

HB5237



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5237

Introduced 2/10/2026, by Rep. Anthony DeLuca

SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1009

from Ch. 34, par. 5-1009

65 ILCS 5/8-11-6a

from Ch. 24, par. 8-11-6a

Amends the Counties Code and the Illinois Municipal Code. Provides that neither a county nor a municipality may impose a tax on businesses calculated based on the number of employees of the business. Effective immediately.

LRB104 17282 HLH 30704 b

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 Counties Code is amended by changing
5 Section 5-1009 as follows:

6 (55 ILCS 5/5-1009) (from Ch. 34, par. 5-1009)

7 Sec. 5-1009. Limitation on home rule powers. Except as
8 provided in Sections 5-1006, 5-1006.5, 5-1006.8, 5-1006.9,
9 5-1007, and 5-1008, on and after September 1, 1990, no home
10 rule county has the authority to impose, pursuant to its home
11 rule authority, a retailers' occupation tax, service
12 occupation tax, use tax, sales tax, or other tax on the use,
13 sale, or purchase of tangible personal property based on the
14 gross receipts from such sales or the selling or purchase
15 price of said tangible personal property. Notwithstanding the
16 foregoing, this Section does not preempt any home rule imposed
17 tax such as the following: (1) a tax on alcoholic beverages,
18 whether based on gross receipts, volume sold, or any other
19 measurement; (2) a tax based on the number of units of
20 cigarettes or tobacco products; (3) a tax, however measured,
21 based on the use of a hotel or motel room or similar facility;
22 (4) a tax, however measured, on the sale or transfer of real
23 property; (5) a tax, however measured, on lease receipts; (6)

1 a tax on food prepared for immediate consumption and on
2 alcoholic beverages sold by a business which provides for on
3 premise consumption of said food or alcoholic beverages; or
4 (7) other taxes not based on the selling or purchase price or
5 gross receipts from the use, sale, or purchase of tangible
6 personal property. Notwithstanding any other provision of law,
7 a home rule county may not impose a tax on businesses
8 calculated based on the number of employees of the business.

9 This Section does not preempt a home rule county from imposing
10 a tax, however measured, on the use, for consideration, of a
11 parking lot, garage, or other parking facility.

12 On and after December 1, 2019, no home rule county has the
13 authority to impose, pursuant to its home rule authority, a
14 tax, however measured, on sales of aviation fuel, as defined
15 in Section 3 of the Retailers' Occupation Tax Act, unless the
16 tax revenue is expended for airport-related purposes. For
17 purposes of this Section, "airport-related purposes" has the
18 meaning ascribed in Section 6z-20.2 of the State Finance Act.
19 Aviation fuel shall be excluded from tax only for so long as
20 the revenue use requirements of 49 U.S.C. 47017(b) and 49
21 U.S.C. 47133 are binding on the county.

22 This Section is a limitation, pursuant to subsection (g)
23 of Section 6 of Article VII of the Illinois Constitution, on
24 the power of home rule units to tax. The changes made to this
25 Section by Public Act 101-10 are a denial and limitation of
26 home rule powers and functions under subsection (g) of Section

1 6 of Article VII of the Illinois Constitution.

2 (Source: P.A. 103-781, eff. 8-5-24; 104-417, eff. 8-15-25.)

3 Section 10. The Illinois Municipal Code is amended by
4 changing Section 8-11-6a as follows:

5 (65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

6 Sec. 8-11-6a. Home rule municipalities; preemption of
7 certain taxes. Except as provided in Sections 8-11-1, 8-11-5,
8 8-11-6, 8-11-6b, 8-11-6c, 8-11-23, 8-11-24, and 11-74.3-6 on
9 and after September 1, 1990, no home rule municipality has the
10 authority to impose, pursuant to its home rule authority, a
11 retailer's occupation tax, service occupation tax, use tax,
12 sales tax or other tax on the use, sale or purchase of tangible
13 personal property based on the gross receipts from such sales
14 or the selling or purchase price of said tangible personal
15 property. Notwithstanding the foregoing, this Section does not
16 preempt any home rule imposed tax such as the following: (1) a
17 tax on alcoholic beverages, whether based on gross receipts,
18 volume sold or any other measurement; (2) a tax based on the
19 number of units of cigarettes or tobacco products (provided,
20 however, that a home rule municipality that has not imposed a
21 tax based on the number of units of cigarettes or tobacco
22 products before July 1, 1993, shall not impose such a tax after
23 that date); (3) a tax, however measured, based on the use of a
24 hotel or motel room or similar facility; (4) a tax, however

1 measured, on the sale or transfer of real property; (5) a tax,
2 however measured, on lease receipts; (6) a tax on food
3 prepared for immediate consumption and on alcoholic beverages
4 sold by a business which provides for on premise consumption
5 of said food or alcoholic beverages; or (7) other taxes not
6 based on the selling or purchase price or gross receipts from
7 the use, sale or purchase of tangible personal property.
8 Notwithstanding any other provision of law, a home rule
9 municipality may not impose a tax on businesses calculated
10 based on the number of employees of the business. This Section
11 does not preempt a home rule municipality with a population of
12 more than 2,000,000 from imposing a tax, however measured, on
13 the use, for consideration, of a parking lot, garage, or other
14 parking facility. This Section is not intended to affect any
15 existing tax on food and beverages prepared for immediate
16 consumption on the premises where the sale occurs, or any
17 existing tax on alcoholic beverages, or any existing tax
18 imposed on the charge for renting a hotel or motel room, which
19 was in effect January 15, 1988, or any extension of the
20 effective date of such an existing tax by ordinance of the
21 municipality imposing the tax, which extension is hereby
22 authorized, in any non-home rule municipality in which the
23 imposition of such a tax has been upheld by judicial
24 determination, nor is this Section intended to preempt the
25 authority granted by Public Act 85-1006. On and after December
26 1, 2019, no home rule municipality has the authority to

1 impose, pursuant to its home rule authority, a tax, however
2 measured, on sales of aviation fuel, as defined in Section 3 of
3 the Retailers' Occupation Tax Act, unless the tax is not
4 subject to the revenue use requirements of 49 U.S.C. 47107(b)
5 and 49 U.S.C. 47133, or unless the tax revenue is expended for
6 airport-related purposes. For purposes of this Section,
7 "airport-related purposes" has the meaning ascribed in Section
8 6z-20.2 of the State Finance Act. Aviation fuel shall be
9 excluded from tax only if, and for so long as, the revenue use
10 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
11 binding on the municipality. This Section is a limitation,
12 pursuant to subsection (g) of Section 6 of Article VII of the
13 Illinois Constitution, on the power of home rule units to tax.
14 The changes made to this Section by Public Act 101-10 are a
15 denial and limitation of home rule powers and functions under
16 subsection (g) of Section 6 of Article VII of the Illinois
17 Constitution.

18 (Source: P.A. 103-781, eff. 8-5-24.)

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