



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB1749

Introduced 2/5/2025, by Sen. Cristina Castro

#### SYNOPSIS AS INTRODUCED:

New Act

55 ILCS 5/5-1030	from Ch. 34, par. 5-1030
65 ILCS 5/8-3-13	from Ch. 24, par. 8-3-13
65 ILCS 5/8-3-14	from Ch. 24, par. 8-3-14
65 ILCS 5/8-3-14a	

Creates the Short-Term Rental Occupation Tax Act. Imposes taxes upon short-term rental transactions facilitated by a hosting platform. Provides that one tax is imposed at the rate of 5% of 94% of the gross rental receipts from the transaction. Provides that an additional tax is imposed at the rate of 1% of 94% of the gross rental receipts from the transaction. Provides that operators of short-term rentals shall obtain a business license from the Department of Revenue. Amends the Hotel Operators' Occupation Tax Act. Provides that re-renters of hotel rooms who meet certain criteria related to gross receipts or number of transactions are required to collect and remit the tax under the Act. Amends the Counties Code and the Illinois Municipal Code to make conforming changes. Effective January 1, 2026.

LRB104 10237 HLH 20311 b

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 1. Short title. This Act may be cited as the  
5 Short-Term Rental Occupation Tax Act.

6 Section 5. Definitions. As used in this Act:

7 "Booking transaction" means a transaction in which a  
8 hosting platform collects or receives compensation for  
9 facilitating a rental of a short-term rental located in this  
10 State by directly or indirectly allowing a reservation to be  
11 made for an occupant or collecting or processing payments  
12 through the hosting platform's online application, software,  
13 website, or system.

14 "Department" means the Department of Revenue.

15 "Hosting platform" or "platform" means a person who  
16 provides an online application, software, website, or system  
17 through which a short-term rental located in this State is  
18 advertised or held out to the public as available to rent for  
19 occupancy.

20 "Hotel" has the same meaning as defined in the Hotel  
21 Operators' Occupation Tax Act.

22 "Occupancy" means the use or possession by an occupant, or  
23 the right to the use or possession by an occupant, of any room

1 or rooms in a short-term rental for any purpose, or the right  
2 of an occupant to the use or possession of the furnishings or  
3 to the services and accommodations accompanying the use and  
4 possession of the room or rooms.

5 "Operator" means any person operating a short-term rental.

6 "Permanent resident" means any person who occupies or has  
7 the right to occupy a room or rooms in a short-term rental for  
8 at least 30 consecutive days, regardless of whether the person  
9 occupies the same room or rooms in the short-term rental  
10 during the entire 30-day period.

11 "Person" means any natural individual, firm, partnership,  
12 association, joint stock company, joint adventure, public or  
13 private corporation, limited liability company, or a receiver,  
14 executor, trustee, guardian, or other representative appointed  
15 by order of any court.

16 "Rent" or "rental" means the consideration received for an  
17 occupant's occupancy, valued in money, whether received in  
18 money or otherwise, including all receipts, cash, credits, and  
19 property or services of any kind or nature.

20 "Room" or "rooms" means any living quarters, sleeping  
21 accommodations, or housekeeping accommodations.

22 "Short-term rental" means an owner-occupied,  
23 tenant-occupied, or non-owner-occupied dwelling, including,  
24 but not limited to, an apartment, house, cottage, condominium,  
25 or furnished accommodation, located in this State, where: (i)  
26 at least one room in the dwelling is rented to an occupant for

1 a period of less than 30 consecutive days; and (ii) all  
2 accommodations are reserved in advance; provided, however,  
3 that a dwelling shall be considered a single room if rented as  
4 such. "Short-term rental" does not include:

5 (1) any dormitory or other living or sleeping facility  
6 maintained by a public or private school, college, or  
7 university for the use of students, faculty, or visitors;

8 (2) any facility certified or licensed and regulated  
9 by the Department of Human Services or Department of  
10 Public Health;

11 (3) any room in a condominium, cooperative, or  
12 timeshare plan and any individually or collectively owned  
13 single-family or multi-family dwelling house or room in  
14 such dwelling that is rented for a period of at least 30  
15 consecutive days and that is not advertised or held out to  
16 the public as a place regularly rented for periods of less  
17 than 30 consecutive days;

18 (4) any migrant labor camp or residential migrant  
19 housing permitted by the Department of Public Health;

20 (5) a facility that provides housing only to patients,  
21 patients' families, and patients' caregivers and not to  
22 the general public and is owned and operated by a  
23 nonprofit organization;

24 (6) any apartment building inspected by the United  
25 States Department of Housing and Urban Development or  
26 other entity acting on behalf of the United States

1 Department of Housing and Urban Development that is  
2 designated primarily as housing for persons at least 62  
3 years of age. The Department may require the operator of  
4 the apartment building to attest in writing that the  
5 building meets the criteria provided in this paragraph;  
6 the Department may adopt rules to implement this  
7 requirement; or

8 (7) the rental, leasing, or letting of rooms or  
9 accommodations for occupancy in a hotel.

10 Section 10. Rate; exemptions.

11 (a) A tax is imposed upon each hosting platform that  
12 facilitates a short-term rental transaction in the State. The  
13 tax is imposed at the rate of 5% of 94% of the gross rental  
14 receipts from the short-term rental transaction.

15 (b) An additional tax is imposed upon each hosting  
16 platform that facilitates a short-term rental transaction in  
17 the State. That tax is imposed at the rate of 1% of 94% of the  
18 gross rental receipts from the short-term rental transaction.

19 (c) No funds received pursuant to this Act shall be used to  
20 advertise for or otherwise promote new competition in the  
21 hotel industry.

22 (d) The taxes are not imposed upon the privilege of  
23 engaging in any business in interstate commerce or otherwise,  
24 which business may not, under the Constitution and statutes of  
25 the United States, be made the subject of taxation by this

1 State. In addition, the tax is not imposed upon gross rental  
2 receipts for which the hosting platform is prohibited from  
3 obtaining reimbursement for the tax from the customer by  
4 reason of a federal treaty.

5 (e) The taxes imposed by this Act shall not apply to a  
6 short-term rental transaction if:

7 (1) any of the parties to the transaction is an entity  
8 that is organized and operated exclusively for religious  
9 or charitable purposes;

10 (2) that party possesses an active Exemption  
11 Identification Number issued by the Department pursuant to  
12 the Retailers' Occupation Tax Act; and

13 (3) the short-term rental is in furtherance of the  
14 purposes for which the religious or charitable entity is  
15 organized.

16 (f) Persons subject to the tax imposed by this Act may  
17 reimburse themselves for their tax liability under this Act by  
18 separately stating the tax as an additional charge, which  
19 charge may be stated in combination, in a single amount, with  
20 any tax imposed by any unit of local government.

21 (g) If a hosting platform collects an amount (however  
22 designated) that purports to reimburse the platform for its  
23 short-term rental occupation tax liability measured by  
24 receipts that are not subject to the short-term rental  
25 occupation tax, or if a hosting platform, in collecting an  
26 amount (however designated) that purports to reimburse the

1 platform for its short-term rental occupation tax liability  
2 measured by receipts which are subject to tax under this Act,  
3 collects more from the customer than the short-term rental  
4 occupation tax liability from the transaction, then the  
5 customer shall have a legal right to claim a refund of that  
6 amount from the platform. However, if the amount is not  
7 refunded to the customer for any reason, the hosting platform  
8 is liable to pay that amount to the Department.

9 (h) The tax imposed under this Act shall be in addition to  
10 all other occupation or privilege taxes imposed by the State  
11 of Illinois or by any municipal corporation or political  
12 subdivision thereof.

13 Section 15. Hosting platform collection and remittance of  
14 taxes. Any hosting platform that facilitates a booking  
15 transaction shall be required to: (i) assess, collect, report,  
16 and remit the tax to the Department; (ii) maintain records of  
17 any taxes collected under this Act that have been remitted to  
18 the appropriate taxing body and submit these records to the  
19 Department in accordance with this Act; and (iii) notify the  
20 short-term rental operator that the operator must comply with  
21 all applicable local, State, and federal laws, regulations,  
22 and ordinances, including this Act.

23 Section 20. Hosting platforms.

24 (a) It is unlawful for any hosting platform to facilitate

1 a booking transaction for a short-term rental located in this  
2 State unless the hosting platform:

3 (1) is first registered with the Department in  
4 accordance with subsection (d); and

5 (2) as a condition of registration with the  
6 Department:

7 (A) has obtained written consent for the  
8 disclosure of the information required under Section  
9 25 of this Act, and the furnishing of such information  
10 in accordance with Section 25 of this Act, from all  
11 operators with short-term rentals located in this  
12 State who intend to short-term rent those dwellings or  
13 rooms within those dwellings through the platform; and

14 (B) has granted its own consent in writing for the  
15 disclosure and furnishing of that information.

16 (b) It is unlawful for any hosting platform to facilitate  
17 a booking transaction for a short-term rental located in this  
18 State if the dwelling or room within the dwelling is not  
19 lawfully registered, licensed, permitted, or otherwise allowed  
20 as a short-term rental pursuant to an applicable local, State,  
21 or federal law, regulation, or ordinance, including this Act,  
22 at the time it is rented.

23 (c) Each hosting platform shall designate and maintain on  
24 file with the Department an agent for service of process in  
25 this State. If the registered agent is unable, with reasonable  
26 diligence, to be located, or if the hosting platform fails to

1 reasonably designate or maintain a registered agent in this  
2 State, the Director may deem himself or herself or another  
3 appropriate person an agent of the hosting platform for  
4 purposes of accepting service of any process, notice, or  
5 demand.

6 (d) The Department may issue a certificate of registration  
7 to each hosting platform that meets the requirements of this  
8 Act and the rules for hosting platform registration adopted  
9 under this Act by the Department.

10 Section 25. Records and reporting.

11 (a) Notwithstanding any other provision of law or  
12 Department action to the contrary:

13 (1) Every hosting platform shall keep separate books  
14 and records of the hosting platform's business so as to  
15 show the rents and occupancies that are taxable under this  
16 Act separately from the transactions of the hosting  
17 platform that are not taxable under this Act. If any  
18 hosting platform fails to keep such separate books or  
19 records, the hosting platform shall be liable to remit the  
20 tax at the rate designated in this Act upon the entire  
21 proceeds from the short-term rental. The Department may  
22 adopt rules that establish requirements, including record  
23 forms and formats, for records required to be kept and  
24 maintained by taxpayers. For purposes of this Section,  
25 "records" means all data maintained by the taxpayer,

1 including data on paper, microfilm, microfiche, or any  
2 type of machine-sensible data compilation.

3 (2) In accordance with rules adopted by the Department  
4 and subject to applicable laws, for all booking  
5 transactions it facilitates for short-term rentals located  
6 in this State a hosting platform shall develop and  
7 maintain a report that must include all of the following  
8 information about each short-term rental booking  
9 transaction:

10 (A) the name of the operator;

11 (B) the operator's or short-term rental's license,  
12 registration, permit, or other number as applicable;

13 (C) the physical address;

14 (D) any room or dwelling designation;

15 (E) the individual periods of rental by calendar  
16 date;

17 (F) the itemized amounts collected or processed by  
18 the hosting platform for the rental, taxes, and all  
19 other charges; and

20 (G) any additional information that the Department  
21 may require by rule.

22 (b) The hosting platform shall submit the report to the  
23 Department monthly in the format requested by the Department  
24 and shall make the report, as well as any underlying records  
25 requested by the Department, available for audit by the  
26 Department upon the Department's request. The Department may

1 issue and serve subpoenas and compel the production of the  
2 report and underlying records as necessary to enforce hosting  
3 platform compliance with this Section. Such underlying records  
4 may not include copies of specific message exchanges between  
5 the hosting platform and an operator, short-term rental  
6 renter, or occupant, or between the operator and short-term  
7 rental renter or occupant.

8 (c) The hosting platform shall maintain the report and  
9 underlying records for at least 3 years, in accordance with  
10 any rules adopted by the Department.

11 (d) The Department shall share the report, sections of the  
12 report, underlying records, or any combination of those items,  
13 with an agency or local government of this State to ensure  
14 compliance with this Act, the laws of this State, and any local  
15 laws, regulations, or ordinances.

16 (e) The Department may use the report and underlying  
17 records for tax auditing purposes, and local governments may  
18 use the reports and underlying records to ensure compliance  
19 with laws, ordinances, or regulations.

20 (f) A hosting platform may not facilitate a booking  
21 transaction for a short-term rental located in this State  
22 unless the operator consents to the hosting platform's  
23 disclosure of the information required by this Section.

24 (g) A hosting platform that operates in violation of this  
25 Section or the rules of the Department adopted under this Act  
26 shall be subject to fines up to \$1,000 per offense and to

1 suspension, revocation, or refusal of a registration issued  
2 pursuant to this Act. For purposes of this subsection, the  
3 Department may regard as a separate offense each booking  
4 transaction a hosting platform facilitates in violation of  
5 this Act or the rules of the Department or each calendar day  
6 that such violation persists.

7 Section 30. State business licensing.

8 (a) Before an operator engages in the business of a  
9 short-term rental in this State, the operator shall obtain a  
10 business license from the Department. In order to obtain a  
11 business license from the Department, the operator must first  
12 provide evidence to the Department that the short-term rental  
13 is lawfully registered, licensed, permitted, or otherwise  
14 allowed to operate as a short-term rental pursuant to the  
15 applicable local law, regulation, or ordinance.

16 (b) An operator's business license number issued by the  
17 Department must be displayed on any advertisement or listing  
18 of a short-term rental and be physically displayed within the  
19 short-term rental.

20 (c) If the Department notifies a hosting platform in  
21 writing that an advertisement or listing for a short-term  
22 rental in this State fails to display a valid business license  
23 number issued by the Department, the hosting platform must  
24 remove all advertisements or listings for that short-term  
25 rental from its online application, software, website, or

1 system within 3 business days unless the listing is otherwise  
2 brought into compliance with the law.

3 (d) The Department shall revoke or refuse to issue or  
4 renew a short-term rental operator's business license when:

5 (i) the Department determines that the operation of the  
6 subject short-term rental violates the terms of an applicable  
7 lease or property restriction; or (ii) the Department  
8 determines that the operation of the short-term rental  
9 violates a State, federal, or local law, ordinance, or  
10 regulation, or the short-term rental operator is the subject  
11 of a final order or judgment lawfully directing the  
12 termination of the premises' use as a short-term rental.

13 Section 35. Filing of returns and distribution of  
14 proceeds. Except as provided in this Section, on or before the  
15 last day of each calendar month, each hosting platform that is  
16 liable for the tax under this Act during the preceding  
17 calendar month shall file a return for the preceding calendar  
18 month with the Department, stating:

19 (1) the name of the hosting platform;

20 (2) the address of the principal place of business  
21 from which the hosting platform engages in the business of  
22 facilitating short-term rentals in this State;

23 (3) the total amount of rental receipts received by  
24 the hosting platform during the preceding calendar month  
25 from renting, leasing or letting rooms in this State

1 during the preceding calendar month;

2 (4) the total amount of other exclusions from gross  
3 rental receipts allowed by this Act;

4 (5) gross rental receipts that were received by the  
5 hosting platform during the preceding calendar month and  
6 upon the basis of which the tax is imposed;

7 (6) the amount of tax due; and

8 (7) such other reasonable information as the  
9 Department may require.

10 If the hosting platform's average monthly tax liability to  
11 the Department under this Act does not exceed \$200, the  
12 Department may authorize the platform's returns to be filed on  
13 a quarter annual basis, with the return for January, February,  
14 and March of a given year being due by April 30 of such year;  
15 with the return for April, May, and June of a given year being  
16 due by July 31 of such year; with the return for July, August,  
17 and September of a given year being due by October 31 of such  
18 year, and with the return for October, November, and December  
19 of a given year being due by January 31 of the following year.

20 If the hosting platform's average monthly tax liability to  
21 the Department under this Act does not exceed \$50, the  
22 Department may authorize the platform's returns to be filed on  
23 an annual basis, with the return for a given year being due by  
24 January 31 of the following year.

25 Such quarter annual and annual returns, as to form and  
26 substance, shall be subject to the same requirements as

1 monthly returns.

2 Notwithstanding any other provision in this Act concerning  
3 the time within which the hosting platform may file his  
4 return, in the case of any hosting platform that ceases to  
5 engage in a kind of business which makes the hosting platform  
6 responsible for filing returns under this Act, such platform  
7 shall file a final return under this Act with the Department  
8 not more than one month after discontinuing that business.

9 Where the same person has more than one business  
10 registered with the Department under separate registrations  
11 under this Act, that person shall not file each return that is  
12 due as a single return covering all such registered  
13 businesses, but shall file separate returns for each such  
14 registered business.

15 In the return under this Act, the taxpayer shall determine  
16 the value of any consideration other than money received by  
17 him in connection with the renting, leasing, or letting of  
18 rooms in this State in the course of his business, and the  
19 taxpayer shall include such value in his return. Such  
20 determination shall be subject to review and revision by the  
21 Department in the manner provided in this Act for the  
22 correction of returns.

23 Where the taxpayer is a corporation, the return filed on  
24 behalf of such corporation shall be signed by the president,  
25 vice-president, secretary or treasurer or by the properly  
26 accredited agent of such corporation.

1           The person filing the return shall, at the time of filing  
2 such return, pay to the Department the amount of the tax  
3 imposed under this Act, less a discount of 2.1% or \$25 per  
4 calendar year, whichever is greater, which is allowed to  
5 reimburse the hosting platform for the expenses incurred in  
6 keeping records, preparing and filing returns, remitting the  
7 tax and supplying information to the Department on request.

8           If any payment provided for in this Section exceeds the  
9 taxpayer's liabilities under this Act, as shown on an original  
10 return, the Department may authorize the taxpayer to credit  
11 the excess payment against liability subsequently to be  
12 remitted to the Department under this Act, in accordance with  
13 reasonable rules adopted by the Department. If the Department  
14 subsequently determines that all or any part of the credit  
15 taken was not actually due to the taxpayer, the taxpayer's  
16 discount shall be reduced by an amount equal to the difference  
17 between the discount as applied to the credit taken and that  
18 actually due, and that taxpayer shall be liable for penalties  
19 and interest on such difference.

20           The proceeds collected from the tax under this Act shall  
21 be deposited into the same funds and in the same manner as  
22 proceeds are deposited under Section 6 of the Hotel Operators'  
23 Occupation Tax Act.

24           The Department may, upon separate written notice to a  
25 taxpayer, require the taxpayer to prepare and file with the  
26 Department not less than 60 days after receipt of the notice,

1 on a form prescribed by the Department, an annual information  
2 return for the tax year specified in the notice. The annual  
3 return to the Department shall include a statement of gross  
4 receipts as shown by the taxpayer's last State income tax  
5 return. If the total receipts of the business as reported in  
6 the State income tax return do not agree with the gross  
7 receipts reported to the Department for the same period, the  
8 taxpayer shall attach to his annual information return a  
9 schedule showing a reconciliation of the 2 amounts and the  
10 reasons for the difference. The taxpayer's annual information  
11 return to the Department shall also disclose payroll  
12 information for the taxpayer's business during the year  
13 covered by the return and any additional reasonable  
14 information that the Department deems to be helpful in  
15 determining the accuracy of the monthly, quarterly, or annual  
16 tax returns provided for in this Section.

17 If the annual information return required by this Section  
18 is not filed when and as required, the taxpayer shall be liable  
19 for a penalty in an amount determined in accordance with  
20 Section 3-4 of the Uniform Penalty and Interest Act until the  
21 return is filed as required. That penalty to be assessed and  
22 collected in the same manner as any other penalty provided for  
23 in this Act.

24 The chief executive officer, proprietor, owner, or highest  
25 ranking manager shall sign the annual return to certify the  
26 accuracy of the information contained in the return. Any

1 person who willfully signs the annual return containing false  
2 or inaccurate information is guilty of perjury. The annual  
3 return form prescribed by the Department shall include a  
4 warning that the person signing the return may be liable for  
5 perjury.

6 The provisions of this Section concerning the filing of an  
7 annual information return shall not apply to a taxpayer who is  
8 not required to file an income tax return with the United  
9 States Government.

10 Section 40. Incorporation of Retailers' Occupation Tax Act  
11 and Uniform Penalty and Interest Act. All of the provisions of  
12 Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b,  
13 6c, 7, 8, 9, 10, 11, and 12 of the Retailers' Occupation Tax  
14 Act and Section 3-7 of the Uniform Penalty and Interest Act  
15 shall apply to persons in the business of renting, leasing, or  
16 letting short-term rental rooms in this State to the same  
17 extent as if such provisions were included herein.

18 Section 45. Recordkeeping. When the amount due is under  
19 \$300, any hosting platform that (i) fails to make a return  
20 under this Act, (ii) fails to keep books and records as  
21 required by this Act, (iii) makes a fraudulent return under  
22 this Act, or (iv) willfully violates any rule of the  
23 Department for the administration and enforcement of this Act  
24 is guilty of a Class 4 felony. When the amount due is under

1 \$300, any officer or agent of a hosting platform who signs a  
2 fraudulent return made on behalf of the hosting platform is  
3 guilty of a Class 4 felony.

4 Any person who violates any provision of Section 5 of this  
5 Act is guilty of a Class 4 felony. Each and every day any such  
6 person is engaged in business in violation of said Section 5  
7 shall constitute a separate offense.

8 When the amount due is under \$300, any person who accepts  
9 money that is due to the Department under this Act from a  
10 taxpayer for the purpose of acting as the taxpayer's agent to  
11 make the payment to the Department, but who fails to remit such  
12 payment to the Department when due is guilty of a Class 4  
13 felony. Any such person who purports to make such payment by  
14 issuing or delivering a check or other order upon a real or  
15 fictitious depository for the payment of money, knowing that  
16 it will not be paid by the depository, shall be guilty of a  
17 deceptive practice in violation of Section 17-1 of the  
18 Criminal Code of 2012.

19 Any hosting platform that collects or attempts to collect  
20 an amount (however designated) that purports to reimburse the  
21 hosting platform for a short-term rental operators' occupation  
22 tax liability measured by receipts that the hosting platform  
23 knows are not subject to short-term rental operators'  
24 occupation tax, or any hosting platform that knowingly  
25 over-collects or attempts to over-collect an amount purporting  
26 to reimburse such operator for short-term operators'

1 occupation tax liability in a transaction that is subject to  
2 the tax that is imposed by this Act, is guilty of a Class 4  
3 felony.

4 When the amount due is \$300 or more, any hosting platform  
5 that (i) fails to make a return under this Act, (ii) fails to  
6 keep books and records as required by this Act, (iii) makes a  
7 fraudulent return under this Act, or (iv) willfully violates  
8 any rule of the Department for the administration and  
9 enforcement of this Act is guilty of a Class 3 felony. When the  
10 amount due is \$300 or more, any officer or agent of a hosting  
11 platform who signs a fraudulent return made on behalf of the  
12 hosting platform is guilty of a Class 3 felony.

13 When the amount due is \$300 or more, any person who accepts  
14 money that is due to the Department under this Act from a  
15 taxpayer for the purpose of acting as the taxpayer's agent to  
16 make the payment to the Department, but who fails to remit such  
17 payment to the Department is guilty of a Class 3 felony. Any  
18 such person who purports to make such payment by issuing or  
19 delivering a check or other order upon a real or fictitious  
20 depository for the payment of money, knowing that it will not  
21 be paid by the depository, shall be guilty of a deceptive  
22 practice in violation of Section 17-1 of the Criminal Code of  
23 2012.

24 A prosecution for any act in violation of this Section may  
25 be commenced at any time within 3 years of the commission of  
26 that act.

1           Section 50. Intergovernmental sharing of information. Any  
2 information collected by the Department pursuant to this Act  
3 shall not be subject to the Freedom of Information Act.  
4 Information collected pursuant to this Act by the Department  
5 may be shared with local units of government upon request,  
6 provided that the information is treated as confidential at  
7 all times by the local unit of government.

8           Section 55. Local regulation. A unit of local government  
9 may adopt an ordinance or resolution regulating short-term  
10 rental activities within that unit of local government that  
11 imposes requirements not inconsistent with nor less stringent  
12 than those imposed by this Act.

13           Section 60. Severability. If any provision of this Act, in  
14 part or in full, or its application to any person, entity, or  
15 circumstance is held invalid, the invalidity does not affect  
16 other provisions or applications of the Act which can be given  
17 effect without the invalid provision or application, and to  
18 this end the provisions of this Act are severable.

19           Section 905. The Counties Code is amended by changing  
20 Section 5-1030 as follows:

21           (55 ILCS 5/5-1030) (from Ch. 34, par. 5-1030)

1           Sec. 5-1030. Hotel rooms, short-term rentals, tax on gross  
2 rental receipts.

3           (a) The corporate authorities of any county may by  
4 ordinance impose a tax upon all persons engaged in such county  
5 in the business of renting, leasing or letting rooms in a hotel  
6 or short-term rental which is not located within a city,  
7 village, or incorporated town that imposes a tax under Section  
8 8-3-14 of the Illinois Municipal Code, as defined in the "The  
9 Hotel Operators' Occupation Tax Act or the Short-Term Rental  
10 Occupation Tax Act", at a rate not to exceed 5% of the gross  
11 rental receipts from such renting, leasing or letting,  
12 excluding, however, from gross rental receipts, the proceeds  
13 of such renting, leasing or letting to permanent residents of  
14 that hotel or short-term rental, and may provide for the  
15 administration and enforcement of the tax, and for the  
16 collection thereof from the persons subject to the tax, as the  
17 corporate authorities determine to be necessary or practicable  
18 for the effective administration of the tax.

19           (b) With the consent of municipalities representing at  
20 least 67% of the population of Winnebago County, as determined  
21 by the 2010 federal decennial census and as expressed by  
22 resolution of the corporate authorities of those  
23 municipalities, the county board of Winnebago County may, by  
24 ordinance, impose a tax upon all persons engaged in the county  
25 in the business of renting, leasing, or letting rooms in a  
26 hotel or short-term rental that imposes a tax under Section

1 8-3-14 of the Illinois Municipal Code, as defined in the Hotel  
2 Operators' Occupation Tax Act or the Short-Term Rental  
3 Occupation Tax Act, at a rate not to exceed 2% of the gross  
4 rental receipts from renting, leasing, or letting, excluding,  
5 however, from gross rental receipts, the proceeds of the  
6 renting, leasing, or letting to permanent residents of that  
7 hotel or short-term rental, and may provide for the  
8 administration and enforcement of the tax, and for the  
9 collection thereof from the persons subject to the tax, as the  
10 county board determines to be necessary or practicable for the  
11 effective administration of the tax. The tax shall be  
12 instituted on a county-wide basis and shall be in addition to  
13 any tax imposed by this or any other provision of law. The  
14 revenue generated under this subsection shall be accounted for  
15 and segregated from all other funds of the county and shall be  
16 utilized solely for either: (1) encouraging, supporting,  
17 marketing, constructing, or operating, either directly by the  
18 county or through other taxing bodies within the county,  
19 sports, arts, or other entertainment or tourism facilities or  
20 programs for the purpose of promoting tourism,  
21 competitiveness, job growth, and for the general health and  
22 well-being of the citizens of the county; or (2) payment  
23 towards debt services on bonds issued for the purposes set  
24 forth in this subsection.

25 (b-5) The county board of Sangamon County may, by  
26 ordinance, impose a tax upon all persons engaged in the county

1 in the business of renting, leasing, or letting rooms in a  
2 hotel that imposes a tax under Section 8-3-14 of the Illinois  
3 Municipal Code, as defined in the Hotel Operators' Occupation  
4 Tax Act, at a rate not to exceed 3% of the gross rental  
5 receipts from renting, leasing, or letting, excluding,  
6 however, from gross rental receipts, the proceeds of the  
7 renting, leasing, or letting to permanent residents of that  
8 hotel, and may provide for the administration and enforcement  
9 of the tax, and for the collection thereof from the persons  
10 subject to the tax, as the county board determines to be  
11 necessary or practicable for the effective administration of  
12 the tax. The tax shall be instituted on a county-wide basis and  
13 shall be in addition to any tax imposed by this or any other  
14 provision of law. The revenue generated under this subsection  
15 shall be accounted for and segregated from all other funds of  
16 the county and shall be used solely for either: (1)  
17 encouraging, supporting, marketing, constructing, or  
18 operating, either directly by the county or through other  
19 taxing bodies within the county, sports, arts, or other  
20 entertainment or tourism facilities or programs for the  
21 purpose of promoting tourism, competitiveness, job growth, and  
22 for the general health and well-being of the citizens of the  
23 county; or (2) payment towards debt services on bonds issued  
24 for the purposes set forth in this subsection.

25 (c) A Tourism Facility Board shall be established,  
26 comprised of a representative from the county and from each

1 municipality that has approved the imposition of the tax under  
2 subsection (b) of this Section.

3 (1) A Board member's vote is weighted based on the  
4 municipality's population relative to the population of  
5 the county, with the county representing the population  
6 within unincorporated areas of the county. Representatives  
7 from the Rockford Park District and Rockford Area  
8 Convention and Visitors Bureau shall serve as ex-officio  
9 members with no voting rights.

10 (2) The Board must meet not less frequently than once  
11 per year to direct the use of revenues collected from the  
12 tax imposed under subsection (b) of this Section that are  
13 not already directed for use pursuant to an  
14 intergovernmental agreement between the county and another  
15 entity represented on the Board, including the ex-officio  
16 members, and for any other reason the Board deems  
17 necessary. Affirmative actions of the Board shall require  
18 a weighted vote of Board members representing not less  
19 than 67% of the population of the county.

20 (3) The Board shall not be a separate unit of local  
21 government, shall have no paid staff, and members of the  
22 Board shall receive no compensation or reimbursement of  
23 expenses from proceeds of the tax imposed under subsection  
24 (b) of this Section.

25 (d) Persons subject to any tax imposed pursuant to  
26 authority granted by this Section may reimburse themselves for

1 their tax liability for such tax by separately stating such  
2 tax as an additional charge, which charge may be stated in  
3 combination, in a single amount, with State tax imposed under  
4 the ~~"The~~ Hotel Operators' Occupation Tax Act or the Short-Term  
5 Rental Occupation Tax Act".

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

10 An ordinance or resolution imposing a tax hereunder or  
11 effecting a change in the rate thereof shall be effective on  
12 the first day of the calendar month next following its passage  
13 and required publication.

14 The amounts collected by any county pursuant to this  
15 Section shall be expended to promote tourism; conventions;  
16 expositions; theatrical, sports and cultural activities within  
17 that county or otherwise to attract nonresident overnight  
18 visitors to the county.

19 Any county may agree with any unit of local government,  
20 including any authority defined as a metropolitan exposition,  
21 auditorium and office building authority, fair and exposition  
22 authority, exposition and auditorium authority, or civic  
23 center authority created pursuant to provisions of Illinois  
24 law and the territory of which unit of local government or  
25 authority is co-extensive with or wholly within such county,  
26 to impose and collect for a period not to exceed 40 years, any

1 portion or all of the tax authorized pursuant to this Section  
2 and to transmit such tax so collected to such unit of local  
3 government or authority. The amount so paid shall be expended  
4 by any such unit of local government or authority for the  
5 purposes for which such tax is authorized. Any such agreement  
6 must be authorized by resolution or ordinance, as the case may  
7 be, of such county and unit of local government or authority,  
8 and such agreement may provide for the irrevocable imposition  
9 and collection of said tax at such rate, or amount as limited  
10 by a given rate, as may be agreed upon for the full period of  
11 time set forth in such agreement; and such agreement may  
12 further provide for any other terms as deemed necessary or  
13 advisable by such county and such unit of local government or  
14 authority. Any such agreement shall be binding and enforceable  
15 by either party to such agreement. Such agreement entered into  
16 pursuant to this Section shall not in any event constitute an  
17 indebtedness of such county subject to any limitation imposed  
18 by statute or otherwise.

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

20 Section 910. The Illinois Municipal Code is amended by  
21 changing Sections 8-3-13, 8-3-14, and 8-3-14a as follows:

22 (65 ILCS 5/8-3-13) (from Ch. 24, par. 8-3-13)

23 Sec. 8-3-13. The corporate authorities of any municipality  
24 containing 500,000 or more inhabitants may impose a tax prior

1 to July 1, 1969, upon all hotel operators in the municipality,  
2 as defined in the Hotel Operators' Occupation Tax Act, or a  
3 short-term rental, as defined in the Short-Term Rental  
4 Occupation Tax Act, at a rate not to exceed 1% of the gross  
5 rental receipts from engaging in business as a hotel operator,  
6 excluding, however, from gross rental receipts, the proceeds  
7 of the renting, leasing or letting of hotel rooms to permanent  
8 residents of a hotel or short-term rental and proceeds from  
9 the tax imposed under subsection (c) of Section 13 of the  
10 Metropolitan Pier and Exposition Authority Act.

11 The tax imposed by a municipality under this Section and  
12 all civil penalties that may be assessed as an incident  
13 thereof shall be collected and enforced by the State  
14 Department of Revenue. The certificate of registration that is  
15 issued by the Department to a lessor under the Hotel  
16 Operators' Occupation Tax Act, or a business license issued by  
17 the Department under the Short-Term Rental Occupation Tax Act,  
18 shall permit the registrant to engage in a business that is  
19 taxable under any ordinance or resolution enacted under this  
20 Section without registering separately with the Department  
21 under the ordinance or resolution or under this Section. The  
22 Department shall have full power to administer and enforce  
23 this Section; to collect all taxes and penalties due  
24 hereunder; to dispose of taxes and penalties so collected in  
25 the manner provided in this Section; and to determine all  
26 rights to credit memoranda arising on account of the erroneous

1 payment of tax or penalty hereunder. In the administration of  
2 and compliance with this Section, the Department and persons  
3 who are subject to this Section shall have the same rights,  
4 remedies, privileges, immunities, powers and duties, and be  
5 subject to the same conditions, restrictions, limitations,  
6 penalties and definitions of terms, and employ the same modes  
7 of procedure, as are prescribed in the Hotel Operators'  
8 Occupation Tax Act, the Short-Term Rental Occupation Tax Act,  
9 and the Uniform Penalty and Interest Act, as fully as if the  
10 provisions contained in those Acts were set forth herein.

11 Whenever the Department determines that a refund should be  
12 made under this Section to a claimant instead of issuing a  
13 credit memorandum, the Department shall notify the State  
14 Comptroller, who shall cause the warrant to be drawn for the  
15 amount specified, and to the person named, in the notification  
16 from the Department. The refund shall be paid by the State  
17 Treasurer out of the Illinois tourism tax fund.

18 Persons subject to any tax imposed under authority granted  
19 by this Section may reimburse themselves for their tax  
20 liability for that tax by separately stating the tax as an  
21 additional charge, which charge may be stated in combination,  
22 in a single amount, with State tax imposed under the Hotel  
23 Operators' Occupation Tax Act or the Short-Term Rental  
24 Occupation Tax Act.

25 The Department shall forthwith pay over to the State  
26 Treasurer, ex-officio, as trustee, all taxes and penalties

1 collected hereunder. On or before the 25th day of each  
2 calendar month, the Department shall prepare and certify to  
3 the Comptroller the disbursement of stated sums of money to  
4 named municipalities from which lessors have paid taxes or  
5 penalties hereunder to the Department during the second  
6 preceding calendar month. The amount to be paid to each  
7 municipality shall be the amount (not including credit  
8 memoranda) collected hereunder during the second preceding  
9 calendar month by the Department, and not including an amount  
10 equal to the amount of refunds made during the second  
11 preceding calendar month by the Department on behalf of the  
12 municipality, less 4% of the balance, which sum shall be  
13 retained by the State Treasurer to cover the costs incurred by  
14 the Department in administering and enforcing the provisions  
15 of this Section, as provided herein. The Department, at the  
16 time of each monthly disbursement to the municipalities, shall  
17 prepare and certify to the Comptroller the amount so retained  
18 by the State Treasurer, which shall be paid into the General  
19 Revenue Fund of the State Treasury.

20 Within 10 days after receipt by the Comptroller of the  
21 disbursement certification to the municipalities and the  
22 General Revenue Fund provided for in this Section to be given  
23 to the Comptroller by the Department, the Comptroller shall  
24 cause the warrants to be drawn for the respective amounts in  
25 accordance with the directions contained in the certification.

26 Nothing in this Section shall be construed to authorize a

1 municipality to impose a tax upon the privilege of engaging in  
2 any business that, under the Constitution of the United  
3 States, may not be made the subject of taxation by this State.

4 An ordinance or resolution imposing a tax hereunder or  
5 effecting a change in the rate thereof shall be effective on  
6 the first day of the calendar month next following the  
7 expiration of the publication period provided in Section 1-2-4  
8 in respect to municipalities governed by that Section.

9 The corporate authorities of any municipality that levies  
10 a tax authorized by this Section shall transmit to the  
11 Department of Revenue on or not later than 5 days after the  
12 effective date of the ordinance or resolution a certified copy  
13 of the ordinance or resolution imposing the tax; whereupon,  
14 the Department of Revenue shall proceed to administer and  
15 enforce this Section on behalf of the municipality as of the  
16 effective date of the ordinance or resolution. Upon a change  
17 in rate of a tax levied hereunder, or upon the discontinuance  
18 of the tax, the corporate authorities of the municipality  
19 shall, on or not later than 5 days after the effective date of  
20 the ordinance or resolution discontinuing the tax or effecting  
21 a change in rate, transmit to the Department of Revenue a  
22 certified copy of the ordinance or resolution effecting the  
23 change or discontinuance. The amounts disbursed to any  
24 municipality under this Section shall be expended by the  
25 municipality solely to promote tourism, conventions and other  
26 special events within that municipality or otherwise to

1 attract nonresidents to visit the municipality.

2 Any municipality receiving and disbursing money under this  
3 Section shall report on or before the first Monday in January  
4 of each year to the Advisory Committee of the Illinois Tourism  
5 Promotion Fund, created by Section 12 of the Illinois  
6 Promotion Act. The reports shall specify the purposes for  
7 which the disbursements were made and shall contain detailed  
8 amounts of all receipts and disbursements under this Section.

9 This Section may be cited as the Tourism, Conventions and  
10 Other Special Events Promotion Act of 1967.

11 (Source: P.A. 103-592, eff. 7-1-24.)

12 (65 ILCS 5/8-3-14) (from Ch. 24, par. 8-3-14)

13 Sec. 8-3-14. Municipal hotel and short-term rental  
14 operators' occupation tax. The corporate authorities of any  
15 municipality may impose a tax upon all persons engaged in such  
16 municipality in the business of renting, leasing or letting  
17 rooms in a hotel, as defined in the "The Hotel Operators'  
18 Occupation Tax Act," or a short-term rental, as defined in the  
19 Short-Term Rental Occupation Tax Act, at a rate not to exceed  
20 6% in the City of East Peoria and in the Village of Morton and  
21 5% in all other municipalities of the gross rental receipts  
22 from such renting, leasing or letting, excluding, however,  
23 from gross rental receipts, the proceeds of such renting,  
24 leasing or letting to permanent residents of that hotel or  
25 short-term rental and proceeds from the tax imposed under

1 subsection (c) of Section 13 of the Metropolitan Pier and  
2 Exposition Authority Act, and may provide for the  
3 administration and enforcement of the tax, and for the  
4 collection thereof from the persons subject to the tax, as the  
5 corporate authorities determine to be necessary or practicable  
6 for the effective administration of the tax. The municipality  
7 may not impose a tax under this Section if it imposes a tax  
8 under Section 8-3-14a.

9 Persons subject to any tax imposed pursuant to authority  
10 granted by this Section may reimburse themselves for their tax  
11 liability for such tax by separately stating such tax as an  
12 additional charge, which charge may be stated in combination,  
13 in a single amount, with State tax imposed under the "The Hotel  
14 Operators' Occupation Tax Act" or the Short-Term Rental  
15 Occupation Tax Act.

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

20 Except as otherwise provided in this Division, the amounts  
21 collected by any municipality pursuant to this Section shall  
22 be expended by the municipality solely to promote tourism and  
23 conventions within that municipality or otherwise to attract  
24 nonresident overnight visitors to the municipality.

25 No funds received pursuant to this Section shall be used  
26 to advertise for or otherwise promote new competition in the

1 hotel business.

2 (Source: P.A. 101-204, eff. 8-2-19.)

3 (65 ILCS 5/8-3-14a)

4 Sec. 8-3-14a. Municipal hotel or short-term rental use  
5 tax.

6 (a) The corporate authorities of any municipality may  
7 impose a tax upon the privilege of renting or leasing rooms in  
8 a hotel or short-term rental within the municipality at a rate  
9 not to exceed 5% of the rental or lease payment. The corporate  
10 authorities may provide for the administration and enforcement  
11 of the tax and for the collection thereof from the persons  
12 subject to the tax, as the corporate authorities determine to  
13 be necessary or practical for the effective administration of  
14 the tax.

15 (b) Each hotel, short-term rental operator, or hosting  
16 platform acting as an agent for the short-term rental operator  
17 in the municipality shall collect the tax from the person  
18 making the rental or lease payment at the time that the payment  
19 is tendered to the hotel. The hotel shall, as trustee, remit  
20 the tax to the municipality.

21 (c) The tax authorized under this Section does not apply  
22 to any rental or lease payment by a permanent resident of that  
23 hotel or short-term rental or to any payment made to any hotel  
24 that is subject to the tax imposed under subsection (c) of  
25 Section 13 of the Metropolitan Pier and Exposition Authority

1 Act. A municipality may not impose a tax under this Section if  
2 it imposes a tax under Section 8-3-14. Nothing in this Section  
3 may be construed to authorize a municipality to impose a tax  
4 upon the privilege of engaging in any business that under the  
5 Constitution of the United States may not be made the subject  
6 of taxation by this State.

7 (d) Except as otherwise provided in this Division, the  
8 moneys collected by a municipality under this Section may be  
9 expended solely to promote tourism and conventions within that  
10 municipality or otherwise to attract nonresident overnight  
11 visitors to the municipality. No moneys received under this  
12 Section may be used to advertise for or otherwise promote new  
13 competition in the hotel business.

14 (e) As used in this Section, "hotel" has the meaning set  
15 forth in Section 2 of the Hotel Operators' Occupation Tax Act.

16 (f) As used in this Section, "short-term rental" and  
17 "hosting platform" have the meanings set forth in Section 5 of  
18 the Short-Term Rental Occupation Tax Act.

19 (Source: P.A. 101-204, eff. 8-2-19.)

20 Section 999. Effective date. This Act takes effect January  
21 1, 2026.