Illinois Department of Revenue either (i) on or before the  
4 first day of April, whereupon the Department shall proceed to  
5 administer and enforce the tax as of the first day of July next  
6 following the filing; or (ii) on or before the first day of  
7 October, whereupon the Department shall proceed to administer  
8 and enforce the tax as of the first day of January next  
9 following the filing.

10 Beginning January 1, 2014, the results of any election  
11 authorizing a proposition to impose a tax under this Section or  
12 effecting an increase in the rate of tax, along with the  
13 ordinance adopted to impose the tax or increase the rate of the  
14 tax, or any ordinance adopted to lower the rate or discontinue  
15 the tax, shall be certified by the county clerk and filed with  
16 the Illinois Department of Revenue either (i) on or before the  
17 first day of May, whereupon the Department shall proceed to  
18 administer and enforce the tax as of the first day of July next  
19 following the adoption and filing; or (ii) on or before the  
20 first day of October, whereupon the Department shall proceed to  
21 administer and enforce the tax as of the first day of January  
22 next following the adoption and filing.

23 (g) When certifying the amount of a monthly disbursement to  
24 a county under this Section, the Department shall increase or  
25 decrease the amounts by an amount necessary to offset any  
26 miscalculation of previous disbursements. The offset amount

1 shall be the amount erroneously disbursed within the previous 6  
2 months from the time a miscalculation is discovered.

3 (h) This Section may be cited as the "Special County  
4 Occupation Tax For Public Safety, Public Facilities, or  
5 Transportation Law".

6 (i) For purposes of this Section, "public safety" includes,  
7 but is not limited to, crime prevention, detention, fire  
8 fighting, police, medical, ambulance, or other emergency  
9 services. The county may share tax proceeds received under this  
10 Section for public safety purposes, including proceeds  
11 received before August 4, 2009 (the effective date of Public  
12 Act 96-124), with any fire protection district located in the  
13 county. For the purposes of this Section, "transportation"  
14 includes, but is not limited to, the construction, maintenance,  
15 operation, and improvement of public highways, any other  
16 purpose for which a county may expend funds under the Illinois  
17 Highway Code, and passenger rail transportation. For the  
18 purposes of this Section, "public facilities purposes"  
19 includes, but is not limited to, the acquisition, development,  
20 construction, reconstruction, rehabilitation, improvement,  
21 financing, architectural planning, and installation of capital  
22 facilities consisting of buildings, structures, and durable  
23 equipment and for the acquisition and improvement of real  
24 property and interest in real property required, or expected to  
25 be required, in connection with the public facilities, for use  
26 by the county for the furnishing of governmental services to

1 its citizens, including but not limited to museums and nursing  
2 homes.

3 (j) The Department may promulgate rules to implement Public  
4 Act 95-1002 only to the extent necessary to apply the existing  
5 rules for the Special County Retailers' Occupation Tax for  
6 Public Safety to this new purpose for public facilities.

7 (Source: P.A. 98-584, eff. 8-27-13.)

8 (55 ILCS 5/5-1006.7)

9 Sec. 5-1006.7. School facility occupation taxes.

10 (a) In any county, a tax shall be imposed upon all persons  
11 engaged in the business of selling tangible personal property,  
12 other than personal property titled or registered with an  
13 agency of this State's government, at retail in the county on  
14 the gross receipts from the sales made in the course of  
15 business to provide revenue to be used exclusively for school  
16 facility purposes if a proposition for the tax has been  
17 submitted to the electors of that county and approved by a  
18 majority of those voting on the question as provided in  
19 subsection (c). The tax under this Section shall be imposed  
20 only in one-quarter percent increments and may not exceed 1%.

21 This additional tax may not be imposed on the sale of food  
22 for human consumption that is to be consumed off the premises  
23 where it is sold (other than alcoholic beverages, soft drinks,  
24 and food that has been prepared for immediate consumption) and  
25 prescription and non-prescription medicines, drugs, medical



1 appliances and insulin, urine testing materials, syringes and  
2 needles used by diabetics. The Department of Revenue has full  
3 power to administer and enforce this subsection, to collect all  
4 taxes and penalties due under this subsection, to dispose of  
5 taxes and penalties so collected in the manner provided in this  
6 subsection, and to determine all rights to credit memoranda  
7 arising on account of the erroneous payment of a tax or penalty  
8 under this subsection. The Department shall deposit all taxes  
9 and penalties collected under this subsection into a special  
10 fund created for that purpose.

11 In the administration of and compliance with this  
12 subsection, the Department and persons who are subject to this  
13 subsection (i) have the same rights, remedies, privileges,  
14 immunities, powers, and duties, (ii) are subject to the same  
15 conditions, restrictions, limitations, penalties, and  
16 definitions of terms, and (iii) shall employ the same modes of  
17 procedure as are set forth in Sections 1 through 10, 2 through  
18 2-70 (in respect to all provisions contained in those Sections  
19 other than the State rate of tax), 2a through 2h, 3 (except as  
20 to the disposition of taxes and penalties collected), 4, 5, 5a,  
21 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d,  
22 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation  
23 Tax Act and all provisions of the Uniform Penalty and Interest  
24 Act as if those provisions were set forth in this subsection.

25 The certificate of registration that is issued by the  
26 Department to a retailer under the Retailers' Occupation Tax

1 Act permits the retailer to engage in a business that is  
2 taxable without registering separately with the Department  
3 under an ordinance or resolution under this subsection.

4 Persons subject to any tax imposed under the authority  
5 granted in this subsection may reimburse themselves for their  
6 seller's tax liability by separately stating that tax as an  
7 additional charge, which may be stated in combination, in a  
8 single amount, with State tax that sellers are required to  
9 collect under the Use Tax Act, pursuant to any bracketed  
10 schedules set forth by the Department.

11 (b) If a tax has been imposed under subsection (a), then a  
12 service occupation tax must also be imposed at the same rate  
13 upon all persons engaged, in the county, in the business of  
14 making sales of service, who, as an incident to making those  
15 sales of service, transfer tangible personal property within  
16 the county as an incident to a sale of service.

17 This tax may not be imposed on sales of food for human  
18 consumption that is to be consumed off the premises where it is  
19 sold (other than alcoholic beverages, soft drinks, and food  
20 prepared for immediate consumption) and prescription and  
21 non-prescription medicines, drugs, medical appliances and  
22 insulin, urine testing materials, syringes, and needles used by  
23 diabetics.

24 The tax imposed under this subsection and all civil  
25 penalties that may be assessed as an incident thereof shall be  
26 collected and enforced by the Department and deposited into a

1 special fund created for that purpose. The Department has full  
2 power to administer and enforce this subsection, to collect all  
3 taxes and penalties due under this subsection, to dispose of  
4 taxes and penalties so collected in the manner provided in this  
5 subsection, and to determine all rights to credit memoranda  
6 arising on account of the erroneous payment of a tax or penalty  
7 under this subsection.

8 In the administration of and compliance with this  
9 subsection, the Department and persons who are subject to this  
10 subsection shall (i) have the same rights, remedies,  
11 privileges, immunities, powers and duties, (ii) be subject to  
12 the same conditions, restrictions, limitations, penalties and  
13 definition of terms, and (iii) employ the same modes of  
14 procedure as are set forth in Sections 2 (except that that  
15 reference to State in the definition of supplier maintaining a  
16 place of business in this State means the county), 2a through  
17 2d, 3 through 3-50 (in respect to all provisions contained in  
18 those Sections other than the State rate of tax), 4 (except  
19 that the reference to the State shall be to the county), 5, 7,  
20 8 (except that the jurisdiction to which the tax is a debt to  
21 the extent indicated in that Section 8 is the county), 9  
22 (except as to the disposition of taxes and penalties  
23 collected), 10, 11, 12 (except the reference therein to Section  
24 2b of the Retailers' Occupation Tax Act), 13 (except that any  
25 reference to the State means the county), Section 15, 16, 17,  
26 18, 19, and 20 of the Service Occupation Tax Act and all

1 provisions of the Uniform Penalty and Interest Act, as fully as  
2 if those provisions were set forth herein.

3 Persons subject to any tax imposed under the authority  
4 granted in this subsection may reimburse themselves for their  
5 serviceman's tax liability by separately stating the tax as an  
6 additional charge, which may be stated in combination, in a  
7 single amount, with State tax that servicemen are authorized to  
8 collect under the Service Use Tax Act, pursuant to any  
9 bracketed schedules set forth by the Department.

10 (c) The tax under this Section may not be imposed until the  
11 question of imposing the tax has been submitted to the electors  
12 of the county at a regular election and approved by a majority  
13 of the electors voting on the question. For all regular  
14 elections held prior to the effective date of this amendatory  
15 Act of the 97th General Assembly, upon a resolution by the  
16 county board or a resolution by school district boards that  
17 represent at least 51% of the student enrollment within the  
18 county, the county board must certify the question to the  
19 proper election authority in accordance with the Election Code.

20 For all regular elections held prior to the effective date  
21 of this amendatory Act of the 97th General Assembly, the  
22 election authority must submit the question in substantially  
23 the following form:

24 Shall (name of county) be authorized to impose a  
25 retailers' occupation tax and a service occupation tax  
26 (commonly referred to as a "sales tax") at a rate of

1 (insert rate) to be used exclusively for school facility  
2 purposes?

3 The election authority must record the votes as "Yes" or "No".

4 If a majority of the electors voting on the question vote  
5 in the affirmative, then the county may, thereafter, impose the  
6 tax.

7 For all regular elections held on or after the effective  
8 date of this amendatory Act of the 97th General Assembly, the  
9 regional superintendent of schools for the county must, upon  
10 receipt of a resolution or resolutions of school district  
11 boards that represent more than 50% of the student enrollment  
12 within the county, certify the question to the proper election  
13 authority for submission to the electors of the county at the  
14 next regular election at which the question lawfully may be  
15 submitted to the electors, all in accordance with the Election  
16 Code.

17 For all regular elections held on or after the effective  
18 date of this amendatory Act of the 97th General Assembly, the  
19 election authority must submit the question in substantially  
20 the following form:

21 Shall a retailers' occupation tax and a service  
22 occupation tax (commonly referred to as a "sales tax") be  
23 imposed in (name of county) at a rate of (insert rate) to  
24 be used exclusively for school facility purposes?

25 The election authority must record the votes as "Yes" or "No".

26 If a majority of the electors voting on the question vote

1 in the affirmative, then the tax shall be imposed at the rate  
2 set forth in the question.

3 For the purposes of this subsection (c), "enrollment" means  
4 the head count of the students residing in the county on the  
5 last school day of September of each year, which must be  
6 reported on the Illinois State Board of Education Public School  
7 Fall Enrollment/Housing Report.

8 (d) The Department shall immediately pay over to the State  
9 Treasurer, ex officio, as trustee, all taxes and penalties  
10 collected under this Section to be deposited into the School  
11 Facility Occupation Tax Fund, which shall be an unappropriated  
12 trust fund held outside the State treasury.

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 the regional  
16 superintendents of schools in counties from which retailers or  
17 servicemen have paid taxes or penalties to the Department  
18 during the second preceding calendar month. The amount to be  
19 paid to each regional superintendent of schools and disbursed  
20 to him or her in accordance with Section 3-14.31 of the School  
21 Code, is equal to the amount (not including credit memoranda)  
22 collected from the county under this Section during the second  
23 preceding calendar month by the Department, (i) less 2% of that  
24 amount, which shall be deposited into the Tax Compliance and  
25 Administration Fund and shall be used by the Department,  
26 subject to appropriation, to cover the costs of the Department

1 in administering and enforcing the provisions of this Section,  
2 on behalf of the county, (ii) plus an amount that the  
3 Department determines is necessary to offset any amounts that  
4 were erroneously paid to a different taxing body; (iii) less an  
5 amount equal to the amount of refunds made during the second  
6 preceding calendar month by the Department on behalf of the  
7 county; and (iv) less any amount that the Department determines  
8 is necessary to offset any amounts that were payable to a  
9 different taxing body but were erroneously paid to the county.  
10 When certifying the amount of a monthly disbursement to a  
11 regional superintendent of schools under this Section, the  
12 Department shall increase or decrease the amounts by an amount  
13 necessary to offset any miscalculation of previous  
14 disbursements within the previous 6 months from the time a  
15 miscalculation is discovered.

16 Within 10 days after receipt by the Comptroller from the  
17 Department of the disbursement certification to the regional  
18 superintendents of the schools provided for in this Section,  
19 the Comptroller shall cause the orders to be drawn for the  
20 respective amounts in accordance with directions contained in  
21 the certification.

22 If the Department determines that a refund should be made  
23 under this Section to a claimant instead of issuing a credit  
24 memorandum, then the Department shall notify the Comptroller,  
25 who shall cause the order to be drawn for the amount specified  
26 and to the person named in the notification from the

1 Department. The refund shall be paid by the Treasurer out of  
2 the School Facility Occupation Tax Fund.

3 (e) For the purposes of determining the local governmental  
4 unit whose tax is applicable, a retail sale by a producer of  
5 coal or another mineral mined in Illinois is a sale at retail  
6 at the place where the coal or other mineral mined in Illinois  
7 is extracted from the earth. This subsection does not apply to  
8 coal or another mineral when it is delivered or shipped by the  
9 seller to the purchaser at a point outside Illinois so that the  
10 sale is exempt under the United States Constitution as a sale  
11 in interstate or foreign commerce.

12 (f) Nothing in this Section may be construed to authorize a  
13 tax to be imposed upon the privilege of engaging in any  
14 business that under the Constitution of the United States may  
15 not be made the subject of taxation by this State.

16 (g) If a county board imposes a tax under this Section  
17 pursuant to a referendum held before the effective date of this  
18 amendatory Act of the 97th General Assembly at a rate below the  
19 rate set forth in the question approved by a majority of  
20 electors of that county voting on the question as provided in  
21 subsection (c), then the county board may, by ordinance,  
22 increase the rate of the tax up to the rate set forth in the  
23 question approved by a majority of electors of that county  
24 voting on the question as provided in subsection (c). If a  
25 county board imposes a tax under this Section pursuant to a  
26 referendum held before the effective date of this amendatory



1 Act of the 97th General Assembly, then the board may, by  
2 ordinance, discontinue or reduce the rate of the tax. If a tax  
3 is imposed under this Section pursuant to a referendum held on  
4 or after the effective date of this amendatory Act of the 97th  
5 General Assembly, then the county board may reduce or  
6 discontinue the tax, but only in accordance with subsection  
7 (h-5) of this Section. If, however, a school board issues bonds  
8 that are secured by the proceeds of the tax under this Section,  
9 then the county board may not reduce the tax rate or  
10 discontinue the tax if that rate reduction or discontinuance  
11 would adversely affect the school board's ability to pay the  
12 principal and interest on those bonds as they become due or  
13 necessitate the extension of additional property taxes to pay  
14 the principal and interest on those bonds. If the county board  
15 reduces the tax rate or discontinues the tax, then a referendum  
16 must be held in accordance with subsection (c) of this Section  
17 in order to increase the rate of the tax or to reimpose the  
18 discontinued tax.

19 Until January 1, 2014, the results of any election that  
20 imposes, reduces, or discontinues a tax under this Section must  
21 be certified by the election authority, and any ordinance that  
22 increases or lowers the rate or discontinues the tax must be  
23 certified by the county clerk and, in each case, filed with the  
24 Illinois Department of Revenue either (i) on or before the  
25 first day of April, whereupon the Department shall proceed to  
26 administer and enforce the tax or change in the rate as of the

1 first day of July next following the filing; or (ii) on or  
2 before the first day of October, whereupon the Department shall  
3 proceed to administer and enforce the tax or change in the rate  
4 as of the first day of January next following the filing.

5 Beginning January 1, 2014, the results of any election that  
6 imposes, reduces, or discontinues a tax under this Section must  
7 be certified by the election authority, and any ordinance that  
8 increases or lowers the rate or discontinues the tax must be  
9 certified by the county clerk and, in each case, filed with the  
10 Illinois Department of Revenue either (i) on or before the  
11 first day of May, whereupon the Department shall proceed to  
12 administer and enforce the tax or change in the rate as of the  
13 first day of July next following the filing; or (ii) on or  
14 before the first day of October, whereupon the Department shall  
15 proceed to administer and enforce the tax or change in the rate  
16 as of the first day of January next following the filing.

17 (h) For purposes of this Section, "school facility  
18 purposes" means (i) the acquisition, development,  
19 construction, reconstruction, rehabilitation, improvement,  
20 financing, architectural planning, and installation of capital  
21 facilities consisting of buildings, structures, and durable  
22 equipment and for the acquisition and improvement of real  
23 property and interest in real property required, or expected to  
24 be required, in connection with the capital facilities and (ii)  
25 the payment of bonds or other obligations heretofore or  
26 hereafter issued, including bonds or other obligations

1 heretofore or hereafter issued to refund or to continue to  
2 refund bonds or other obligations issued, for school facility  
3 purposes, provided that the taxes levied to pay those bonds are  
4 abated by the amount of the taxes imposed under this Section  
5 that are used to pay those bonds. "School-facility purposes"  
6 also includes fire prevention, safety, energy conservation,  
7 disabled accessibility, school security, and specified repair  
8 purposes set forth under Section 17-2.11 of the School Code.

9 (h-5) A county board in a county where a tax has been  
10 imposed under this Section pursuant to a referendum held on or  
11 after the effective date of this amendatory Act of the 97th  
12 General Assembly may, by ordinance or resolution, submit to the  
13 voters of the county the question of reducing or discontinuing  
14 the tax. In the ordinance or resolution, the county board shall  
15 certify the question to the proper election authority in  
16 accordance with the Election Code. The election authority must  
17 submit the question in substantially the following form:

18 Shall the school facility retailers' occupation tax  
19 and service occupation tax (commonly referred to as the  
20 "school facility sales tax") currently imposed in (name of  
21 county) at a rate of (insert rate) be (reduced to (insert  
22 rate)) (discontinued)?

23 If a majority of the electors voting on the question vote in  
24 the affirmative, then, subject to the provisions of subsection  
25 (g) of this Section, the tax shall be reduced or discontinued  
26 as set forth in the question.

1 (i) This Section does not apply to Cook County.

2 (j) This Section may be cited as the County School Facility  
3 Occupation Tax Law.

4 (Source: P.A. 97-542, eff. 8-23-11; 97-813, eff. 7-13-12;  
5 98-584, eff. 8-27-13.)

6 Section 25. The Illinois Municipal Code is amended by  
7 changing Sections 8-11-1, 8-11-1.3, and 8-11-1.6 as follows:

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

9 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax  
10 Act. The corporate authorities of a home rule municipality may  
11 impose a tax upon all persons engaged in the business of  
12 selling tangible personal property, other than an item of  
13 tangible personal property titled or registered with an agency  
14 of this State's government, at retail in the municipality on  
15 the gross receipts from these sales made in the course of such  
16 business. If imposed, the tax shall only be imposed in 1/4%  
17 increments. On and after September 1, 1991, this additional tax  
18 may not be imposed on the sales of food for human consumption  
19 that is to be consumed off the premises where it is sold (other  
20 than alcoholic beverages, soft drinks and food that has been  
21 prepared for immediate consumption) and prescription and  
22 nonprescription medicines, drugs, medical appliances and  
23 insulin, urine testing materials, syringes and needles used by  
24 diabetics. The tax imposed by a home rule municipality under

1 this Section and all civil penalties that may be assessed as an  
2 incident of the tax shall be collected and enforced by the  
3 State Department of Revenue. The certificate of registration  
4 that is issued by the Department to a retailer under the  
5 Retailers' Occupation Tax Act shall permit the retailer to  
6 engage in a business that is taxable under any ordinance or  
7 resolution enacted pursuant to this Section without  
8 registering separately with the Department under such  
9 ordinance or resolution or under this Section. The Department  
10 shall have full power to administer and enforce this Section;  
11 to collect all taxes and penalties due hereunder; to dispose of  
12 taxes and penalties so collected in the manner hereinafter  
13 provided; and to determine all rights to credit memoranda  
14 arising on account of the erroneous payment of tax or penalty  
15 hereunder. In the administration of, and compliance with, this  
16 Section the Department and persons who are subject to this  
17 Section shall have the same rights, remedies, privileges,  
18 immunities, powers and duties, and be subject to the same  
19 conditions, restrictions, limitations, penalties and  
20 definitions of terms, and employ the same modes of procedure,  
21 as are prescribed in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k,  
22 1m, 1n, 2 through 2-65 (in respect to all provisions therein  
23 other than the State rate of tax), 2c, 3 (except as to the  
24 disposition of taxes and penalties collected), 4, 5, 5a, 5b,  
25 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8,  
26 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and

1 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
2 as if those provisions were set forth herein.

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

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

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

21 The Department shall immediately pay over to the State  
22 Treasurer, ex officio, as trustee, all taxes and penalties  
23 collected hereunder.

24 As soon as possible after the first day of each month,  
25 beginning January 1, 2011, upon certification of the Department  
26 of Revenue, the Comptroller shall order transferred, and the

1 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
2 local sales tax increment, as defined in the Innovation  
3 Development and Economy Act, collected under this Section  
4 during the second preceding calendar month for sales within a  
5 STAR bond district.

6 After the monthly transfer to the STAR Bonds Revenue Fund,  
7 on or before the 25th day of each calendar month, the  
8 Department shall prepare and certify to the Comptroller the  
9 disbursement of stated sums of money to named municipalities,  
10 the municipalities to be those from which retailers have paid  
11 taxes or penalties hereunder to the Department during the  
12 second preceding calendar month. The amount to be paid to each  
13 municipality shall be the amount (not including credit  
14 memoranda) collected hereunder during the second preceding  
15 calendar month by the Department plus an amount the Department  
16 determines is necessary to offset any amounts that were  
17 erroneously paid to a different taxing body, and not including  
18 an amount equal to the amount of refunds made during the second  
19 preceding calendar month by the Department on behalf of such  
20 municipality, and not including any amount that the Department  
21 determines is necessary to offset any amounts that were payable  
22 to a different taxing body but were erroneously paid to the  
23 municipality, and not including any amounts that are  
24 transferred to the STAR Bonds Revenue Fund. Within 10 days  
25 after receipt by the Comptroller of the disbursement  
26 certification to the municipalities provided for in this

1 Section to be given to the Comptroller by the Department, the  
2 Comptroller shall cause the orders to be drawn for the  
3 respective amounts in accordance with the directions contained  
4 in the certification.

5 In addition to the disbursement required by the preceding  
6 paragraph and in order to mitigate delays caused by  
7 distribution procedures, an allocation shall, if requested, be  
8 made within 10 days after January 14, 1991, and in November of  
9 1991 and each year thereafter, to each municipality that  
10 received more than \$500,000 during the preceding fiscal year,  
11 (July 1 through June 30) whether collected by the municipality  
12 or disbursed by the Department as required by this Section.  
13 Within 10 days after January 14, 1991, participating  
14 municipalities shall notify the Department in writing of their  
15 intent to participate. In addition, for the initial  
16 distribution, participating municipalities shall certify to  
17 the Department the amounts collected by the municipality for  
18 each month under its home rule occupation and service  
19 occupation tax during the period July 1, 1989 through June 30,  
20 1990. The allocation within 10 days after January 14, 1991,  
21 shall be in an amount equal to the monthly average of these  
22 amounts, excluding the 2 months of highest receipts. The  
23 monthly average for the period of July 1, 1990 through June 30,  
24 1991 will be determined as follows: the amounts collected by  
25 the municipality under its home rule occupation and service  
26 occupation tax during the period of July 1, 1990 through



1 September 30, 1990, plus amounts collected by the Department  
2 and paid to such municipality through June 30, 1991, excluding  
3 the 2 months of highest receipts. The monthly average for each  
4 subsequent period of July 1 through June 30 shall be an amount  
5 equal to the monthly distribution made to each such  
6 municipality under the preceding paragraph during this period,  
7 excluding the 2 months of highest receipts. The distribution  
8 made in November 1991 and each year thereafter under this  
9 paragraph and the preceding paragraph shall be reduced by the  
10 amount allocated and disbursed under this paragraph in the  
11 preceding period of July 1 through June 30. The Department  
12 shall prepare and certify to the Comptroller for disbursement  
13 the allocations made in accordance with this paragraph.

14 For the purpose of determining the local governmental unit  
15 whose tax is applicable, a retail sale by a producer of coal or  
16 other mineral mined in Illinois is a sale at retail at the  
17 place where the coal or other mineral mined in Illinois is  
18 extracted from the earth. This paragraph does not apply to coal  
19 or other mineral when it is delivered or shipped by the seller  
20 to the purchaser at a point outside Illinois so that the sale  
21 is exempt under the United States Constitution as a sale in  
22 interstate or foreign commerce.

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

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

1 1994. Beginning April 1, 1998, an ordinance or resolution  
2 imposing or discontinuing the tax hereunder or effecting a  
3 change in the rate thereof shall either (i) be adopted and a  
4 certified copy thereof filed with the Department on or before  
5 the first day of April, whereupon the Department shall proceed  
6 to administer and enforce this Section as of the first day of  
7 July next following the adoption and filing; or (ii) be adopted  
8 and a certified copy thereof filed with the Department on or  
9 before the first day of October, whereupon the Department shall  
10 proceed to administer and enforce this Section as of the first  
11 day of January next following the adoption and filing.

12 When certifying the amount of a monthly disbursement to a  
13 municipality under this Section, the Department shall increase  
14 or decrease the amount by an amount necessary to offset any  
15 misallocation of previous disbursements. The offset amount  
16 shall be the amount erroneously disbursed within the previous 6  
17 months from the time a misallocation is discovered.

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

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

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

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

11 (Source: P.A. 96-939, eff. 6-24-10.)

12 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

13 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'  
14 Occupation Tax Act. The corporate authorities of a non-home  
15 rule municipality may impose a tax upon all persons engaged in  
16 the business of selling tangible personal property, other than  
17 on an item of tangible personal property which is titled and  
18 registered by an agency of this State's Government, at retail  
19 in the municipality for expenditure on public infrastructure or  
20 for property tax relief or both as defined in Section 8-11-1.2  
21 if approved by referendum as provided in Section 8-11-1.1, of  
22 the gross receipts from such sales made in the course of such  
23 business. If the tax is approved by referendum on or after July  
24 14, 2010 (the effective date of Public Act 96-1057), the  
25 corporate authorities of a non-home rule municipality may,

1 until December 31, 2020, use the proceeds of the tax for  
2 expenditure on municipal operations, in addition to or in lieu  
3 of any expenditure on public infrastructure or for property tax  
4 relief. The tax imposed may not be more than 1% and may be  
5 imposed only in 1/4% increments. The tax may not be imposed on  
6 the sale of food for human consumption that is to be consumed  
7 off the premises where it is sold (other than alcoholic  
8 beverages, soft drinks, and food that has been prepared for  
9 immediate consumption) and prescription and nonprescription  
10 medicines, drugs, medical appliances, and insulin, urine  
11 testing materials, syringes, and needles used by diabetics. The  
12 tax imposed by a municipality pursuant to this Section and all  
13 civil penalties that may be assessed as an incident thereof  
14 shall be collected and enforced by the State Department of  
15 Revenue. The certificate of registration which is issued by the  
16 Department to a retailer under the Retailers' Occupation Tax  
17 Act shall permit such retailer to engage in a business which is  
18 taxable under any ordinance or resolution enacted pursuant to  
19 this Section without registering separately with the  
20 Department under such ordinance or resolution or under this  
21 Section. The Department shall have full power to administer and  
22 enforce this Section; to collect all taxes and penalties due  
23 hereunder; to dispose of taxes and penalties so collected in  
24 the manner hereinafter provided, and to determine all rights to  
25 credit memoranda, arising on account of the erroneous payment  
26 of tax or penalty hereunder. In the administration of, and

1 compliance with, this Section, the Department and persons who  
2 are subject to this Section shall have the same rights,  
3 remedies, privileges, immunities, powers and duties, and be  
4 subject to the same conditions, restrictions, limitations,  
5 penalties and definitions of terms, and employ the same modes  
6 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,  
7 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
8 therein other than the State rate of tax), 2c, 3 (except as to  
9 the disposition of taxes and penalties collected), 4, 5, 5a,  
10 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d,  
11 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act  
12 and Section 3-7 of the Uniform Penalty and Interest Act as  
13 fully as if those provisions were set forth herein.

14 No municipality may impose a tax under this Section unless  
15 the municipality also imposes a tax at the same rate under  
16 Section 8-11-1.4 of this Code.

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

24 Whenever the Department determines that a refund should be  
25 made under this Section to a claimant instead of issuing a  
26 credit memorandum, the Department shall notify the State

1 Comptroller, who shall cause the order to be drawn for the  
2 amount specified, and to the person named, in such notification  
3 from the Department. Such refund shall be paid by the State  
4 Treasurer out of the non-home rule municipal retailers'  
5 occupation tax fund.

6 The Department shall forthwith pay over to the State  
7 Treasurer, ex officio, as trustee, all taxes and penalties  
8 collected hereunder.

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

17 After the monthly transfer to the STAR Bonds Revenue Fund,  
18 on or before the 25th day of each calendar month, the  
19 Department shall prepare and certify to the Comptroller the  
20 disbursement of stated sums of money to named municipalities,  
21 the municipalities to be those from which retailers have paid  
22 taxes or penalties hereunder to the Department during the  
23 second preceding calendar month. The amount to be paid to each  
24 municipality shall be the amount (not including credit  
25 memoranda) collected hereunder during the second preceding  
26 calendar month by the Department plus an amount the Department

1 determines is necessary to offset any amounts which were  
2 erroneously paid to a different taxing body, and not including  
3 an amount equal to the amount of refunds made during the second  
4 preceding calendar month by the Department on behalf of such  
5 municipality, and not including any amount which the Department  
6 determines is necessary to offset any amounts which were  
7 payable to a different taxing body but were erroneously paid to  
8 the municipality, and not including any amounts that are  
9 transferred to the STAR Bonds Revenue Fund. Within 10 days  
10 after receipt, by the Comptroller, of the disbursement  
11 certification to the municipalities, provided for in this  
12 Section to be given to the Comptroller by the Department, the  
13 Comptroller shall cause the orders to be drawn for the  
14 respective amounts in accordance with the directions contained  
15 in such certification.

16 For the purpose of determining the local governmental unit  
17 whose tax is applicable, a retail sale, by a producer of coal  
18 or other mineral mined in Illinois, is a sale at retail at the  
19 place where the coal or other mineral mined in Illinois is  
20 extracted from the earth. This paragraph does not apply to coal  
21 or other mineral when it is delivered or shipped by the seller  
22 to the purchaser at a point outside Illinois so that the sale  
23 is exempt under the Federal Constitution as a sale in  
24 interstate or foreign commerce.

25 Nothing in this Section shall be construed to authorize a  
26 municipality to impose a tax upon the privilege of engaging in



1 any business which under the constitution of the United States  
2 may not be made the subject of taxation by this State.

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

9 The Department of Revenue shall implement this amendatory  
10 Act of the 91st General Assembly so as to collect the tax on  
11 and after January 1, 2002.

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

15 This Section shall be known and may be cited as the  
16 "Non-Home Rule Municipal Retailers' Occupation Tax Act".

17 (Source: P.A. 96-939, eff. 6-24-10; 96-1057, eff. 7-14-10;  
18 97-333, eff. 8-12-11; 97-837, eff. 7-20-12.)

19 (65 ILCS 5/8-11-1.6)

20 Sec. 8-11-1.6. Non-home rule municipal retailers  
21 occupation tax; municipalities between 20,000 and 25,000. The  
22 corporate authorities of a non-home rule municipality with a  
23 population of more than 20,000 but less than 25,000 that has,  
24 prior to January 1, 1987, established a Redevelopment Project  
25 Area that has been certified as a State Sales Tax Boundary and

1 has issued bonds or otherwise incurred indebtedness to pay for  
2 costs in excess of \$5,000,000, which is secured in part by a  
3 tax increment allocation fund, in accordance with the  
4 provisions of Division 11-74.4 of this Code may, by passage of  
5 an ordinance, impose a tax upon all persons engaged in the  
6 business of selling tangible personal property, other than on  
7 an item of tangible personal property that is titled and  
8 registered by an agency of this State's Government, at retail  
9 in the municipality. This tax may not be imposed on the sales  
10 of food for human consumption that is to be consumed off the  
11 premises where it is sold (other than alcoholic beverages, soft  
12 drinks, and food that has been prepared for immediate  
13 consumption) and prescription and nonprescription medicines,  
14 drugs, medical appliances and insulin, urine testing  
15 materials, syringes, and needles used by diabetics. If imposed,  
16 the tax shall only be imposed in .25% increments of the gross  
17 receipts from such sales made in the course of business. Any  
18 tax imposed by a municipality under this Sec. and all civil  
19 penalties that may be assessed as an incident thereof shall be  
20 collected and enforced by the State Department of Revenue. An  
21 ordinance imposing a tax hereunder or effecting a change in the  
22 rate thereof shall be adopted and a certified copy thereof  
23 filed with the Department on or before the first day of  
24 October, whereupon the Department shall proceed to administer  
25 and enforce this Section as of the first day of January next  
26 following such adoption and filing. The certificate of

1 registration that is issued by the Department to a retailer  
2 under the Retailers' Occupation Tax Act shall permit the  
3 retailer to engage in a business that is taxable under any  
4 ordinance or resolution enacted under this Section without  
5 registering separately with the Department under the ordinance  
6 or resolution or under this Section. The Department shall have  
7 full power to administer and enforce this Section, to collect  
8 all taxes and penalties due hereunder, to dispose of taxes and  
9 penalties so collected in the manner hereinafter provided, and  
10 to determine all rights to credit memoranda, arising on account  
11 of the erroneous payment of tax or penalty hereunder. In the  
12 administration of, and compliance with this Section, the  
13 Department and persons who are subject to this Section shall  
14 have the same rights, remedies, privileges, immunities,  
15 powers, and duties, and be subject to the same conditions,  
16 restrictions, limitations, penalties, and definitions of  
17 terms, and employ the same modes of procedure, as are  
18 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2  
19 through 2-65 (in respect to all provisions therein other than  
20 the State rate of tax), 2c, 3 (except as to the disposition of  
21 taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,  
22 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12  
23 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of  
24 the Uniform Penalty and Interest Act as fully as if those  
25 provisions were set forth herein.

26 A tax may not be imposed by a municipality under this

1 Section unless the municipality also imposes a tax at the same  
2 rate under Section 8-11-1.7 of this Act.

3 Persons subject to any tax imposed under the authority  
4 granted in this Section, may reimburse themselves for their  
5 seller's tax liability hereunder by separately stating the tax  
6 as an additional charge, which charge may be stated in  
7 combination, in a single amount, with State tax which sellers  
8 are required to collect under the Use Tax Act, pursuant to such  
9 bracket schedules as the Department may prescribe.

10 Whenever the Department determines that a refund should be  
11 made under this Section to a claimant, instead of issuing a  
12 credit memorandum, the Department shall notify the State  
13 Comptroller, who shall cause the order to be drawn for the  
14 amount specified, and to the person named in the notification  
15 from the Department. The refund shall be paid by the State  
16 Treasurer out of the Non-Home Rule Municipal Retailers'  
17 Occupation Tax Fund, which is hereby created.

18 The Department shall forthwith pay over to the State  
19 Treasurer, ex officio, as trustee, all taxes and penalties  
20 collected hereunder.

21 As soon as possible after the first day of each month,  
22 beginning January 1, 2011, upon certification of the Department  
23 of Revenue, the Comptroller shall order transferred, and the  
24 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
25 local sales tax increment, as defined in the Innovation  
26 Development and Economy Act, collected under this Section

1 during the second preceding calendar month for sales within a  
2 STAR bond district.

3 After the monthly transfer to the STAR Bonds Revenue Fund,  
4 on or before the 25th day of each calendar month, the  
5 Department shall prepare and certify to the Comptroller the  
6 disbursement of stated sums of money to named municipalities,  
7 the municipalities to be those from which retailers have paid  
8 taxes or penalties hereunder to the Department during the  
9 second preceding calendar month. The amount to be paid to each  
10 municipality shall be the amount (not including credit  
11 memoranda) collected hereunder during the second preceding  
12 calendar month by the Department plus an amount the Department  
13 determines is necessary to offset any amounts that were  
14 erroneously paid to a different taxing body, and not including  
15 an amount equal to the amount of refunds made during the second  
16 preceding calendar month by the Department on behalf of the  
17 municipality, and not including any amount that the Department  
18 determines is necessary to offset any amounts that were payable  
19 to a different taxing body but were erroneously paid to the  
20 municipality, and not including any amounts that are  
21 transferred to the STAR Bonds Revenue Fund. Within 10 days  
22 after receipt by the Comptroller of the disbursement  
23 certification to the municipalities provided for in this  
24 Section to be given to the Comptroller by the Department, the  
25 Comptroller shall cause the orders to be drawn for the  
26 respective amounts in accordance with the directions contained

1 in the certification.

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

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

15 When certifying the amount of a monthly disbursement to a  
16 municipality under this Section, the Department shall increase  
17 or decrease the amount by an amount necessary to offset any  
18 misallocation of previous disbursements. The offset amount  
19 shall be the amount erroneously disbursed within the previous 6  
20 months from the time a misallocation is discovered.

21 As used in this Section, "municipal" and "municipality"  
22 means a city, village, or incorporated town, including an  
23 incorporated town that has superseded a civil township.

24 (Source: P.A. 96-939, eff. 6-24-10.)

25 Section 30. The Flood Prevention District Act is amended by

1 changing Section 25 as follows:

2 (70 ILCS 750/25)

3 Sec. 25. Flood prevention retailers' and service  
4 occupation taxes.

5 (a) If the Board of Commissioners of a flood prevention  
6 district determines that an emergency situation exists  
7 regarding levee repair or flood prevention, and upon an  
8 ordinance confirming the determination adopted by the  
9 affirmative vote of a majority of the members of the county  
10 board of the county in which the district is situated, the  
11 county may impose a flood prevention retailers' occupation tax  
12 upon all persons engaged in the business of selling tangible  
13 personal property at retail within the territory of the  
14 district to provide revenue to pay the costs of providing  
15 emergency levee repair and flood prevention and to secure the  
16 payment of bonds, notes, and other evidences of indebtedness  
17 issued under this Act for a period not to exceed 25 years or as  
18 required to repay the bonds, notes, and other evidences of  
19 indebtedness issued under this Act. The tax rate shall be 0.25%  
20 of the gross receipts from all taxable sales made in the course  
21 of that business. The tax imposed under this Section and all  
22 civil penalties that may be assessed as an incident thereof  
23 shall be collected and enforced by the State Department of  
24 Revenue. The Department shall have full power to administer and  
25 enforce this Section; to collect all taxes and penalties so

1 collected in the manner hereinafter provided; and to determine  
2 all rights to credit memoranda arising on account of the  
3 erroneous payment of tax or penalty hereunder.

4 In the administration of and compliance with this  
5 subsection, the Department and persons who are subject to this  
6 subsection (i) have the same rights, remedies, privileges,  
7 immunities, powers, and duties, (ii) are subject to the same  
8 conditions, restrictions, limitations, penalties, and  
9 definitions of terms, and (iii) shall employ the same modes of  
10 procedure as are set forth in Sections 1 through 1o, 2 through  
11 2-70 (in respect to all provisions contained in those Sections  
12 other than the State rate of tax), 2a through 2h, 3 (except as  
13 to the disposition of taxes and penalties collected), 4, 5, 5a,  
14 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,  
15 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act  
16 and all provisions of the Uniform Penalty and Interest Act as  
17 if those provisions were set forth in this subsection.

18 Persons subject to any tax imposed under this Section may  
19 reimburse themselves for their seller's tax liability  
20 hereunder by separately stating the tax as an additional  
21 charge, which charge may be stated in combination in a single  
22 amount with State taxes that sellers are required to collect  
23 under the Use Tax Act, under any bracket schedules the  
24 Department may prescribe.

25 If a tax is imposed under this subsection (a), a tax shall  
26 also be imposed under subsection (b) of this Section.



1 (b) If a tax has been imposed under subsection (a), a flood  
2 prevention service occupation tax shall also be imposed upon  
3 all persons engaged within the territory of the district in the  
4 business of making sales of service, who, as an incident to  
5 making the sales of service, transfer tangible personal  
6 property, either in the form of tangible personal property or  
7 in the form of real estate as an incident to a sale of service  
8 to provide revenue to pay the costs of providing emergency  
9 levee repair and flood prevention and to secure the payment of  
10 bonds, notes, and other evidences of indebtedness issued under  
11 this Act for a period not to exceed 25 years or as required to  
12 repay the bonds, notes, and other evidences of indebtedness.  
13 The tax rate shall be 0.25% of the selling price of all  
14 tangible personal property transferred.

15 The tax imposed under this subsection and all civil  
16 penalties that may be assessed as an incident thereof shall be  
17 collected and enforced by the State Department of Revenue. The  
18 Department shall have full power to administer and enforce this  
19 subsection; to collect all taxes and penalties due hereunder;  
20 to dispose of taxes and penalties collected in the manner  
21 hereinafter provided; and to determine all rights to credit  
22 memoranda arising on account of the erroneous payment of tax or  
23 penalty hereunder.

24 In the administration of and compliance with this  
25 subsection, the Department and persons who are subject to this  
26 subsection shall (i) have the same rights, remedies,

1 privileges, immunities, powers, and duties, (ii) be subject to  
2 the same conditions, restrictions, limitations, penalties, and  
3 definitions of terms, and (iii) employ the same modes of  
4 procedure as are set forth in Sections 2 (except that the  
5 reference to State in the definition of supplier maintaining a  
6 place of business in this State means the district), 2a through  
7 2d, 3 through 3-50 (in respect to all provisions contained in  
8 those Sections other than the State rate of tax), 4 (except  
9 that the reference to the State shall be to the district), 5,  
10 7, 8 (except that the jurisdiction to which the tax is a debt  
11 to the extent indicated in that Section 8 is the district), 9  
12 (except as to the disposition of taxes and penalties  
13 collected), 10, 11, 12 (except the reference therein to Section  
14 2b of the Retailers' Occupation Tax Act), 13 (except that any  
15 reference to the State means the district), Section 15, 16, 17,  
16 18, 19, and 20 of the Service Occupation Tax Act and all  
17 provisions of the Uniform Penalty and Interest Act, as fully as  
18 if those provisions were set forth herein.

19 Persons subject to any tax imposed under the authority  
20 granted in this subsection may reimburse themselves for their  
21 serviceman's tax liability hereunder by separately stating the  
22 tax as an additional charge, that charge may be stated in  
23 combination in a single amount with State tax that servicemen  
24 are authorized to collect under the Service Use Tax Act, under  
25 any bracket schedules the Department may prescribe.

26 (c) The taxes imposed in subsections (a) and (b) may not be

1 imposed on personal property titled or registered with an  
2 agency of the State; food for human consumption that is to be  
3 consumed off the premises where it is sold (other than  
4 alcoholic beverages, soft drinks, and food that has been  
5 prepared for immediate consumption); prescription and  
6 non-prescription medicines, drugs, and medical appliances;  
7 modifications to a motor vehicle for the purpose of rendering  
8 it usable by a disabled person; or insulin, urine testing  
9 materials, and syringes and needles used by diabetics.

10 (d) Nothing in this Section shall be construed to authorize  
11 the district to impose a tax upon the privilege of engaging in  
12 any business that under the Constitution of the United States  
13 may not be made the subject of taxation by the State.

14 (e) The certificate of registration that is issued by the  
15 Department to a retailer under the Retailers' Occupation Tax  
16 Act or a serviceman under the Service Occupation Tax Act  
17 permits the retailer or serviceman to engage in a business that  
18 is taxable without registering separately with the Department  
19 under an ordinance or resolution under this Section.

20 (f) The Department shall immediately pay over to the State  
21 Treasurer, ex officio, as trustee, all taxes and penalties  
22 collected under this Section to be deposited into the Flood  
23 Prevention Occupation Tax Fund, which shall be an  
24 unappropriated trust fund held outside the State treasury.

25 On or before the 25th day of each calendar month, the  
26 Department shall prepare and certify to the Comptroller the

1 disbursement of stated sums of money to the counties from which  
2 retailers or servicemen have paid taxes or penalties to the  
3 Department during the second preceding calendar month. The  
4 amount to be paid to each county is equal to the amount (not  
5 including credit memoranda) collected from the county under  
6 this Section during the second preceding calendar month by the  
7 Department, (i) less 2% of that amount, which shall be  
8 deposited into the Tax Compliance and Administration Fund and  
9 shall be used by the Department in administering and enforcing  
10 the provisions of this Section on behalf of the county, (ii)  
11 plus an amount that the Department determines is necessary to  
12 offset any amounts that were erroneously paid to a different  
13 taxing body; (iii) less an amount equal to the amount of  
14 refunds made during the second preceding calendar month by the  
15 Department on behalf of the county; and (iv) less any amount  
16 that the Department determines is necessary to offset any  
17 amounts that were payable to a different taxing body but were  
18 erroneously paid to the county. When certifying the amount of a  
19 monthly disbursement to a county under this Section, the  
20 Department shall increase or decrease the amounts by an amount  
21 necessary to offset any miscalculation of previous  
22 disbursements within the previous 6 months from the time a  
23 miscalculation is discovered.

24       Within 10 days after receipt by the Comptroller from the  
25 Department of the disbursement certification to the counties  
26 provided for in this Section, the Comptroller shall cause the

1 orders to be drawn for the respective amounts in accordance  
2 with directions contained in the certification.

3 If the Department determines that a refund should be made  
4 under this Section to a claimant instead of issuing a credit  
5 memorandum, then the Department shall notify the Comptroller,  
6 who shall cause the order to be drawn for the amount specified  
7 and to the person named in the notification from the  
8 Department. The refund shall be paid by the Treasurer out of  
9 the Flood Prevention Occupation Tax Fund.

10 (g) If a county imposes a tax under this Section, then the  
11 county board shall, by ordinance, discontinue the tax upon the  
12 payment of all indebtedness of the flood prevention district.  
13 The tax shall not be discontinued until all indebtedness of the  
14 District has been paid.

15 (h) Any ordinance imposing the tax under this Section, or  
16 any ordinance that discontinues the tax, must be certified by  
17 the county clerk and filed with the Illinois Department of  
18 Revenue either (i) on or before the first day of April,  
19 whereupon the Department shall proceed to administer and  
20 enforce the tax or change in the rate as of the first day of  
21 July next following the filing; or (ii) on or before the first  
22 day of October, whereupon the Department shall proceed to  
23 administer and enforce the tax or change in the rate as of the  
24 first day of January next following the filing.

25 (j) County Flood Prevention Occupation Tax Fund. All  
26 proceeds received by a county from a tax distribution under

1 this Section must be maintained in a special fund known as the  
2 [name of county] flood prevention occupation tax fund. The  
3 county shall, at the direction of the flood prevention  
4 district, use moneys in the fund to pay the costs of providing  
5 emergency levee repair and flood prevention and to pay bonds,  
6 notes, and other evidences of indebtedness issued under this  
7 Act.

8 (k) This Section may be cited as the Flood Prevention  
9 Occupation Tax Law.

10 (Source: P.A. 96-939, eff. 6-24-10; 97-188, eff. 7-22-11.)

11 Section 35. The Metro-East Park and Recreation District Act  
12 is amended by changing Section 30 as follows:

13 (70 ILCS 1605/30)

14 Sec. 30. Taxes.

15 (a) The board shall impose a tax upon all persons engaged  
16 in the business of selling tangible personal property, other  
17 than personal property titled or registered with an agency of  
18 this State's government, at retail in the District on the gross  
19 receipts from the sales made in the course of business. This  
20 tax shall be imposed only at the rate of one-tenth of one per  
21 cent.

22 This additional tax may not be imposed on the sales of food  
23 for human consumption that is to be consumed off the premises  
24 where it is sold (other than alcoholic beverages, soft drinks,

1 and food which has been prepared for immediate consumption) and  
2 prescription and non-prescription medicines, drugs, medical  
3 appliances, and insulin, urine testing materials, syringes,  
4 and needles used by diabetics. The tax imposed by the Board  
5 under this Section and all civil penalties that may be assessed  
6 as an incident of the tax shall be collected and enforced by  
7 the Department of Revenue. The certificate of registration that  
8 is issued by the Department to a retailer under the Retailers'  
9 Occupation Tax Act shall permit the retailer to engage in a  
10 business that is taxable without registering separately with  
11 the Department under an ordinance or resolution under this  
12 Section. The Department has full power to administer and  
13 enforce this Section, to collect all taxes and penalties due  
14 under this Section, to dispose of taxes and penalties so  
15 collected in the manner provided in this Section, and to  
16 determine all rights to credit memoranda arising on account of  
17 the erroneous payment of a tax or penalty under this Section.  
18 In the administration of and compliance with this Section, the  
19 Department and persons who are subject to this Section shall  
20 (i) have the same rights, remedies, privileges, immunities,  
21 powers, and duties, (ii) be subject to the same conditions,  
22 restrictions, limitations, penalties, and definitions of  
23 terms, and (iii) employ the same modes of procedure as are  
24 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,  
25 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions contained  
26 in those Sections other than the State rate of tax), 2-12, 2-15

1 through 2-70, 2a, 2b, 2c, 3 (except provisions relating to  
2 transaction returns and quarter monthly payments), 4, 5, 5a,  
3 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d,  
4 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation  
5 Tax Act and the Uniform Penalty and Interest Act as if those  
6 provisions were set forth in this Section.

7 Persons subject to any tax imposed under the authority  
8 granted in this Section may reimburse themselves for their  
9 sellers' tax liability by separately stating the tax as an  
10 additional charge, which charge may be stated in combination,  
11 in a single amount, with State tax which sellers are required  
12 to collect under the Use Tax Act, pursuant to such bracketed  
13 schedules as the Department may prescribe.

14 Whenever the Department determines that a refund should be  
15 made under this Section to a claimant instead of issuing a  
16 credit memorandum, the Department shall notify the State  
17 Comptroller, who shall cause the order to be drawn for the  
18 amount specified and to the person named in the notification  
19 from the Department. The refund shall be paid by the State  
20 Treasurer out of the State Metro-East Park and Recreation  
21 District Fund.

22 (b) If a tax has been imposed under subsection (a), a  
23 service occupation tax shall also be imposed at the same rate  
24 upon all persons engaged, in the District, in the business of  
25 making sales of service, who, as an incident to making those  
26 sales of service, transfer tangible personal property within



1 the District as an incident to a sale of service. This tax may  
2 not be imposed on sales of food for human consumption that is  
3 to be consumed off the premises where it is sold (other than  
4 alcoholic beverages, soft drinks, and food prepared for  
5 immediate consumption) and prescription and non-prescription  
6 medicines, drugs, medical appliances, and insulin, urine  
7 testing materials, syringes, and needles used by diabetics. The  
8 tax imposed under this subsection and all civil penalties that  
9 may be assessed as an incident thereof shall be collected and  
10 enforced by the Department of Revenue. The Department has full  
11 power to administer and enforce this subsection; to collect all  
12 taxes and penalties due hereunder; to dispose of taxes and  
13 penalties so collected in the manner hereinafter provided; and  
14 to determine all rights to credit memoranda arising on account  
15 of the erroneous payment of tax or penalty hereunder. In the  
16 administration of, and compliance with this subsection, the  
17 Department and persons who are subject to this paragraph shall  
18 (i) have the same rights, remedies, privileges, immunities,  
19 powers, and duties, (ii) be subject to the same conditions,  
20 restrictions, limitations, penalties, exclusions, exemptions,  
21 and definitions of terms, and (iii) employ the same modes of  
22 procedure as are prescribed in Sections 2 (except that the  
23 reference to State in the definition of supplier maintaining a  
24 place of business in this State shall mean the District), 2a,  
25 2b, 2c, 3 through 3-50 (in respect to all provisions therein  
26 other than the State rate of tax), 4 (except that the reference

1 to the State shall be to the District), 5, 7, 8 (except that  
2 the jurisdiction to which the tax shall be a debt to the extent  
3 indicated in that Section 8 shall be the District), 9 (except  
4 as to the disposition of taxes and penalties collected), 10,  
5 11, 12 (except the reference therein to Section 2b of the  
6 Retailers' Occupation Tax Act), 13 (except that any reference  
7 to the State shall mean the District), Sections 15, 16, 17, 18,  
8 19 and 20 of the Service Occupation Tax Act and the Uniform  
9 Penalty and Interest Act, as fully as if those provisions were  
10 set forth herein.

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

19 Whenever the Department determines that a refund should be  
20 made under this subsection to a claimant instead of issuing a  
21 credit memorandum, the Department shall notify the State  
22 Comptroller, who shall cause the warrant 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 State Metro-East Park and Recreation  
26 District Fund.

1           Nothing in this subsection shall be construed to authorize  
2 the board to impose a tax upon the privilege of engaging in any  
3 business which under the Constitution of the United States may  
4 not be made the subject of taxation by the State.

5           (c) The Department shall immediately pay over to the State  
6 Treasurer, ex officio, as trustee, all taxes and penalties  
7 collected under this Section to be deposited into the State  
8 Metro-East Park and Recreation District Fund, which shall be an  
9 unappropriated trust fund held outside of the State treasury.

10           As soon as possible after the first day of each month,  
11 beginning January 1, 2011, upon certification of the Department  
12 of Revenue, the Comptroller shall order transferred, and the  
13 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
14 local sales tax increment, as defined in the Innovation  
15 Development and Economy Act, collected under this Section  
16 during the second preceding calendar month for sales within a  
17 STAR bond district. The Department shall make this  
18 certification only if the Metro East Park and Recreation  
19 District imposes a tax on real property as provided in the  
20 definition of "local sales taxes" under the Innovation  
21 Development and Economy Act.

22           After the monthly transfer to the STAR Bonds Revenue Fund,  
23 on or before the 25th day of each calendar month, the  
24 Department shall prepare and certify to the Comptroller the  
25 disbursement of stated sums of money pursuant to Section 35 of  
26 this Act to the District from which retailers have paid taxes

1 or penalties to the Department during the second preceding  
2 calendar month. The amount to be paid to the District shall be  
3 the amount (not including credit memoranda) collected under  
4 this Section during the second preceding calendar month by the  
5 Department plus an amount the Department determines is  
6 necessary to offset any amounts that were erroneously paid to a  
7 different taxing body, and not including (i) an amount equal to  
8 the amount of refunds made during the second preceding calendar  
9 month by the Department on behalf of the District, (ii) any  
10 amount that the Department determines is necessary to offset  
11 any amounts that were payable to a different taxing body but  
12 were erroneously paid to the District, and (iii) any amounts  
13 that are transferred to the STAR Bonds Revenue Fund. Within 10  
14 days after receipt by the Comptroller of the disbursement  
15 certification to the District provided for in this Section to  
16 be given to the Comptroller by the Department, the Comptroller  
17 shall cause the orders to be drawn for the respective amounts  
18 in accordance with directions contained in the certification.

19 (d) For the purpose of determining whether a tax authorized  
20 under this Section is applicable, a retail sale by a producer  
21 of coal or another mineral mined in Illinois is a sale at  
22 retail at the place where the coal or other mineral mined in  
23 Illinois is extracted from the earth. This paragraph does not  
24 apply to coal or another mineral when it is delivered or  
25 shipped by the seller to the purchaser at a point outside  
26 Illinois so that the sale is exempt under the United States

1 Constitution as a sale in interstate or foreign commerce.

2 (e) Nothing in this Section shall be construed to authorize  
3 the board to impose a tax upon the privilege of engaging in any  
4 business that under the Constitution of the United States may  
5 not be made the subject of taxation by this State.

6 (f) An ordinance imposing a tax under this Section or an  
7 ordinance extending the imposition of a tax to an additional  
8 county or counties shall be certified by the board and filed  
9 with the Department of Revenue either (i) on or before the  
10 first day of April, whereupon the Department shall proceed to  
11 administer and enforce the tax as of the first day of July next  
12 following the filing; or (ii) on or before the first day of  
13 October, whereupon the Department shall proceed to administer  
14 and enforce the tax as of the first day of January next  
15 following the filing.

16 (g) When certifying the amount of a monthly disbursement to  
17 the District under this Section, the Department shall increase  
18 or decrease the amounts by an amount necessary to offset any  
19 misallocation of previous disbursements. The offset amount  
20 shall be the amount erroneously disbursed within the previous 6  
21 months from the time a misallocation is discovered.

22 (Source: P.A. 98-1098, eff. 8-26-14.)

23 Section 40. The Local Mass Transit District Act is amended  
24 by changing Section 5.01 as follows:

1 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

2 Sec. 5.01. Metro East Mass Transit District; use and  
3 occupation taxes.

4 (a) The Board of Trustees of any Metro East Mass Transit  
5 District may, by ordinance adopted with the concurrence of  
6 two-thirds of the then trustees, impose throughout the District  
7 any or all of the taxes and fees provided in this Section. All  
8 taxes and fees imposed under this Section shall be used only  
9 for public mass transportation systems, and the amount used to  
10 provide mass transit service to unserved areas of the District  
11 shall be in the same proportion to the total proceeds as the  
12 number of persons residing in the unserved areas is to the  
13 total population of the District. Except as otherwise provided  
14 in this Act, taxes imposed under this Section and civil  
15 penalties imposed incident thereto shall be collected and  
16 enforced by the State Department of Revenue. The Department  
17 shall have the power to administer and enforce the taxes and to  
18 determine all rights for refunds for erroneous payments of the  
19 taxes.

20 (b) The Board may impose a Metro East Mass Transit District  
21 Retailers' Occupation Tax upon all persons engaged in the  
22 business of selling tangible personal property at retail in the  
23 district at a rate of 1/4 of 1%, or as authorized under  
24 subsection (d-5) of this Section, of the gross receipts from  
25 the sales made in the course of such business within the  
26 district. The tax imposed under this Section and all civil

1 penalties that may be assessed as an incident thereof shall be  
2 collected and enforced by the State Department of Revenue. The  
3 Department shall have full power to administer and enforce this  
4 Section; to collect all taxes and penalties so collected in the  
5 manner hereinafter provided; and to determine all rights to  
6 credit memoranda arising on account of the erroneous payment of  
7 tax or penalty hereunder. In the administration of, and  
8 compliance with, this Section, the Department and persons who  
9 are subject to this Section shall have the same rights,  
10 remedies, privileges, immunities, powers and duties, and be  
11 subject to the same conditions, restrictions, limitations,  
12 penalties, exclusions, exemptions and definitions of terms and  
13 employ the same modes of procedure, as are prescribed in  
14 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65  
15 (in respect to all provisions therein other than the State rate  
16 of tax), 2c, 3 (except as to the disposition of taxes and  
17 penalties collected), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,  
18 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, 13, and 14 of  
19 the Retailers' Occupation Tax Act and Section 3-7 of the  
20 Uniform Penalty and Interest Act, as fully as if those  
21 provisions were set forth herein.

22 Persons subject to any tax imposed under the Section may  
23 reimburse themselves for their seller's tax liability  
24 hereunder by separately stating the tax as an additional  
25 charge, which charge may be stated in combination, in a single  
26 amount, with State taxes that sellers are required to collect

1 under the Use Tax Act, in accordance with such bracket  
2 schedules as the Department may prescribe.

3 Whenever the Department determines that a refund should be  
4 made under this Section to a claimant instead of issuing a  
5 credit memorandum, the Department shall notify the State  
6 Comptroller, who shall cause the warrant to be drawn for the  
7 amount specified, and to the person named, in the notification  
8 from the Department. The refund shall be paid by the State  
9 Treasurer out of the Metro East Mass Transit District tax fund  
10 established under paragraph (h) of this Section.

11 If a tax is imposed under this subsection (b), a tax shall  
12 also be imposed under subsections (c) and (d) of this Section.

13 For the purpose of determining whether a tax authorized  
14 under this Section is applicable, a retail sale, by a producer  
15 of coal or other mineral mined in Illinois, is a sale at retail  
16 at the place where the coal or other mineral mined in Illinois  
17 is extracted from the earth. This paragraph does not apply to  
18 coal or other mineral when it is delivered or shipped by the  
19 seller to the purchaser at a point outside Illinois so that the  
20 sale is exempt under the Federal Constitution as a sale in  
21 interstate or foreign commerce.

22 No tax shall be imposed or collected under this subsection  
23 on the sale of a motor vehicle in this State to a resident of  
24 another state if that motor vehicle will not be titled in this  
25 State.

26 Nothing in this Section shall be construed to authorize the



1 Metro East Mass Transit District to impose a tax upon the  
2 privilege of engaging in any business which under the  
3 Constitution of the United States may not be made the subject  
4 of taxation by this State.

5 (c) If a tax has been imposed under subsection (b), a Metro  
6 East Mass Transit District Service Occupation Tax shall also be  
7 imposed upon all persons engaged, in the district, in the  
8 business of making sales of service, who, as an incident to  
9 making those sales of service, transfer tangible personal  
10 property within the District, either in the form of tangible  
11 personal property or in the form of real estate as an incident  
12 to a sale of service. The tax rate shall be 1/4%, or as  
13 authorized under subsection (d-5) of this Section, of the  
14 selling price of tangible personal property so transferred  
15 within the district. The tax imposed under this paragraph and  
16 all civil penalties that may be assessed as an incident thereof  
17 shall be collected and enforced by the State Department of  
18 Revenue. The Department shall have full power to administer and  
19 enforce this paragraph; to collect all taxes and penalties due  
20 hereunder; to dispose of taxes and penalties so collected in  
21 the manner hereinafter provided; and to determine all rights to  
22 credit memoranda arising on account of the erroneous payment of  
23 tax or penalty hereunder. In the administration of, and  
24 compliance with this paragraph, the Department and persons who  
25 are subject to this paragraph shall have the same rights,  
26 remedies, privileges, immunities, powers and duties, and be

1 subject to the same conditions, restrictions, limitations,  
2 penalties, exclusions, exemptions and definitions of terms and  
3 employ the same modes of procedure as are prescribed in  
4 Sections 1a-1, 2 (except that the reference to State in the  
5 definition of supplier maintaining a place of business in this  
6 State shall mean the Authority), 2a, 3 through 3-50 (in respect  
7 to all provisions therein other than the State rate of tax), 4  
8 (except that the reference to the State shall be to the  
9 Authority), 5, 7, 8 (except that the jurisdiction to which the  
10 tax shall be a debt to the extent indicated in that Section 8  
11 shall be the District), 9 (except as to the disposition of  
12 taxes and penalties collected, and except that the returned  
13 merchandise credit for this tax may not be taken against any  
14 State tax), 10, 11, 12 (except the reference therein to Section  
15 2b of the Retailers' Occupation Tax Act), 13 (except that any  
16 reference to the State shall mean the District), the first  
17 paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service  
18 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
19 Interest Act, as fully as if those provisions were set forth  
20 herein.

21 Persons subject to any tax imposed under the authority  
22 granted in this paragraph may reimburse themselves for their  
23 serviceman's tax liability hereunder by separately stating the  
24 tax as an additional charge, which charge may be stated in  
25 combination, in a single amount, with State tax that servicemen  
26 are authorized to collect under the Service Use Tax Act, in

1 accordance with such bracket schedules as the Department may  
2 prescribe.

3 Whenever the Department determines that a refund should be  
4 made under this paragraph to a claimant instead of issuing a  
5 credit memorandum, the Department shall notify the State  
6 Comptroller, who shall cause the warrant to be drawn for the  
7 amount specified, and to the person named, in the notification  
8 from the Department. The refund shall be paid by the State  
9 Treasurer out of the Metro East Mass Transit District tax fund  
10 established under paragraph (h) of this Section.

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

15 (d) If a tax has been imposed under subsection (b), a Metro  
16 East Mass Transit District Use Tax shall also be imposed upon  
17 the privilege of using, in the district, any item of tangible  
18 personal property that is purchased outside the district at  
19 retail from a retailer, and that is titled or registered with  
20 an agency of this State's government, at a rate of 1/4%, or as  
21 authorized under subsection (d-5) of this Section, of the  
22 selling price of the tangible personal property within the  
23 District, as "selling price" is defined in the Use Tax Act. The  
24 tax shall be collected from persons whose Illinois address for  
25 titling or registration purposes is given as being in the  
26 District. The tax shall be collected by the Department of

1 Revenue for the Metro East Mass Transit District. The tax must  
2 be paid to the State, or an exemption determination must be  
3 obtained from the Department of Revenue, before the title or  
4 certificate of registration for the property may be issued. The  
5 tax or proof of exemption may be transmitted to the Department  
6 by way of the State agency with which, or the State officer  
7 with whom, the tangible personal property must be titled or  
8 registered if the Department and the State agency or State  
9 officer determine that this procedure will expedite the  
10 processing of applications for title or registration.

11 The Department shall have full power to administer and  
12 enforce this paragraph; to collect all taxes, penalties and  
13 interest due hereunder; to dispose of taxes, penalties and  
14 interest so collected in the manner hereinafter provided; and  
15 to determine all rights to credit memoranda or refunds arising  
16 on account of the erroneous payment of tax, penalty or interest  
17 hereunder. In the administration of, and compliance with, this  
18 paragraph, the Department and persons who are subject to this  
19 paragraph shall have the same rights, remedies, privileges,  
20 immunities, powers and duties, and be subject to the same  
21 conditions, restrictions, limitations, penalties, exclusions,  
22 exemptions and definitions of terms and employ the same modes  
23 of procedure, as are prescribed in Sections 2 (except the  
24 definition of "retailer maintaining a place of business in this  
25 State"), 3 through 3-80 (except provisions pertaining to the  
26 State rate of tax, and except provisions concerning collection

1 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,  
2 19 (except the portions pertaining to claims by retailers and  
3 except the last paragraph concerning refunds), 20, 21 and 22 of  
4 the Use Tax Act and Section 3-7 of the Uniform Penalty and  
5 Interest Act, that are not inconsistent with this paragraph, as  
6 fully as if those provisions were set forth herein.

7 Whenever the Department determines that a refund should be  
8 made under this paragraph to a claimant instead of issuing a  
9 credit memorandum, the Department shall notify the State  
10 Comptroller, who shall cause the order to be drawn for the  
11 amount specified, and to the person named, in the notification  
12 from the Department. The refund shall be paid by the State  
13 Treasurer out of the Metro East Mass Transit District tax fund  
14 established under paragraph (h) of this Section.

15 (d-5) (A) The county board of any county participating in  
16 the Metro East Mass Transit District may authorize, by  
17 ordinance, a referendum on the question of whether the tax  
18 rates for the Metro East Mass Transit District Retailers'  
19 Occupation Tax, the Metro East Mass Transit District Service  
20 Occupation Tax, and the Metro East Mass Transit District Use  
21 Tax for the District should be increased from 0.25% to 0.75%.  
22 Upon adopting the ordinance, the county board shall certify the  
23 proposition to the proper election officials who shall submit  
24 the proposition to the voters of the District at the next  
25 election, in accordance with the general election law.

26 The proposition shall be in substantially the following

1 form:

2           Shall the tax rates for the Metro East Mass Transit  
3           District Retailers' Occupation Tax, the Metro East Mass  
4           Transit District Service Occupation Tax, and the Metro East  
5           Mass Transit District Use Tax be increased from 0.25% to  
6           0.75%?

7           (B) Two thousand five hundred electors of any Metro East  
8           Mass Transit District may petition the Chief Judge of the  
9           Circuit Court, or any judge of that Circuit designated by the  
10          Chief Judge, in which that District is located to cause to be  
11          submitted to a vote of the electors the question whether the  
12          tax rates for the Metro East Mass Transit District Retailers'  
13          Occupation Tax, the Metro East Mass Transit District Service  
14          Occupation Tax, and the Metro East Mass Transit District Use  
15          Tax for the District should be increased from 0.25% to 0.75%.

16          Upon submission of such petition the court shall set a date  
17          not less than 10 nor more than 30 days thereafter for a hearing  
18          on the sufficiency thereof. Notice of the filing of such  
19          petition and of such date shall be given in writing to the  
20          District and the County Clerk at least 7 days before the date  
21          of such hearing.

22          If such petition is found sufficient, the court shall enter  
23          an order to submit that proposition at the next election, in  
24          accordance with general election law.

25          The form of the petition shall be in substantially the  
26          following form: To the Circuit Court of the County of (name of

1 county):

2 We, the undersigned electors of the (name of transit  
3 district), respectfully petition your honor to submit to a  
4 vote of the electors of (name of transit district) the  
5 following proposition:

6 Shall the tax rates for the Metro East Mass Transit  
7 District Retailers' Occupation Tax, the Metro East Mass  
8 Transit District Service Occupation Tax, and the Metro East  
9 Mass Transit District Use Tax be increased from 0.25% to  
10 0.75%?

| 11 Name  | Address, with Street and Number. |
|----------|----------------------------------|
| 12 ..... | .....                            |
| 13 ..... | .....                            |

14 (C) The votes shall be recorded as "YES" or "NO". If a  
15 majority of all votes cast on the proposition are for the  
16 increase in the tax rates, the Metro East Mass Transit District  
17 shall begin imposing the increased rates in the District, and  
18 the Department of Revenue shall begin collecting the increased  
19 amounts, as provided under this Section. An ordinance imposing  
20 or discontinuing a 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  
23 October, whereupon the Department shall proceed to administer  
24 and enforce this Section as of the first day of January next  
25 following the adoption and filing, or on or before the first  
26 day of April, whereupon the Department shall proceed to

1 administer and enforce this Section as of the first day of July  
2 next following the adoption and filing.

3 (D) If the voters have approved a referendum under this  
4 subsection, before November 1, 1994, to increase the tax rate  
5 under this subsection, the Metro East Mass Transit District  
6 Board of Trustees may adopt by a majority vote an ordinance at  
7 any time before January 1, 1995 that excludes from the rate  
8 increase tangible personal property that is titled or  
9 registered with an agency of this State's government. The  
10 ordinance excluding titled or registered tangible personal  
11 property from the rate increase must be filed with the  
12 Department at least 15 days before its effective date. At any  
13 time after adopting an ordinance excluding from the rate  
14 increase tangible personal property that is titled or  
15 registered with an agency of this State's government, the Metro  
16 East Mass Transit District Board of Trustees may adopt an  
17 ordinance applying the rate increase to that tangible personal  
18 property. The ordinance shall be adopted, and a certified copy  
19 of that ordinance shall be filed with the Department, on or  
20 before October 1, whereupon the Department shall proceed to  
21 administer and enforce the rate increase against tangible  
22 personal property titled or registered with an agency of this  
23 State's government as of the following January 1. After  
24 December 31, 1995, any reimposed rate increase in effect under  
25 this subsection shall no longer apply to tangible personal  
26 property titled or registered with an agency of this State's



1 government. Beginning January 1, 1996, the Board of Trustees of  
2 any Metro East Mass Transit District may never reimpose a  
3 previously excluded tax rate increase on tangible personal  
4 property titled or registered with an agency of this State's  
5 government. After July 1, 2004, if the voters have approved a  
6 referendum under this subsection to increase the tax rate under  
7 this subsection, the Metro East Mass Transit District Board of  
8 Trustees may adopt by a majority vote an ordinance that  
9 excludes from the rate increase tangible personal property that  
10 is titled or registered with an agency of this State's  
11 government. The ordinance excluding titled or registered  
12 tangible personal property from the rate increase shall be  
13 adopted, and a certified copy of that ordinance shall be filed  
14 with the Department on or before October 1, whereupon the  
15 Department shall administer and enforce this exclusion from the  
16 rate increase as of the following January 1, or on or before  
17 April 1, whereupon the Department shall administer and enforce  
18 this exclusion from the rate increase as of the following July  
19 1. The Board of Trustees of any Metro East Mass Transit  
20 District may never reimpose a previously excluded tax rate  
21 increase on tangible personal property titled or registered  
22 with an agency of this State's government.

23 (d-6) If the Board of Trustees of any Metro East Mass  
24 Transit District has imposed a rate increase under subsection  
25 (d-5) and filed an ordinance with the Department of Revenue  
26 excluding titled property from the higher rate, then that Board

1 may, by ordinance adopted with the concurrence of two-thirds of  
2 the then trustees, impose throughout the District a fee. The  
3 fee on the excluded property shall not exceed \$20 per retail  
4 transaction or an amount equal to the amount of tax excluded,  
5 whichever is less, on tangible personal property that is titled  
6 or registered with an agency of this State's government.  
7 Beginning July 1, 2004, the fee shall apply only to titled  
8 property that is subject to either the Metro East Mass Transit  
9 District Retailers' Occupation Tax or the Metro East Mass  
10 Transit District Service Occupation Tax. No fee shall be  
11 imposed or collected under this subsection on the sale of a  
12 motor vehicle in this State to a resident of another state if  
13 that motor vehicle will not be titled in this State.

14 (d-7) Until June 30, 2004, if a fee has been imposed under  
15 subsection (d-6), a fee shall also be imposed upon the  
16 privilege of using, in the district, any item of tangible  
17 personal property that is titled or registered with any agency  
18 of this State's government, in an amount equal to the amount of  
19 the fee imposed under subsection (d-6).

20 (d-7.1) Beginning July 1, 2004, any fee imposed by the  
21 Board of Trustees of any Metro East Mass Transit District under  
22 subsection (d-6) and all civil penalties that may be assessed  
23 as an incident of the fees shall be collected and enforced by  
24 the State Department of Revenue. Reference to "taxes" in this  
25 Section shall be construed to apply to the administration,  
26 payment, and remittance of all fees under this Section. For

1 purposes of any fee imposed under subsection (d-6), 4% of the  
2 fee, penalty, and interest received by the Department in the  
3 first 12 months that the fee is collected and enforced by the  
4 Department and 2% of the fee, penalty, and interest following  
5 the first 12 months shall be deposited into the Tax Compliance  
6 and Administration Fund and shall be used by the Department,  
7 subject to appropriation, to cover the costs of the Department.  
8 No retailers' discount shall apply to any fee imposed under  
9 subsection (d-6).

10 (d-8) No item of titled property shall be subject to both  
11 the higher rate approved by referendum, as authorized under  
12 subsection (d-5), and any fee imposed under subsection (d-6) or  
13 (d-7).

14 (d-9) (Blank).

15 (d-10) (Blank).

16 (e) A certificate of registration issued by the State  
17 Department of Revenue to a retailer under the Retailers'  
18 Occupation Tax Act or under the Service Occupation Tax Act  
19 shall permit the registrant to engage in a business that is  
20 taxed under the tax imposed under paragraphs (b), (c) or (d) of  
21 this Section and no additional registration shall be required  
22 under the tax. A certificate issued under the Use Tax Act or  
23 the Service Use Tax Act shall be applicable with regard to any  
24 tax imposed under paragraph (c) of this Section.

25 (f) (Blank).

26 (g) Any ordinance imposing or discontinuing any tax under

1 this Section shall be adopted and a certified copy thereof  
2 filed with the Department on or before June 1, whereupon the  
3 Department of Revenue shall proceed to administer and enforce  
4 this Section on behalf of the Metro East Mass Transit District  
5 as of September 1 next following such adoption and filing.  
6 Beginning January 1, 1992, an ordinance or resolution imposing  
7 or discontinuing the tax hereunder shall be adopted and a  
8 certified copy thereof filed with the Department on or before  
9 the first day of July, whereupon the Department shall proceed  
10 to administer and enforce this Section as of the first day of  
11 October next following such adoption and filing. Beginning  
12 January 1, 1993, except as provided in subsection (d-5) of this  
13 Section, an ordinance or resolution imposing or discontinuing  
14 the tax hereunder shall be adopted and a certified copy thereof  
15 filed with the Department on or before the first day of  
16 October, whereupon the Department shall proceed to administer  
17 and enforce this Section as of the first day of January next  
18 following such adoption and filing, or, beginning January 1,  
19 2004, on or before the first day of April, whereupon the  
20 Department shall proceed to administer and enforce this Section  
21 as of the first day of July next following the adoption and  
22 filing.

23 (h) Except as provided in subsection (d-7.1), the State  
24 Department of Revenue shall, upon collecting any taxes as  
25 provided in this Section, pay the taxes over to the State  
26 Treasurer as trustee for the District. The taxes shall be held

1 in a trust fund outside the State Treasury.

2 As soon as possible after the first day of each month,  
3 beginning January 1, 2011, upon certification of the Department  
4 of Revenue, the Comptroller shall order transferred, and the  
5 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
6 local sales tax increment, as defined in the Innovation  
7 Development and Economy Act, collected under this Section  
8 during the second preceding calendar month for sales within a  
9 STAR bond district. The Department shall make this  
10 certification only if the local mass transit district imposes a  
11 tax on real property as provided in the definition of "local  
12 sales taxes" under the Innovation Development and Economy Act.

13 After the monthly transfer to the STAR Bonds Revenue Fund,  
14 on or before the 25th day of each calendar month, the State  
15 Department of Revenue shall prepare and certify to the  
16 Comptroller of the State of Illinois the amount to be paid to  
17 the District, which shall be the amount (not including credit  
18 memoranda) collected under this Section during the second  
19 preceding calendar month by the Department plus an amount the  
20 Department determines is necessary to offset any amounts that  
21 were erroneously paid to a different taxing body, and not  
22 including any amount equal to the amount of refunds made during  
23 the second preceding calendar month by the Department on behalf  
24 of the District, and not including any amount that the  
25 Department determines is necessary to offset any amounts that  
26 were payable to a different taxing body but were erroneously

1 paid to the District, and less any amounts that are transferred  
2 to the STAR Bonds Revenue Fund. Within 10 days after receipt by  
3 the Comptroller of the certification of the amount to be paid  
4 to the District, the Comptroller shall cause an order to be  
5 drawn for payment for the amount in accordance with the  
6 direction in the certification.

7 (Source: P.A. 98-298, eff. 8-9-13.)

8 Section 45. The Regional Transportation Authority Act is  
9 amended by changing Section 4.03 as follows:

10 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

11 Sec. 4.03. Taxes.

12 (a) In order to carry out any of the powers or purposes of  
13 the Authority, the Board may by ordinance adopted with the  
14 concurrence of 12 of the then Directors, impose throughout the  
15 metropolitan region any or all of the taxes provided in this  
16 Section. Except as otherwise provided in this Act, taxes  
17 imposed under this Section and civil penalties imposed incident  
18 thereto shall be collected and enforced by the State Department  
19 of Revenue. The Department shall have the power to administer  
20 and enforce the taxes and to determine all rights for refunds  
21 for erroneous payments of the taxes. Nothing in this amendatory  
22 Act of the 95th General Assembly is intended to invalidate any  
23 taxes currently imposed by the Authority. The increased vote  
24 requirements to impose a tax shall only apply to actions taken

1 after the effective date of this amendatory Act of the 95th  
2 General Assembly.

3 (b) The Board may impose a public transportation tax upon  
4 all persons engaged in the metropolitan region in the business  
5 of selling at retail motor fuel for operation of motor vehicles  
6 upon public highways. The tax shall be at a rate not to exceed  
7 5% of the gross receipts from the sales of motor fuel in the  
8 course of the business. As used in this Act, the term "motor  
9 fuel" shall have the same meaning as in the Motor Fuel Tax Law.  
10 The Board may provide for details of the tax. The provisions of  
11 any tax shall conform, as closely as may be practicable, to the  
12 provisions of the Municipal Retailers Occupation Tax Act,  
13 including without limitation, conformity to penalties with  
14 respect to the tax imposed and as to the powers of the State  
15 Department of Revenue to promulgate and enforce rules and  
16 regulations relating to the administration and enforcement of  
17 the provisions of the tax imposed, except that reference in the  
18 Act to any municipality shall refer to the Authority and the  
19 tax shall be imposed only with regard to receipts from sales of  
20 motor fuel in the metropolitan region, at rates as limited by  
21 this Section.

22 (c) In connection with the tax imposed under paragraph (b)  
23 of this Section the Board may impose a tax upon the privilege  
24 of using in the metropolitan region motor fuel for the  
25 operation of a motor vehicle upon public highways, the tax to  
26 be at a rate not in excess of the rate of tax imposed under

1 paragraph (b) of this Section. The Board may provide for  
2 details of the tax.

3 (d) The Board may impose a motor vehicle parking tax upon  
4 the privilege of parking motor vehicles at off-street parking  
5 facilities in the metropolitan region at which a fee is  
6 charged, and may provide for reasonable classifications in and  
7 exemptions to the tax, for administration and enforcement  
8 thereof and for civil penalties and refunds thereunder and may  
9 provide criminal penalties thereunder, the maximum penalties  
10 not to exceed the maximum criminal penalties provided in the  
11 Retailers' Occupation Tax Act. The Authority may collect and  
12 enforce the tax itself or by contract with any unit of local  
13 government. The State Department of Revenue shall have no  
14 responsibility for the collection and enforcement unless the  
15 Department agrees with the Authority to undertake the  
16 collection and enforcement. As used in this paragraph, the term  
17 "parking facility" means a parking area or structure having  
18 parking spaces for more than 2 vehicles at which motor vehicles  
19 are permitted to park in return for an hourly, daily, or other  
20 periodic fee, whether publicly or privately owned, but does not  
21 include parking spaces on a public street, the use of which is  
22 regulated by parking meters.

23 (e) The Board may impose a Regional Transportation  
24 Authority Retailers' Occupation Tax upon all persons engaged in  
25 the business of selling tangible personal property at retail in  
26 the metropolitan region. In Cook County the tax rate shall be



1 1.25% of the gross receipts from sales of food for human  
2 consumption that is to be consumed off the premises where it is  
3 sold (other than alcoholic beverages, soft drinks and food that  
4 has been prepared for immediate consumption) and prescription  
5 and nonprescription medicines, drugs, medical appliances and  
6 insulin, urine testing materials, syringes and needles used by  
7 diabetics, and 1% of the gross receipts from other taxable  
8 sales made in the course of that business. In DuPage, Kane,  
9 Lake, McHenry, and Will Counties, the tax rate shall be 0.75%  
10 of the gross receipts from all taxable sales made in the course  
11 of that business. The tax imposed under this Section and all  
12 civil penalties that may be assessed as an incident thereof  
13 shall be collected and enforced by the State Department of  
14 Revenue. The Department shall have full power to administer and  
15 enforce this Section; to collect all taxes and penalties so  
16 collected in the manner hereinafter provided; and to determine  
17 all rights to credit memoranda arising on account of the  
18 erroneous payment of tax or penalty hereunder. In the  
19 administration of, and compliance with this Section, the  
20 Department and persons who are subject to this Section shall  
21 have the same rights, remedies, privileges, immunities, powers  
22 and duties, and be subject to the same conditions,  
23 restrictions, limitations, penalties, exclusions, exemptions  
24 and definitions of terms, and employ the same modes of  
25 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,  
26 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions

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

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

14       Whenever the Department determines that a refund should be  
15 made under this Section to a claimant instead of issuing a  
16 credit memorandum, the Department shall notify the State  
17 Comptroller, who shall cause the warrant to be drawn for the  
18 amount specified, and to the person named, in the notification  
19 from the Department. The refund shall be paid by the State  
20 Treasurer out of the Regional Transportation Authority tax fund  
21 established under paragraph (n) of this Section.

22       If a tax is imposed under this subsection (e), a tax shall  
23 also be imposed under subsections (f) and (g) of this Section.

24       For the purpose of determining whether a tax authorized  
25 under this Section is applicable, a retail sale by a producer  
26 of coal or other mineral mined in Illinois, is a sale at retail

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

7 No tax shall be imposed or collected under this subsection  
8 on the sale of a motor vehicle in this State to a resident of  
9 another state if that motor vehicle will not be titled in this  
10 State.

11 Nothing in this Section shall be construed to authorize the  
12 Regional Transportation Authority to impose a tax upon the  
13 privilege of engaging in any business that under the  
14 Constitution of the United States may not be made the subject  
15 of taxation by this State.

16 (f) If a tax has been imposed under paragraph (e), a  
17 Regional Transportation Authority Service Occupation Tax shall  
18 also be imposed upon all persons engaged, in the metropolitan  
19 region in the business of making sales of service, who as an  
20 incident to making the sales of service, transfer tangible  
21 personal property within the metropolitan region, either in the  
22 form of tangible personal property or in the form of real  
23 estate as an incident to a sale of service. In Cook County, the  
24 tax rate shall be: (1) 1.25% of the serviceman's cost price of  
25 food prepared for immediate consumption and transferred  
26 incident to a sale of service subject to the service occupation

1 tax by an entity licensed under the Hospital Licensing Act, the  
2 Nursing Home Care Act, the Specialized Mental Health  
3 Rehabilitation Act of 2013, or the ID/DD Community Care Act  
4 that is located in the metropolitan region; (2) 1.25% of the  
5 selling price of food for human consumption that is to be  
6 consumed off the premises where it is sold (other than  
7 alcoholic beverages, soft drinks and food that has been  
8 prepared for immediate consumption) and prescription and  
9 nonprescription medicines, drugs, medical appliances and  
10 insulin, urine testing materials, syringes and needles used by  
11 diabetics; and (3) 1% of the selling price from other taxable  
12 sales of tangible personal property transferred. In DuPage,  
13 Kane, Lake, McHenry and Will Counties the rate shall be 0.75%  
14 of the selling price of all tangible personal property  
15 transferred.

16 The tax imposed under this paragraph and all civil  
17 penalties that may be assessed as an incident thereof shall be  
18 collected and enforced by the State Department of Revenue. The  
19 Department shall have full power to administer and enforce this  
20 paragraph; to collect all taxes and penalties due hereunder; to  
21 dispose of taxes and penalties collected in the manner  
22 hereinafter provided; and to determine all rights to credit  
23 memoranda arising on account of the erroneous payment of tax or  
24 penalty hereunder. In the administration of and compliance with  
25 this paragraph, the Department and persons who are subject to  
26 this paragraph shall have the same rights, remedies,

1 privileges, immunities, powers and duties, and be subject to  
2 the same conditions, restrictions, limitations, penalties,  
3 exclusions, exemptions and definitions of terms, and employ the  
4 same modes of procedure, as are prescribed in Sections 1a-1, 2,  
5 2a, 3 through 3-50 (in respect to all provisions therein other  
6 than the State rate of tax), 4 (except that the reference to  
7 the State shall be to the Authority), 5, 7, 8 (except that the  
8 jurisdiction to which the tax shall be a debt to the extent  
9 indicated in that Section 8 shall be the Authority), 9 (except  
10 as to the disposition of taxes and penalties collected, and  
11 except that the returned merchandise credit for this tax may  
12 not be taken against any State tax), 10, 11, 12 (except the  
13 reference therein to Section 2b of the Retailers' Occupation  
14 Tax Act), 13 (except that any reference to the State shall mean  
15 the Authority), the first paragraph of Section 15, 16, 17, 18,  
16 19 and 20 of the Service Occupation Tax Act and Section 3-7 of  
17 the Uniform Penalty and Interest Act, as fully as if those  
18 provisions were set forth herein.

19 Persons subject to any tax imposed under the authority  
20 granted in this paragraph may reimburse themselves for their  
21 serviceman's tax liability hereunder by separately stating the  
22 tax as an additional charge, that charge may be stated in  
23 combination in a single amount with State tax that servicemen  
24 are authorized to collect under the Service Use Tax Act, under  
25 any bracket schedules the Department may prescribe.

26 Whenever the Department determines that a refund should be

1 made under this paragraph to a claimant instead of issuing a  
2 credit memorandum, the Department shall notify the State  
3 Comptroller, who shall cause the warrant to be drawn for the  
4 amount specified, and to the person named in the notification  
5 from the Department. The refund shall be paid by the State  
6 Treasurer out of the Regional Transportation Authority tax fund  
7 established under paragraph (n) of this Section.

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

12 (g) If a tax has been imposed under paragraph (e), a tax  
13 shall also be imposed upon the privilege of using in the  
14 metropolitan region, any item of tangible personal property  
15 that is purchased outside the metropolitan region at retail  
16 from a retailer, and that is titled or registered with an  
17 agency of this State's government. In Cook County the tax rate  
18 shall be 1% of the selling price of the tangible personal  
19 property, as "selling price" is defined in the Use Tax Act. In  
20 DuPage, Kane, Lake, McHenry and Will counties the tax rate  
21 shall be 0.75% of the selling price of the tangible personal  
22 property, as "selling price" is defined in the Use Tax Act. The  
23 tax shall be collected from persons whose Illinois address for  
24 titling or registration purposes is given as being in the  
25 metropolitan region. The tax shall be collected by the  
26 Department of Revenue for the Regional Transportation

1 Authority. The tax must be paid to the State, or an exemption  
2 determination must be obtained from the Department of Revenue,  
3 before the title or certificate of registration for the  
4 property may be issued. The tax or proof of exemption may be  
5 transmitted to the Department by way of the State agency with  
6 which, or the State officer with whom, the tangible personal  
7 property must be titled or registered if the Department and the  
8 State agency or State officer determine that this procedure  
9 will expedite the processing of applications for title or  
10 registration.

11 The Department shall have full power to administer and  
12 enforce this paragraph; to collect all taxes, penalties and  
13 interest due hereunder; to dispose of taxes, penalties and  
14 interest collected in the manner hereinafter provided; and to  
15 determine all rights to credit memoranda or refunds arising on  
16 account of the erroneous payment of tax, penalty or interest  
17 hereunder. In the administration of and compliance with this  
18 paragraph, the Department and persons who are subject to this  
19 paragraph shall have the same rights, remedies, privileges,  
20 immunities, powers and duties, and be subject to the same  
21 conditions, restrictions, limitations, penalties, exclusions,  
22 exemptions and definitions of terms and employ the same modes  
23 of procedure, as are prescribed in Sections 2 (except the  
24 definition of "retailer maintaining a place of business in this  
25 State"), 3 through 3-80 (except provisions pertaining to the  
26 State rate of tax, and except provisions concerning collection

1 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,  
2 19 (except the portions pertaining to claims by retailers and  
3 except the last paragraph concerning refunds), 20, 21 and 22 of  
4 the Use Tax Act, and are not inconsistent with this paragraph,  
5 as fully as if those provisions were set forth herein.

6 Whenever the Department determines that a refund should be  
7 made under this paragraph 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 the notification  
11 from the Department. The refund shall be paid by the State  
12 Treasurer out of the Regional Transportation Authority tax fund  
13 established under paragraph (n) of this Section.

14 (h) The Authority may impose a replacement vehicle tax of  
15 \$50 on any passenger car as defined in Section 1-157 of the  
16 Illinois Vehicle Code purchased within the metropolitan region  
17 by or on behalf of an insurance company to replace a passenger  
18 car of an insured person in settlement of a total loss claim.  
19 The tax imposed may not become effective before the first day  
20 of the month following the passage of the ordinance imposing  
21 the tax and receipt of a certified copy of the ordinance by the  
22 Department of Revenue. The Department of Revenue shall collect  
23 the tax for the Authority in accordance with Sections 3-2002  
24 and 3-2003 of the Illinois Vehicle Code.

25 The Department shall immediately pay over to the State  
26 Treasurer, ex officio, as trustee, all taxes collected



1 hereunder.

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

10 After the monthly transfer to the STAR Bonds Revenue Fund,  
11 on or before the 25th day of each calendar month, the  
12 Department shall prepare and certify to the Comptroller the  
13 disbursement of stated sums of money to the Authority. The  
14 amount to be paid to the Authority shall be the amount  
15 collected hereunder during the second preceding calendar month  
16 by the Department, less any amount determined by the Department  
17 to be necessary for the payment of refunds, and less any  
18 amounts that are transferred to the STAR Bonds Revenue Fund.  
19 Within 10 days after receipt by the Comptroller of the  
20 disbursement certification to the Authority provided for in  
21 this Section to be given to the Comptroller by the Department,  
22 the Comptroller shall cause the orders to be drawn for that  
23 amount in accordance with the directions contained in the  
24 certification.

25 (i) The Board may not impose any other taxes except as it  
26 may from time to time be authorized by law to impose.

1           (j) A certificate of registration issued by the State  
2 Department of Revenue to a retailer under the Retailers'  
3 Occupation Tax Act or under the Service Occupation Tax Act  
4 shall permit the registrant to engage in a business that is  
5 taxed under the tax imposed under paragraphs (b), (e), (f) or  
6 (g) of this Section and no additional registration shall be  
7 required under the tax. A certificate issued under the Use Tax  
8 Act or the Service Use Tax Act shall be applicable with regard  
9 to any tax imposed under paragraph (c) of this Section.

10           (k) The provisions of any tax imposed under paragraph (c)  
11 of this Section shall conform as closely as may be practicable  
12 to the provisions of the Use Tax Act, including without  
13 limitation conformity as to penalties with respect to the tax  
14 imposed and as to the powers of the State Department of Revenue  
15 to promulgate and enforce rules and regulations relating to the  
16 administration and enforcement of the provisions of the tax  
17 imposed. The taxes shall be imposed only on use within the  
18 metropolitan region and at rates as provided in the paragraph.

19           (l) The Board in imposing any tax as provided in paragraphs  
20 (b) and (c) of this Section, shall, after seeking the advice of  
21 the State Department of Revenue, provide means for retailers,  
22 users or purchasers of motor fuel for purposes other than those  
23 with regard to which the taxes may be imposed as provided in  
24 those paragraphs to receive refunds of taxes improperly paid,  
25 which provisions may be at variance with the refund provisions  
26 as applicable under the Municipal Retailers Occupation Tax Act.

1 The State Department of Revenue may provide for certificates of  
2 registration for users or purchasers of motor fuel for purposes  
3 other than those with regard to which taxes may be imposed as  
4 provided in paragraphs (b) and (c) of this Section to  
5 facilitate the reporting and nontaxability of the exempt sales  
6 or uses.

7 (m) Any ordinance imposing or discontinuing any tax under  
8 this Section shall be adopted and a certified copy thereof  
9 filed with the Department on or before June 1, whereupon the  
10 Department of Revenue shall proceed to administer and enforce  
11 this Section on behalf of the Regional Transportation Authority  
12 as of September 1 next following such adoption and filing.  
13 Beginning January 1, 1992, an ordinance or resolution imposing  
14 or discontinuing the tax hereunder shall be adopted and a  
15 certified copy thereof filed with the Department on or before  
16 the first day of July, whereupon the Department shall proceed  
17 to administer and enforce this Section as of the first day of  
18 October next following such adoption and filing. Beginning  
19 January 1, 1993, an ordinance or resolution imposing,  
20 increasing, decreasing, or discontinuing the tax hereunder  
21 shall be adopted and a certified copy thereof filed with the  
22 Department, whereupon the Department shall proceed to  
23 administer and enforce this Section as of the first day of the  
24 first month to occur not less than 60 days following such  
25 adoption and filing. Any ordinance or resolution of the  
26 Authority imposing a tax under this Section and in effect on

1 August 1, 2007 shall remain in full force and effect and shall  
2 be administered by the Department of Revenue under the terms  
3 and conditions and rates of tax established by such ordinance  
4 or resolution until the Department begins administering and  
5 enforcing an increased tax under this Section as authorized by  
6 this amendatory Act of the 95th General Assembly. The tax rates  
7 authorized by this amendatory Act of the 95th General Assembly  
8 are effective only if imposed by ordinance of the Authority.

9 (n) The State Department of Revenue shall, upon collecting  
10 any taxes as provided in this Section, pay the taxes over to  
11 the State Treasurer as trustee for the Authority. The taxes  
12 shall be held in a trust fund outside the State Treasury. On or  
13 before the 25th day of each calendar month, the State  
14 Department of Revenue shall prepare and certify to the  
15 Comptroller of the State of Illinois and to the Authority (i)  
16 the amount of taxes collected in each County other than Cook  
17 County in the metropolitan region, (ii) the amount of taxes  
18 collected within the City of Chicago, and (iii) the amount  
19 collected in that portion of Cook County outside of Chicago,  
20 each amount less the amount necessary for the payment of  
21 refunds to taxpayers located in those areas described in items  
22 (i), (ii), and (iii). Within 10 days after receipt by the  
23 Comptroller of the certification of the amounts, the  
24 Comptroller shall cause an order to be drawn for the payment of  
25 two-thirds of the amounts certified in item (i) of this  
26 subsection to the Authority and one-third of the amounts

1 certified in item (i) of this subsection to the respective  
2 counties other than Cook County and the amount certified in  
3 items (ii) and (iii) of this subsection to the Authority.

4 In addition to the disbursement required by the preceding  
5 paragraph, an allocation shall be made in July 1991 and each  
6 year thereafter to the Regional Transportation Authority. The  
7 allocation shall be made in an amount equal to the average  
8 monthly distribution during the preceding calendar year  
9 (excluding the 2 months of lowest receipts) and the allocation  
10 shall include the amount of average monthly distribution from  
11 the Regional Transportation Authority Occupation and Use Tax  
12 Replacement Fund. The distribution made in July 1992 and each  
13 year thereafter under this paragraph and the preceding  
14 paragraph shall be reduced by the amount allocated and  
15 disbursed under this paragraph in the preceding calendar year.  
16 The Department of Revenue shall prepare and certify to the  
17 Comptroller for disbursement the allocations made in  
18 accordance with this paragraph.

19 (o) Failure to adopt a budget ordinance or otherwise to  
20 comply with Section 4.01 of this Act or to adopt a Five-year  
21 Capital Program or otherwise to comply with paragraph (b) of  
22 Section 2.01 of this Act shall not affect the validity of any  
23 tax imposed by the Authority otherwise in conformity with law.

24 (p) At no time shall a public transportation tax or motor  
25 vehicle parking tax authorized under paragraphs (b), (c) and  
26 (d) of this Section be in effect at the same time as any

1 retailers' occupation, use or service occupation tax  
2 authorized under paragraphs (e), (f) and (g) of this Section is  
3 in effect.

4 Any taxes imposed under the authority provided in  
5 paragraphs (b), (c) and (d) shall remain in effect only until  
6 the time as any tax authorized by paragraphs (e), (f) or (g) of  
7 this Section are imposed and becomes effective. Once any tax  
8 authorized by paragraphs (e), (f) or (g) is imposed the Board  
9 may not reimpose taxes as authorized in paragraphs (b), (c) and  
10 (d) of the Section unless any tax authorized by paragraphs (e),  
11 (f) or (g) of this Section becomes ineffective by means other  
12 than an ordinance of the Board.

13 (q) Any existing rights, remedies and obligations  
14 (including enforcement by the Regional Transportation  
15 Authority) arising under any tax imposed under paragraphs (b),  
16 (c) or (d) of this Section shall not be affected by the  
17 imposition of a tax under paragraphs (e), (f) or (g) of this  
18 Section.

19 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-813,  
20 eff. 7-13-12; 98-104, eff. 7-22-13.)

21 Section 50. The Water Commission Act of 1985 is amended by  
22 changing Section 4 as follows:

23 (70 ILCS 3720/4) (from Ch. 111 2/3, par. 254)

24 Sec. 4. Taxes.



1 in the business of selling tangible personal property at retail  
2 in the territory of the commission at a rate of 1/4% of the  
3 gross receipts from the sales made in the course of such  
4 business within the territory. The tax imposed under this  
5 paragraph and all civil penalties that may be assessed as an  
6 incident thereof shall be collected and enforced by the State  
7 Department of Revenue. The Department shall have full power to  
8 administer and enforce this paragraph; to collect all taxes and  
9 penalties due hereunder; to dispose of taxes and penalties so  
10 collected in the manner hereinafter provided; and to determine  
11 all rights to credit memoranda arising on account of the  
12 erroneous payment of tax or penalty hereunder. In the  
13 administration of, and compliance with, this paragraph, the  
14 Department and persons who are subject to this paragraph shall  
15 have the same rights, remedies, privileges, immunities, powers  
16 and duties, and be subject to the same conditions,  
17 restrictions, limitations, penalties, exclusions, exemptions  
18 and definitions of terms, and employ the same modes of  
19 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,  
20 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
21 therein other than the State rate of tax except that food for  
22 human consumption that is to be consumed off the premises where  
23 it is sold (other than alcoholic beverages, soft drinks, and  
24 food that has been prepared for immediate consumption) and  
25 prescription and nonprescription medicine, drugs, medical  
26 appliances and insulin, urine testing materials, syringes, and



1 needles used by diabetics, for human use, shall not be subject  
2 to tax hereunder), 2c, 3 (except as to the disposition of taxes  
3 and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h,  
4 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of  
5 the Retailers' Occupation Tax Act and Section 3-7 of the  
6 Uniform Penalty and Interest Act, as fully as if those  
7 provisions were set forth herein.

8 Persons subject to any tax imposed under the authority  
9 granted in this paragraph may reimburse themselves for their  
10 seller's tax liability hereunder by separately stating the tax  
11 as an additional charge, which charge may be stated in  
12 combination, in a single amount, with State taxes that sellers  
13 are required to collect under the Use Tax Act and under  
14 subsection (e) of Section 4.03 of the Regional Transportation  
15 Authority Act, in accordance with such bracket schedules as the  
16 Department may prescribe.

17 Whenever the Department determines that a refund should be  
18 made under this paragraph to a claimant instead of issuing a  
19 credit memorandum, the Department shall notify the State  
20 Comptroller, who shall cause the warrant to be drawn for the  
21 amount specified, and to the person named, in the notification  
22 from the Department. The refund shall be paid by the State  
23 Treasurer out of a county water commission tax fund established  
24 under paragraph (g) of this Section.

25 For the purpose of determining whether a tax authorized  
26 under this paragraph is applicable, a retail sale by a producer

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

8 If a tax is imposed under this subsection (b) a tax shall  
9 also be imposed under subsections (c) and (d) of this Section.

10 No tax shall be imposed or collected under this subsection  
11 on the sale of a motor vehicle in this State to a resident of  
12 another state if that motor vehicle will not be titled in this  
13 State.

14 Nothing in this paragraph shall be construed to authorize a  
15 county water commission to impose a tax upon the privilege of  
16 engaging in any business which under the Constitution of the  
17 United States may not be made the subject of taxation by this  
18 State.

19 (c) If a tax has been imposed under subsection (b), a  
20 County Water Commission Service Occupation Tax shall also be  
21 imposed upon all persons engaged, in the territory of the  
22 commission, in the business of making sales of service, who, as  
23 an incident to making the sales of service, transfer tangible  
24 personal property within the territory. The tax rate shall be  
25 1/4% of the selling price of tangible personal property so  
26 transferred within the territory. The tax imposed under this

1 paragraph and all civil penalties that may be assessed as an  
2 incident thereof shall be collected and enforced by the State  
3 Department of Revenue. The Department shall have full power to  
4 administer and enforce this paragraph; to collect all taxes and  
5 penalties due hereunder; to dispose of taxes and penalties so  
6 collected in the manner hereinafter provided; and to determine  
7 all rights to credit memoranda arising on account of the  
8 erroneous payment of tax or penalty hereunder. In the  
9 administration of, and compliance with, this paragraph, the  
10 Department and persons who are subject to this paragraph shall  
11 have the same rights, remedies, privileges, immunities, powers  
12 and duties, and be subject to the same conditions,  
13 restrictions, limitations, penalties, exclusions, exemptions  
14 and definitions of terms, and employ the same modes of  
15 procedure, as are prescribed in Sections 1a-1, 2 (except that  
16 the reference to State in the definition of supplier  
17 maintaining a place of business in this State shall mean the  
18 territory of the commission), 2a, 3 through 3-50 (in respect to  
19 all provisions therein other than the State rate of tax except  
20 that food for human consumption that is to be consumed off the  
21 premises where it is sold (other than alcoholic beverages, soft  
22 drinks, and food that has been prepared for immediate  
23 consumption) and prescription and nonprescription medicines,  
24 drugs, medical appliances and insulin, urine testing  
25 materials, syringes, and needles used by diabetics, for human  
26 use, shall not be subject to tax hereunder), 4 (except that the

1 reference to the State shall be to the territory of the  
2 commission), 5, 7, 8 (except that the jurisdiction to which the  
3 tax shall be a debt to the extent indicated in that Section 8  
4 shall be the commission), 9 (except as to the disposition of  
5 taxes and penalties collected and except that the returned  
6 merchandise credit for this tax may not be taken against any  
7 State tax), 10, 11, 12 (except the reference therein to Section  
8 2b of the Retailers' Occupation Tax Act), 13 (except that any  
9 reference to the State shall mean the territory of the  
10 commission), the first paragraph of Section 15, 15.5, 16, 17,  
11 18, 19 and 20 of the Service Occupation Tax Act as fully as if  
12 those provisions were set forth herein.

13 Persons subject to any tax imposed under the authority  
14 granted in this paragraph may reimburse themselves for their  
15 serviceman's tax liability hereunder by separately stating the  
16 tax as an additional charge, which charge may be stated in  
17 combination, in a single amount, with State tax that servicemen  
18 are authorized to collect under the Service Use Tax Act, and  
19 any tax for which servicemen may be liable under subsection (f)  
20 of Sec. 4.03 of the Regional Transportation Authority Act, in  
21 accordance with such bracket schedules as the Department may  
22 prescribe.

23 Whenever the Department determines that a refund should be  
24 made under this paragraph to a claimant instead of issuing a  
25 credit memorandum, the Department shall notify the State  
26 Comptroller, who shall cause the warrant to be drawn for the

1 amount specified, and to the person named, in the notification  
2 from the Department. The refund shall be paid by the State  
3 Treasurer out of a county water commission tax fund established  
4 under paragraph (g) of this Section.

5 Nothing in this paragraph shall be construed to authorize a  
6 county water commission to impose a tax upon the privilege of  
7 engaging in any business which under the Constitution of the  
8 United States may not be made the subject of taxation by the  
9 State.

10 (d) If a tax has been imposed under subsection (b), a tax  
11 shall also imposed upon the privilege of using, in the  
12 territory of the commission, any item of tangible personal  
13 property that is purchased outside the territory at retail from  
14 a retailer, and that is titled or registered with an agency of  
15 this State's government, at a rate of 1/4% of the selling price  
16 of the tangible personal property within the territory, as  
17 "selling price" is defined in the Use Tax Act. The tax shall be  
18 collected from persons whose Illinois address for titling or  
19 registration purposes is given as being in the territory. The  
20 tax shall be collected by the Department of Revenue for a  
21 county water commission. The tax must be paid to the State, or  
22 an exemption determination must be obtained from the Department  
23 of Revenue, before the title or certificate of registration for  
24 the property may be issued. The tax or proof of exemption may  
25 be transmitted to the Department by way of the State agency  
26 with which, or the State officer with whom, the tangible

1 personal property must be titled or registered if the  
2 Department and the State agency or State officer determine that  
3 this procedure will expedite the processing of applications for  
4 title or registration.

5 The Department shall have full power to administer and  
6 enforce this paragraph; to collect all taxes, penalties and  
7 interest due hereunder; to dispose of taxes, penalties and  
8 interest so collected in the manner hereinafter provided; and  
9 to determine all rights to credit memoranda or refunds arising  
10 on account of the erroneous payment of tax, penalty or interest  
11 hereunder. In the administration of, and compliance with this  
12 paragraph, the Department and persons who are subject to this  
13 paragraph shall have the same rights, remedies, privileges,  
14 immunities, powers and duties, and be subject to the same  
15 conditions, restrictions, limitations, penalties, exclusions,  
16 exemptions and definitions of terms and employ the same modes  
17 of procedure, as are prescribed in Sections 2 (except the  
18 definition of "retailer maintaining a place of business in this  
19 State"), 3 through 3-80 (except provisions pertaining to the  
20 State rate of tax, and except provisions concerning collection  
21 or refunding of the tax by retailers, and except that food for  
22 human consumption that is to be consumed off the premises where  
23 it is sold (other than alcoholic beverages, soft drinks, and  
24 food that has been prepared for immediate consumption) and  
25 prescription and nonprescription medicines, drugs, medical  
26 appliances and insulin, urine testing materials, syringes, and

1 needles used by diabetics, for human use, shall not be subject  
2 to tax hereunder), 4, 11, 12, 12a, 14, 15, 19 (except the  
3 portions pertaining to claims by retailers and except the last  
4 paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act  
5 and Section 3-7 of the Uniform Penalty and Interest Act that  
6 are not inconsistent with this paragraph, as fully as if those  
7 provisions were set forth herein.

8 Whenever the Department determines that a refund should be  
9 made under this paragraph to a claimant instead of issuing a  
10 credit memorandum, the Department shall notify the State  
11 Comptroller, who shall cause the order to be drawn for the  
12 amount specified, and to the person named, in the notification  
13 from the Department. The refund shall be paid by the State  
14 Treasurer out of a county water commission tax fund established  
15 under paragraph (g) of this Section.

16 (e) A certificate of registration issued by the State  
17 Department of Revenue to a retailer under the Retailers'  
18 Occupation Tax Act or under the Service Occupation Tax Act  
19 shall permit the registrant to engage in a business that is  
20 taxed under the tax imposed under paragraphs (b), (c) or (d) of  
21 this Section and no additional registration shall be required  
22 under the tax. A certificate issued under the Use Tax Act or  
23 the Service Use Tax Act shall be applicable with regard to any  
24 tax imposed under paragraph (c) of this Section.

25 (f) Any ordinance imposing or discontinuing any tax under  
26 this Section shall be adopted and a certified copy thereof

1 filed with the Department on or before June 1, whereupon the  
2 Department of Revenue shall proceed to administer and enforce  
3 this Section on behalf of the county water commission as of  
4 September 1 next following the adoption and filing. Beginning  
5 January 1, 1992, an ordinance or resolution imposing or  
6 discontinuing the tax hereunder shall be adopted and a  
7 certified copy thereof filed with the Department on or before  
8 the first day of July, whereupon the Department shall proceed  
9 to administer and enforce this Section as of the first day of  
10 October next following such adoption and filing. Beginning  
11 January 1, 1993, an ordinance or resolution imposing or  
12 discontinuing the tax hereunder shall be adopted and a  
13 certified copy thereof filed with the Department on or before  
14 the first day of October, whereupon the Department shall  
15 proceed to administer and enforce this Section as of the first  
16 day of January next following such adoption and filing.

17 (g) The State Department of Revenue shall, upon collecting  
18 any taxes as provided in this Section, pay the taxes over to  
19 the State Treasurer as trustee for the commission. The taxes  
20 shall be held in a trust fund outside the State Treasury.

21 As soon as possible after the first day of each month,  
22 beginning January 1, 2011, upon certification of the Department  
23 of Revenue, the Comptroller shall order transferred, and the  
24 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
25 local sales tax increment, as defined in the Innovation  
26 Development and Economy Act, collected under this Section



1 during the second preceding calendar month for sales within a  
2 STAR bond district.

3 After the monthly transfer to the STAR Bonds Revenue Fund,  
4 on or before the 25th day of each calendar month, the State  
5 Department of Revenue shall prepare and certify to the  
6 Comptroller of the State of Illinois the amount to be paid to  
7 the commission, which shall be the amount (not including credit  
8 memoranda) collected under this Section during the second  
9 preceding calendar month by the Department plus an amount the  
10 Department determines is necessary to offset any amounts that  
11 were erroneously paid to a different taxing body, and not  
12 including any amount equal to the amount of refunds made during  
13 the second preceding calendar month by the Department on behalf  
14 of the commission, and not including any amount that the  
15 Department determines is necessary to offset any amounts that  
16 were payable to a different taxing body but were erroneously  
17 paid to the commission, and less any amounts that are  
18 transferred to the STAR Bonds Revenue Fund. Within 10 days  
19 after receipt by the Comptroller of the certification of the  
20 amount to be paid to the commission, the Comptroller shall  
21 cause an order to be drawn for the payment for the amount in  
22 accordance with the direction in the certification.

23 (h) Beginning June 1, 2016, any tax imposed pursuant to  
24 this Section may no longer be imposed or collected, unless a  
25 continuation of the tax is approved by the voters at a  
26 referendum as set forth in this Section.

1 (Source: P.A. 97-333, eff. 8-12-11; 98-298, eff. 8-9-13.)

2 Section 99. Effective date. This Act takes effect upon  
3 becoming law.