



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3417

Introduced 2/4/2026, by Sen. Cristina Castro

SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1008

from Ch. 34, par. 5-1008

Amends the Counties Code. In provisions concerning the Home Rule County Use Tax Law, provides that, if a home rule county imposes a tax under the Home Rule County Use Tax Law, then the tax shall be collected by the Department of Revenue if the property is purchased at retail from a retailer in any county in this State other than the home rule county imposing the tax. Provides that the tax shall be remitted to the State or an exemption determination must be obtained from the Department before the title or certificate of registration for the property may be issued. Provides that the Department shall have full power to administer and enforce the Home Rule County Use Tax Law, to collect all taxes, penalties, and interest due under the Home Rule County Use Tax Law, to dispose of taxes, penalties, and interest collected under the Home Rule County Use Tax Law, and determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty, or interest. Provides that, if the Department determines that a refund shall be made under the Home Rule County Use Tax Law to a claimant instead of issuing a credit memorandum, then the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in the notification from the Department. Provides that, as soon as practicable, the Department shall pay over to the State Treasurer, ex officio, as trustee, for deposit into the Home Rule County Retailers' Occupation Tax Fund, all taxes, penalties, and interest collected under the Home Rule County Use Tax Law. Provides that a certified copy of an ordinance imposing or discontinuing the tax to be collected and enforced by the Department under the Home Rule County Use Tax Law shall be adopted and filed with the Department before the Department shall begin to collect the tax. Provides that the Department shall not begin collection and enforcement under the Home Rule County Use Tax Law before January 1, 2027. Provides that the home rule county that imposed the tax may collect a tax that the Department does not collect.

LRB104 18332 RTM 31772 b

1 AN ACT concerning local government.

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 5-1008 as follows:

6 (55 ILCS 5/5-1008) (from Ch. 34, par. 5-1008)

7 Sec. 5-1008. Home Rule County Use Tax.

8 (a) As used in this Section, "Department" means the
9 Department of Revenue.

10 (b) The corporate authorities of a home rule county may
11 impose a tax upon the privilege of using, in such county, any
12 item of tangible personal property which is purchased at
13 retail from a retailer, and which is titled or registered to a
14 purchaser residing within the corporate limits of such home
15 rule county with an agency of this State's government, at a
16 rate which is an increment of 1/4% and based on the selling
17 price of such tangible personal property, as "selling price"
18 is defined in the "Use Tax Act", approved July 14, 1955, as
19 amended. Such tax shall be collected from persons whose
20 Illinois address for titling or registration purposes is given
21 as being in such county. Except as provided in subsection (c),
22 such ~~Such~~ tax shall be collected by the county imposing such
23 tax.

1 (c) If a home rule county imposes a tax under subsection
2 (b), then the tax shall be collected by the Department if the
3 property is purchased at retail from a retailer in any county
4 in this State other than the home rule county imposing the tax.
5 The tax shall be remitted to the State or an exemption
6 determination must be obtained from the Department before the
7 title or certificate of registration for the property may be
8 issued. The tax or proof of exemption may be transmitted to the
9 Department by way of the State agency or State officer that the
10 tangible personal property must be titled or registered if the
11 Department and that State agency or State officer determine
12 that this procedure shall expedite the processing of
13 applications for title or registration.

14 The Department shall have full power to administer and
15 enforce this Section, to collect all taxes, penalties, and
16 interest due under this Section, to dispose of taxes,
17 penalties, and interest collected under this Section, and
18 determine all rights to credit memoranda or refunds arising on
19 account of the erroneous payment of tax, penalty, or interest.
20 In the administration of and compliance with this Section, the
21 Department and persons who are subject to this Section shall
22 have the same rights, remedies, privileges, immunities,
23 powers, and duties, and be subject to the same conditions,
24 restrictions, limitations, penalties, and definitions of
25 terms, and employ the same modes of procedure as are
26 prescribed in the Use Tax Act, except the definition of the

1 "retailer maintaining a place of business in this State" and
2 provisions pertaining to the State rate of tax, and the
3 Uniform Penalty and Interest Act that are consistent with this
4 Section as fully as if the Use Tax Act and the Uniform Penalty
5 and Interest Act were set forth herein.

6 If the Department determines that a refund shall be made
7 under this Section to a claimant instead of issuing a credit
8 memorandum, then 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 Home Rule County Retailers' Occupation
13 Tax Fund.

14 As soon as practicable, the Department shall pay over to
15 the State Treasurer, ex officio, as trustee, for deposit into
16 the Home Rule County Retailers' Occupation Tax Fund, all
17 taxes, penalties, and interest collected under this Section.
18 On or before the 25th day of each calendar month, the
19 Department shall prepare and certify to the State Comptroller
20 the disbursement of stated sums of money to named counties,
21 the county in each instance to be that county for which the
22 Department, during the second preceding calendar month,
23 collected county use tax from any person whose Illinois
24 address for titling or registration purposes is given as being
25 in the county. The amount to be paid to each county shall be
26 the amount, not including credit memoranda, collected under

1 this Section during the second preceding calendar month by the
2 Department, and not including an amount equal to the amount of
3 refunds made during the second preceding calendar month by the
4 Department on behalf of the county, less 2% of the remainder,
5 which the Department shall pay into the Tax Compliance and
6 Administration Fund. The Department, at the time of each
7 monthly disbursement to the counties, shall prepare and
8 certify to the State Comptroller the amount to be paid into the
9 Tax Compliance and Administration Fund under this Section.
10 Within 10 days after receipt by the State Comptroller of the
11 disbursement certification to the counties and the Tax
12 Compliance and Administration Fund under this Section to be
13 given to the State Comptroller by the Department, the State
14 Comptroller shall cause the orders to be drawn for the
15 respective amounts in accordance with the directions contained
16 in that certification.

17 A certified copy of an ordinance imposing or discontinuing
18 the tax to be collected and enforced by the Department under
19 this Section shall be adopted and filed with the Department.
20 If the county files a certified copy of the ordinance with the
21 Department on or before April 1, then the Department shall
22 proceed to administer and enforce this Section on behalf of
23 the county on July 1 next following the adoption and filing of
24 the ordinance with the Department. If the county files a
25 certified copy of the ordinance with the Department on or
26 before October 1, then the Department shall proceed to

1 administer and enforce this Section on behalf of the county as
2 of January 1 next following the adoption and filing the
3 ordinance with the Department. No ordinance may be filed with
4 the Department under this subsection before the effective date
5 of this amendatory Act of the 104th General Assembly. The
6 Department shall not begin collection and enforcement under
7 this subsection (b) before January 1, 2027.

8 Nothing in this subsection shall prevent a home rule
9 county from collecting a tax imposed under subsection (b) if
10 the tax is not collected by the Department.

11 (d) This Section shall be known and may be cited as the
12 "Home Rule County Use Tax Law".

13 (Source: P.A. 91-51, eff. 6-30-99.)