

# SB1246



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB1246

Introduced 2/2/2023, by Sen. Donald P. DeWitte

### SYNOPSIS AS INTRODUCED:

35 ILCS 145/3

from Ch. 120, par. 481b.33

Amends the Hotel Operators' Occupation Tax Act. Provides that the tax shall not apply to gross rental receipts received from the renting, leasing or letting of rooms to an entity that is organized and operated exclusively by an organization chartered by the United States Congress for the purpose of providing disaster relief and that possesses an active Exemption Identification Number issued by the Department of Revenue if the renting, leasing, or letting of the rooms is in furtherance of the purposes for which the exempt organization is organized. Effective immediately.

LRB103 27693 HLH 54070 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 Hotel Operators' Occupation Tax Act is  
5 amended by changing Section 3 as follows:

6 (35 ILCS 145/3) (from Ch. 120, par. 481b.33)

7 Sec. 3. Rate; exemptions.

8 (a) A tax is imposed upon persons engaged in the business  
9 of renting, leasing or letting rooms in a hotel at the rate of  
10 5% of 94% of the gross rental receipts from such renting,  
11 leasing or letting, excluding, however, from gross rental  
12 receipts, the proceeds of such renting, leasing or letting to  
13 permanent residents of that hotel and proceeds from the tax  
14 imposed under subsection (c) of Section 13 of the Metropolitan  
15 Pier and Exposition Authority Act.

16 (b) There shall be imposed an additional tax upon persons  
17 engaged in the business of renting, leasing or letting rooms  
18 in a hotel at the rate of 1% of 94% of the gross rental  
19 receipts from such renting, leasing or letting, excluding,  
20 however, from gross rental receipts, the proceeds of such  
21 renting, leasing or letting to permanent residents of that  
22 hotel and proceeds from the tax imposed under subsection (c)  
23 of Section 13 of the Metropolitan Pier and Exposition

1 Authority Act.

2 (c) No funds received pursuant to this Act shall be used to  
3 advertise for or otherwise promote new competition in the  
4 hotel business.

5 (d) However, such tax is not imposed upon the privilege of  
6 engaging in any business in Interstate Commerce or otherwise,  
7 which business may not, under the Constitution and Statutes of  
8 the United States, be made the subject of taxation by this  
9 State. In addition, the tax is not imposed upon gross rental  
10 receipts for which the hotel operator is prohibited from  
11 obtaining reimbursement for the tax from the customer by  
12 reason of a federal treaty.

13 (d-5) On and after July 1, 2017, the tax imposed by this  
14 Act shall not apply to gross rental receipts received by an  
15 entity that is organized and operated exclusively for  
16 religious purposes and possesses an active Exemption  
17 Identification Number issued by the Department pursuant to the  
18 Retailers' Occupation Tax Act when acting as a hotel operator  
19 renting, leasing, or letting rooms:

20 (1) in furtherance of the purposes for which it is  
21 organized; or

22 (2) to entities that (i) are organized and operated  
23 exclusively for religious purposes, (ii) possess an active  
24 Exemption Identification Number issued by the Department  
25 pursuant to the Retailers' Occupation Tax Act, and (iii)  
26 rent the rooms in furtherance of the purposes for which

1           they are organized.

2           No gross rental receipts are exempt under paragraph (2) of  
3 this subsection (d-5) unless the hotel operator obtains the  
4 active Exemption Identification Number from the exclusively  
5 religious entity to whom it is renting and maintains that  
6 number in its books and records. Gross rental receipts from  
7 all rentals other than those described in items (1) or (2) of  
8 this subsection (d-5) are subject to the tax imposed by this  
9 Act unless otherwise exempt under this Act.

10           This subsection (d-5) is exempt from the sunset provisions  
11 of Section 3-5 of this Act.

12           (d-10) On and after July 1, 2023, the tax imposed by this  
13 Act shall not apply to gross rental receipts received from the  
14 renting, leasing, or letting of rooms to an entity that is  
15 organized and operated exclusively by an organization  
16 chartered by the United States Congress for the purpose of  
17 providing disaster relief and that possesses an active  
18 Exemption Identification Number issued by the Department  
19 pursuant to the Retailers' Occupation Tax Act if the renting,  
20 leasing, or letting of the rooms is in furtherance of the  
21 purposes for which the exempt organization is organized. This  
22 subsection (d-10) is exempt from the sunset provisions of  
23 Section 3-5 of this Act.

24           (e) Persons subject to the tax imposed by this Act may  
25 reimburse themselves for their tax liability under this Act by  
26 separately stating such tax as an additional charge, which

1 charge may be stated in combination, in a single amount, with  
2 any tax imposed pursuant to Sections 8-3-13 and 8-3-14 of the  
3 Illinois Municipal Code, and Section 25.05-10 of "An Act to  
4 revise the law in relation to counties".

5 (f) If any hotel operator collects an amount (however  
6 designated) which purports to reimburse such operator for  
7 hotel operators' occupation tax liability measured by receipts  
8 which are not subject to hotel operators' occupation tax, or  
9 if any hotel operator, in collecting an amount (however  
10 designated) which purports to reimburse such operator for  
11 hotel operators' occupation tax liability measured by receipts  
12 which are subject to tax under this Act, collects more from the  
13 customer than the operators' hotel operators' occupation tax  
14 liability in the transaction is, the customer shall have a  
15 legal right to claim a refund of such amount from such  
16 operator. However, if such amount is not refunded to the  
17 customer for any reason, the hotel operator is liable to pay  
18 such amount to the Department.

19 (Source: P.A. 100-213, eff. 8-18-17.)

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