



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2564

Introduced 4/19/2023, by Sen. Cristina Castro

SYNOPSIS AS INTRODUCED:

New Act

35 ILCS 145/2	from Ch. 120, par. 481b.32
35 ILCS 145/3	from Ch. 120, par. 481b.33
35 ILCS 145/3-2 new	
35 ILCS 145/3-3 new	
35 ILCS 145/4	from Ch. 120, par. 481b.34
35 ILCS 145/5	from Ch. 120, par. 481b.35
35 ILCS 145/6	from Ch. 120, par. 481b.36
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, 2024.

LRB103 31564 HLH 59703 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 900. The Hotel Operators' Occupation Tax Act is
20 amended by changing Sections 2, 3, 4, 5, and 6 and by adding
21 Sections 3-2 and 3-3 as follows:

1 (35 ILCS 145/2) (from Ch. 120, par. 481b.32)

2 Sec. 2. Definitions. As used in this Act, unless the
3 context otherwise requires:

4 (1) "Hotel" means any building or buildings in which the
5 public may, for a consideration, obtain living quarters,
6 sleeping or housekeeping accommodations. The term includes,
7 but is not limited to, inns, motels, tourist homes or courts,
8 lodging houses, rooming houses and apartment houses, retreat
9 centers, conference centers, and hunting lodges.

10 (2) "Operator" means any person engaged in the business of
11 renting, leasing, or letting rooms in ~~operating~~ a hotel.

12 (3) "Occupancy" means the use or possession, or the right
13 to the use or possession, of any room or rooms in a hotel for
14 any purpose, or the right to the use or possession of the
15 furnishings or to the services and accommodations accompanying
16 the use and possession of the room or rooms.

17 (4) "Room" or "rooms" means any living quarters, sleeping
18 or housekeeping accommodations.

19 (5) "Permanent resident" means any person who occupied or
20 has the right to occupy any room or rooms, regardless of
21 whether or not it is the same room or rooms, in a hotel for at
22 least 30 consecutive days.

23 (6) "Rent" or "rental" means the consideration received
24 for occupancy, valued in money, whether received in money or
25 otherwise, including all receipts, cash, credits and property
26 or services of any kind or nature. "Rent" or "rental" includes

1 any fee, charge, or commission received by a re-renter of
2 hotel rooms specifically in connection with the re-rental of
3 hotel rooms.

4 (7) "Department" means the Department of Revenue.

5 (8) "Person" means any natural individual, firm,
6 partnership, association, joint stock company, joint
7 adventure, public or private corporation, limited liability
8 company, or a receiver, executor, trustee, guardian or other
9 representative appointed by order of any court.

10 (9) "Re-renter of hotel rooms" means a person who is not
11 employed by the hotel operator but who (i) obtains from the
12 hotel operator the right or authority to grant control of,
13 access to, or occupancy of a hotel room in this State to a
14 guest of the hotel or (ii) facilitates the booking of a hotel
15 room located in this State. A person who obtains those rights
16 or authorities from the hotel operator is not considered a
17 re-renter of a hotel room if the person operates under a shared
18 hotel brand with the operator.

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

20 (35 ILCS 145/3) (from Ch. 120, par. 481b.33)

21 Sec. 3. Rate; exemptions.

22 (a) A tax is imposed upon hotel operators ~~persons engaged~~
23 ~~in the business of renting, leasing or letting rooms in a hotel~~
24 at the rate of 5% of 94% of the gross rental receipts from
25 engaging in business as a hotel operator ~~such renting, leasing~~

1 ~~or letting~~, excluding, however, from gross rental receipts,
2 the proceeds of ~~such~~ renting, leasing or letting hotel rooms
3 to permanent residents of a ~~that~~ hotel and proceeds from the
4 tax imposed under subsection (c) of Section 13 of the
5 Metropolitan Pier and Exposition Authority Act.

6 (b) There shall be imposed an additional tax upon hotel
7 operators ~~persons engaged in the business of renting, leasing~~
8 ~~or letting rooms in a hotel~~ at the rate of 1% of 94% of the
9 gross rental receipts it receives from engaging in the
10 business as a hotel operator ~~such renting, leasing or letting~~,
11 excluding, however, from gross rental receipts, the proceeds
12 of such renting, leasing or letting to permanent residents of
13 that hotel and proceeds from the tax imposed under subsection
14 (c) of Section 13 of the Metropolitan Pier and Exposition
15 Authority Act.

16 (b-5) Beginning on January 1, 2024, if the renting,
17 leasing, or letting of a hotel room is done through a re-renter
18 of hotel rooms who meets either of the following thresholds,
19 then, subject to the provisions of Section 3-2 and 3-3, the
20 re-renter is considered the hotel operator for the purposes of
21 the taxes under subsections (a) and (b):

22 (1) the cumulative gross receipts from rentals in
23 Illinois by the re-renter of hotel rooms are \$100,000 or
24 more; or

25 (2) the re-renter of hotel rooms cumulatively enters
26 into 200 or more separate transactions for rentals in

1 Illinois.

2 A re-renter of hotel rooms shall determine on a quarterly
3 basis, ending on the last day of March, June, September, and
4 December, whether he or she meets the threshold of either
5 paragraph (1) or (2) of this subsection (a-5) for the
6 preceding 12-month period. If the re-renter of hotel rooms
7 meets the threshold of either paragraph (1) or (2) for a
8 12-month period, he or she is subject to tax under this Act and
9 is required to remit the tax imposed under this Act and file
10 returns for the 12-month period beginning on the first day of
11 the next month after he or she determines that he or she meets
12 the threshold of paragraph (1) or (2). At the end of that
13 12-month period, the re-renter of hotel rooms shall determine
14 whether he or she continued to meet the threshold of either
15 paragraph (1) or (2) during the preceding 12-month period. If
16 he or she met the threshold in either paragraph (1) or (2) for
17 the preceding 12-month period, he or she is considered a hotel
18 operator in this State and is required to remit the tax imposed
19 under this Act and file returns for the subsequent 12-month
20 period. If, at the end of a 12-month period during which a
21 re-renter is required to remit the tax imposed under this Act,
22 the re-renter determines that he or she did not meet the
23 threshold in either paragraph (1) or (2) during the preceding
24 12-month period, he or she shall subsequently determine on a
25 quarterly basis, ending on the last day of March, June,
26 September, and December, whether he or she meets the threshold

1 of either paragraph (1) or (2) for the preceding 12-month
2 period.

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

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

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

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

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

1 rent the rooms in furtherance of the purposes for which
2 they are organized.

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

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

13 (e) Persons subject to the tax imposed by this Act may
14 reimburse themselves for their tax liability under this Act by
15 separately stating such tax as an additional charge, which
16 charge may be stated in combination, in a single amount, with
17 any tax imposed pursuant to Sections 8-3-13 and 8-3-14 of the
18 Illinois Municipal Code, and Section 25.05-10 of "An Act to
19 revise the law in relation to counties".

20 (f) If any hotel operator collects an amount (however
21 designated) which purports to reimburse such operator for
22 hotel operators' occupation tax liability measured by receipts
23 which are not subject to hotel operators' occupation tax, or
24 if any hotel operator, in collecting an amount (however
25 designated) which purports to reimburse such operator for
26 hotel operators' occupation tax liability measured by receipts

1 which are subject to tax under this Act, collects more from the
2 guest customer than the operators' hotel operators' occupation
3 tax liability in the transaction is, the guest customer shall
4 have a legal right to claim a refund of such amount from such
5 operator. However, if such amount is not refunded to the guest
6 customer for any reason, the hotel operator is liable to pay
7 such amount to the Department.

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

9 (35 ILCS 145/3-2 new)

10 Sec. 3-2. No resale exemption; tax incurred by re-renters
11 of hotel rooms. A hotel operator who rents, leases, or lets
12 rooms subject to tax under this Act to a re-renter of hotel
13 rooms incurs the tax under this Act on the gross rental
14 receipts it receives from that re-renter of hotel rooms and
15 cannot claim any resale exemption. In such situations, the
16 re-renter of hotel rooms incurs tax under this Act on its gross
17 rental receipts as provided in Section 3 of this Act.

18 (35 ILCS 145/3-3 new)

19 Sec. 3-3. Re-renter of hotel rooms; credit for tax
20 reimbursement. A re-renter of hotel rooms may take a credit
21 against the tax it incurs on the rental of a hotel room under
22 this Act for the amount it paid under subsection (f) of Section
23 3 of this Act to a hotel operator as reimbursement for the tax
24 incurred under this Act for the rental of that room for the

1 purposes of re-rental.

2 (35 ILCS 145/4) (from Ch. 120, par. 481b.34)

3 Sec. 4. Books and records. Every operator shall keep
4 separate books or records of his business as an operator so as
5 to show the rents and occupancies taxable under this Act
6 separately from his transactions not taxable under this Act.
7 If any operator fails to keep such separate books or records,
8 he shall be liable to tax at the rate designated in Section 3
9 hereof upon the entire proceeds from his business hotel. The
10 Department may adopt rules that establish requirements,
11 including record forms and formats, for records required to be
12 kept and maintained by taxpayers. For purposes of this
13 Section, "records" means all data maintained by the taxpayer,
14 including data on paper, microfilm, microfiche or any type of
15 machine-sensible data compilation.

16 (Source: P.A. 88-480.)

17 (35 ILCS 145/5) (from Ch. 120, par. 481b.35)

18 Sec. 5. Certificate of registration; retailers' occupation
19 tax registration provisions apply. It shall be unlawful for
20 any person to engage in ~~the business~~ as a hotel operator ~~of~~
21 ~~renting, leasing or letting rooms in a hotel~~ in this State
22 without a certificate of registration from the Department.

23 All of the provisions of Sections 2a and 2b of the
24 Retailers' Occupation Tax Act, in effect on the effective date

1 of this Act, as subsequently amended, shall apply to persons
2 in ~~the~~ business as hotel operators ~~of renting, leasing or~~
3 ~~letting rooms in a hotel~~ in this State, to the same extent as
4 if such provisions were included herein.

5 (Source: Laws 1961, p. 1728.)

6 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

7 Sec. 6. Returns; allocation of proceeds ~~Filing of returns~~
8 ~~and distribution of proceeds~~. Except as provided hereinafter
9 in this Section, on or before the last day of each calendar
10 month, every person engaged as a hotel operator ~~in the~~
11 ~~business of renting, leasing or letting rooms in a hotel~~ in
12 this State during the preceding calendar month shall file a
13 return with the Department, stating:

14 1. The name of the operator;

15 2. His residence address and the address of his
16 principal place of business and the address of the
17 principal place of business (if that is a different
18 address) from which he engages in ~~the~~ business as a hotel
19 operator ~~of renting, leasing or letting rooms in a hotel~~
20 in this State (including, if required by the Department,
21 the address of each hotel from which rental receipts were
22 received);

23 3. Total amount of rental receipts received by him
24 during the preceding calendar month from engaging in
25 business as a hotel operator ~~renting, leasing or letting~~

1 ~~rooms~~ during such preceding calendar month;

2 4. Total amount of rental receipts received by him
3 during the preceding calendar month from renting, leasing
4 or letting rooms to permanent residents during such
5 preceding calendar month;

6 5. Total amount of other exclusions from gross rental
7 receipts allowed by this Act;

8 6. Gross rental receipts which were received by him
9 during the preceding calendar month and upon the basis of
10 which the tax is imposed;

11 7. The amount of tax due;

12 8. Credit for any reimbursement of tax paid by a
13 re-renter of hotel rooms to hotel operators for rentals
14 purchased for re-rental, as provided in Section 3-3 of
15 this Act;

16 9. ~~8.~~ Such other reasonable information as the
17 Department may require.

18 If the operator's average monthly tax liability to the
19 Department does not exceed \$200, the Department may authorize
20 his returns to be filed on a quarter annual basis, with the
21 return for January, February and March of a given year being
22 due by April 30 of such year; with the return for April, May
23 and June of a given year being due by July 31 of such year;
24 with the return for July, August and September of a given year
25 being due by October 31 of such year, and with the return for
26 October, November and December of a given year being due by

1 January 31 of the following year.

2 If the operator's average monthly tax liability to the
3 Department does not exceed \$50, the Department may authorize
4 his returns to be filed on an annual basis, with the return for
5 a given year being due by January 31 of the following year.

6 Such quarter annual and annual returns, as to form and
7 substance, shall be subject to the same requirements as
8 monthly returns.

9 Notwithstanding any other provision in this Act concerning
10 the time within which an operator may file his return, in the
11 case of any operator who ceases to engage in a kind of business
12 which makes him responsible for filing returns under this Act,
13 such operator shall file a final return under this Act with the
14 Department not more than 1 month after discontinuing such
15 business.

16 Where the same person has more than 1 business registered
17 with the Department under separate registrations under this
18 Act, such person shall not file each return that is due as a
19 single return covering all such registered businesses, but
20 shall file separate returns for each such registered business.

21 In his return, the operator shall determine the value of
22 any consideration other than money received by him in
23 connection with engaging in business as a hotel operator ~~the~~
24 ~~renting, leasing or letting of rooms in the course of his~~
25 ~~business~~ and he shall include such value in his return. Such
26 determination shall be subject to review and revision by the

1 Department in the manner hereinafter provided for the
2 correction of returns.

3 Where the operator is a corporation, the return filed on
4 behalf of such corporation shall be signed by the president,
5 vice-president, secretary or treasurer or by the properly
6 accredited agent of such corporation.

7 The person filing the return herein provided for shall, at
8 the time of filing such return, pay to the Department the
9 amount of tax herein imposed. The operator filing the return
10 under this Section shall, at the time of filing such return,
11 pay to the Department the amount of tax imposed by this Act
12 less a discount of 2.1% or \$25 per calendar year, whichever is
13 greater, which is allowed to reimburse the operator for the
14 expenses incurred in keeping records, preparing and filing
15 returns, remitting the tax and supplying data to the
16 Department on request.

17 If any payment provided for in this Section exceeds the
18 operator's liabilities under this Act, as shown on an original
19 return, the Department may authorize the operator to credit
20 such excess payment against liability subsequently to be
21 remitted to the Department under this Act, in accordance with
22 reasonable rules adopted by the Department. If the Department
23 subsequently determines that all or any part of the credit
24 taken was not actually due to the operator, the operator's
25 discount shall be reduced by an amount equal to the difference
26 between the discount as applied to the credit taken and that

1 actually due, and that operator shall be liable for penalties
2 and interest on such difference.

3 There shall be deposited in the Build Illinois Fund in the
4 State Treasury for each State fiscal year 40% of the amount of
5 total net proceeds from the tax imposed by subsection (a) of
6 Section 3. Of the remaining 60%, \$5,000,000 shall be deposited
7 in the Illinois Sports Facilities Fund and credited to the
8 Subsidy Account each fiscal year by making monthly deposits in
9 the amount of 1/8 of \$5,000,000 plus cumulative deficiencies
10 in such deposits for prior months, and an additional
11 \$8,000,000 shall be deposited in the Illinois Sports
12 Facilities Fund and credited to the Advance Account each
13 fiscal year by making monthly deposits in the amount of 1/8 of
14 \$8,000,000 plus any cumulative deficiencies in such deposits
15 for prior months; provided, that for fiscal years ending after
16 June 30, 2001, the amount to be so deposited into the Illinois
17 Sports Facilities Fund and credited to the Advance Account
18 each fiscal year shall be increased from \$8,000,000 to the
19 then applicable Advance Amount and the required monthly
20 deposits beginning with July 2001 shall be in the amount of 1/8
21 of the then applicable Advance Amount plus any cumulative
22 deficiencies in those deposits for prior months. (The deposits
23 of the additional \$8,000,000 or the then applicable Advance
24 Amount, as applicable, during each fiscal year shall be
25 treated as advances of funds to the Illinois Sports Facilities
26 Authority for its corporate purposes to the extent paid to the

1 Authority or its trustee and shall be repaid into the General
2 Revenue Fund in the State Treasury by the State Treasurer on
3 behalf of the Authority pursuant to Section 19 of the Illinois
4 Sports Facilities Authority Act, as amended. If in any fiscal
5 year the full amount of the then applicable Advance Amount is
6 not repaid into the General Revenue Fund, then the deficiency
7 shall be paid from the amount in the Local Government
8 Distributive Fund that would otherwise be allocated to the
9 City of Chicago under the State Revenue Sharing Act.)

10 For purposes of the foregoing paragraph, the term "Advance
11 Amount" means, for fiscal year 2002, \$22,179,000, and for
12 subsequent fiscal years through fiscal year 2033, 105.615% of
13 the Advance Amount for the immediately preceding fiscal year,
14 rounded up to the nearest \$1,000.

15 Of the remaining 60% of the amount of total net proceeds
16 prior to August 1, 2011 from the tax imposed by subsection (a)
17 of Section 3 after all required deposits in the Illinois
18 Sports Facilities Fund, the amount equal to 8% of the net
19 revenue realized from this Act plus an amount equal to 8% of
20 the net revenue realized from any tax imposed under Section
21 4.05 of the Chicago World's Fair-1992 Authority Act during the
22 preceding month shall be deposited in the Local Tourism Fund
23 each month for purposes authorized by Section 605-705 of the
24 Department of Commerce and Economic Opportunity Law (20 ILCS
25 605/605-705). Of the remaining 60% of the amount of total net
26 proceeds beginning on August 1, 2011 from the tax imposed by

1 subsection (a) of Section 3 after all required deposits in the
2 Illinois Sports Facilities Fund, an amount equal to 8% of the
3 net revenue realized from this Act plus an amount equal to 8%
4 of the net revenue realized from any tax imposed under Section
5 4.05 of the Chicago World's Fair-1992 Authority Act during the
6 preceding month shall be deposited as follows: 18% of such
7 amount shall be deposited into the Chicago Travel Industry
8 Promotion Fund for the purposes described in subsection (n) of
9 Section 5 of the Metropolitan Pier and Exposition Authority
10 Act and the remaining 82% of such amount shall be deposited
11 into the Local Tourism Fund each month for purposes authorized
12 by Section 605-705 of the Department of Commerce and Economic
13 Opportunity Law. Beginning on August 1, 1999 and ending on
14 July 31, 2011, an amount equal to 4.5% of the net revenue
15 realized from the Hotel Operators' Occupation Tax Act during
16 the preceding month shall be deposited into the International
17 Tourism Fund for the purposes authorized in Section 605-707 of
18 the Department of Commerce and Economic Opportunity Law.
19 Beginning on August 1, 2011, an amount equal to 4.5% of the net
20 revenue realized from this Act during the preceding month
21 shall be deposited as follows: 55% of such amount shall be
22 deposited into the Chicago Travel Industry Promotion Fund for
23 the purposes described in subsection (n) of Section 5 of the
24 Metropolitan Pier and Exposition Authority Act and the
25 remaining 45% of such amount deposited into the International
26 Tourism Fund for the purposes authorized in Section 605-707 of

1 the Department of Commerce and Economic Opportunity Law. "Net
2 revenue realized for a month" means the revenue collected by
3 the State under that Act during the previous month less the
4 amount paid out during that same month as refunds to taxpayers
5 for overpayment of liability under that Act.

6 After making all these deposits, all other proceeds of the
7 tax imposed under subsection (a) of Section 3 shall be
8 deposited in the Tourism Promotion Fund in the State Treasury.
9 All moneys received by the Department from the additional tax
10 imposed under subsection (b) of Section 3 shall be deposited
11 into the Build Illinois Fund in the State Treasury.

12 The Department may, upon separate written notice to a
13 taxpayer, require the taxpayer to prepare and file with the
14 Department on a form prescribed by the Department within not
15 less than 60 days after receipt of the notice an annual
16 information return for the tax year specified in the notice.
17 Such annual return to the Department shall include a statement
18 of gross receipts as shown by the operator's last State income
19 tax return. If the total receipts of the business as reported
20 in the State income tax return do not agree with the gross
21 receipts reported to the Department for the same period, the
22 operator shall attach to his annual information return a
23 schedule showing a reconciliation of the 2 amounts and the
24 reasons for the difference. The operator's annual information
25 return to the Department shall also disclose pay roll
26 information of the operator's business during the year covered

1 by such return and any additional reasonable information which
2 the Department deems would be helpful in determining the
3 accuracy of the monthly, quarterly or annual tax returns by
4 such operator as hereinbefore provided for in this Section.

5 If the annual information return required by this Section
6 is not filed when and as required the taxpayer shall be liable
7 for a penalty in an amount determined in accordance with
8 Section 3-4 of the Uniform Penalty and Interest Act until such
9 return is filed as required, the penalty to be assessed and
10 collected in the same manner as any other penalty provided for
11 in this Act.

12 The chief executive officer, proprietor, owner or highest
13 ranking manager shall sign the annual return to certify the
14 accuracy of the information contained therein. Any person who
15 willfully signs the annual return containing false or
16 inaccurate information shall be guilty of perjury and punished
17 accordingly. The annual return form prescribed by the
18 Department shall include a warning that the person signing the
19 return may be liable for perjury.

20 The foregoing portion of this Section concerning the
21 filing of an annual information return shall not apply to an
22 operator who is not required to file an income tax return with
23 the United States Government.

24 (Source: P.A. 102-16, eff. 6-17-21.)

25 Section 905. The Counties Code is amended by changing

1 Section 5-1030 as follows:

2 (55 ILCS 5/5-1030) (from Ch. 34, par. 5-1030)

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

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

21 (b) With the consent of municipalities representing at
22 least 67% of the population of Winnebago County, as determined
23 by the 2010 federal decennial census and as expressed by
24 resolution of the corporate authorities of those
25 municipalities, the county board of Winnebago County may, by

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

1 forth in this subsection.

2 (c) A Tourism Facility Board shall be established,
3 comprised of a representative from the county and from each
4 municipality that has approved the imposition of the tax under
5 subsection (b) of this Section.

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

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

23 (3) The Board shall not be a separate unit of local
24 government, shall have no paid staff, and members of the
25 Board shall receive no compensation or reimbursement of
26 expenses from proceeds of the tax imposed under subsection

1 (b) of this Section.

2 (d) Persons subject to any tax imposed pursuant to
3 authority granted by this Section may reimburse themselves for
4 their tax liability for such tax by separately stating such
5 tax as an additional charge, which charge may be stated in
6 combination, in a single amount, with State tax imposed under
7 the "The Hotel Operators' Occupation Tax Act" or the
8 Short-Term Rental Occupation Tax Act.

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

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

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

22 Any county may agree with any unit of local government,
23 including any authority defined as a metropolitan exposition,
24 auditorium and office building authority, fair and exposition
25 authority, exposition and auditorium authority, or civic
26 center authority created pursuant to provisions of Illinois

1 law and the territory of which unit of local government or
2 authority is co-extensive with or wholly within such county,
3 to impose and collect for a period not to exceed 40 years, any
4 portion or all of the tax authorized pursuant to this Section
5 and to transmit such tax so collected to such unit of local
6 government or authority. The amount so paid shall be expended
7 by any such unit of local government or authority for the
8 purposes for which such tax is authorized. Any such agreement
9 must be authorized by resolution or ordinance, as the case may
10 be, of such county and unit of local government or authority,
11 and such agreement may provide for the irrevocable imposition
12 and collection of said tax at such rate, or amount as limited
13 by a given rate, as may be agreed upon for the full period of
14 time set forth in such agreement; and such agreement may
15 further provide for any other terms as deemed necessary or
16 advisable by such county and such unit of local government or
17 authority. Any such agreement shall be binding and enforceable
18 by either party to such agreement. Such agreement entered into
19 pursuant to this Section shall not in any event constitute an
20 indebtedness of such county subject to any limitation imposed
21 by statute or otherwise.

22 (Source: P.A. 98-313, eff. 8-12-13.)

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

1 (65 ILCS 5/8-3-13) (from Ch. 24, par. 8-3-13)

2 Sec. 8-3-13. The corporate authorities of any municipality
3 containing 500,000 or more inhabitants may impose a tax prior
4 to July 1, 1969, upon all persons engaged in the municipality
5 in the business of renting, leasing or letting rooms in a
6 hotel, as defined in the Hotel Operators' Occupation Tax Act,
7 or a short-term rental, as defined in the Short-Term Rental
8 Occupation Tax Act, at a rate not to exceed 1% of the gross
9 rental receipts from the renting, leasing or letting,
10 excluding, however, from gross rental receipts, the proceeds
11 of the renting, leasing or letting to permanent residents of
12 that hotel or short-term rental and proceeds from the tax
13 imposed under subsection (c) of Section 13 of the Metropolitan
14 Pier and Exposition Authority Act.

15 The tax imposed by a municipality under this Section and
16 all civil penalties that may be assessed as an incident
17 thereof shall be collected and enforced by the State
18 Department of Revenue. The certificate of registration that is
19 issued by the Department to a lessor under the Hotel
20 Operators' Occupation Tax Act, or a business license issued by
21 the Department under the Short-Term Rental Occupation Tax Act,
22 shall permit the registrant to engage in a business that is
23 taxable under any ordinance or resolution enacted under this
24 Section without registering separately with the Department
25 under the ordinance or resolution or under this Section. The
26 Department shall have full power to administer and enforce

1 this Section; to collect all taxes and penalties due
2 hereunder; to dispose of taxes and penalties so collected in
3 the manner provided in this Section; and to determine all
4 rights to credit memoranda arising on account of the erroneous
5 payment of tax or penalty hereunder. In the administration of
6 and compliance with this Section, the Department and persons
7 who are subject to this Section shall have the same rights,
8 remedies, privileges, immunities, powers and duties, and be
9 subject to the same conditions, restrictions, limitations,
10 penalties and definitions of terms, and employ the same modes
11 of procedure, as are prescribed in the Hotel Operators'
12 Occupation Tax Act, the Short-Term Rental Occupation Tax Act,
13 and the Uniform Penalty and Interest Act, as fully as if the
14 provisions contained in those Acts were set forth herein.

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

22 Persons subject to any tax imposed under authority granted
23 by this Section may reimburse themselves for their tax
24 liability for that tax by separately stating the tax as an
25 additional charge, which charge may be stated in combination,
26 in a single amount, with State tax imposed under the Hotel

1 Operators' Occupation Tax Act or the Short-Term Rental
2 Occupation Tax Act.

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

24 Within 10 days after receipt by the Comptroller of the
25 disbursement certification to the municipalities and the
26 General Revenue Fund provided for in this Section to be given

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

4 Nothing in this Section shall be construed to authorize a
5 municipality to impose a tax upon the privilege of engaging in
6 any business that, under the Constitution of the United
7 States, may not be made the subject of taxation by this State.

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

13 The corporate authorities of any municipality that levies
14 a tax authorized by this Section shall transmit to the
15 Department of Revenue on or not later than 5 days after the
16 effective date of the ordinance or resolution a certified copy
17 of the ordinance or resolution imposing the tax; whereupon,
18 the Department of Revenue shall proceed to administer and
19 enforce this Section on behalf of the municipality as of the
20 effective date of the ordinance or resolution. Upon a change
21 in rate of a tax levied hereunder, or upon the discontinuance
22 of the tax, the corporate authorities of the municipality
23 shall, on or not later than 5 days after the effective date of
24 the ordinance or resolution discontinuing the tax or effecting
25 a change in rate, transmit to the Department of Revenue a
26 certified copy of the ordinance or resolution effecting the

1 change or discontinuance. The amounts disbursed to any
2 municipality under this Section shall be expended by the
3 municipality solely to promote tourism, conventions and other
4 special events within that municipality or otherwise to
5 attract nonresidents to visit the municipality.

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

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

15 (Source: P.A. 87-205; 87-733; 87-895.)

16 (65 ILCS 5/8-3-14) (from Ch. 24, par. 8-3-14)

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

1 from such renting, leasing or letting, excluding, however,
2 from gross rental receipts, the proceeds of such renting,
3 leasing or letting to permanent residents of that hotel or
4 short-term rental and proceeds from the tax imposed under
5 subsection (c) of Section 13 of the Metropolitan Pier and
6 Exposition Authority Act, and may provide for the
7 administration and enforcement of the tax, and for the
8 collection thereof from the persons subject to the tax, as the
9 corporate authorities determine to be necessary or practicable
10 for the effective administration of the tax. The municipality
11 may not impose a tax under this Section if it imposes a tax
12 under Section 8-3-14a.

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

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

24 Except as otherwise provided in this Division, the amounts
25 collected by any municipality pursuant to this Section shall
26 be expended by the municipality solely to promote tourism and

1 conventions within that municipality or otherwise to attract
2 nonresident overnight visitors to the municipality.

3 No funds received pursuant to this Section shall be used
4 to advertise for or otherwise promote new competition in the
5 hotel business.

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

7 (65 ILCS 5/8-3-14a)

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

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

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

25 (c) The tax authorized under this Section does not apply

1 to any rental or lease payment by a permanent resident of that
2 hotel or short-term rental or to any payment made to any hotel
3 that is subject to the tax imposed under subsection (c) of
4 Section 13 of the Metropolitan Pier and Exposition Authority
5 Act. A municipality may not impose a tax under this Section if
6 it imposes a tax under Section 8-3-14. Nothing in this Section
7 may be construed to authorize a municipality to impose a tax
8 upon the privilege of engaging in any business that under the
9 Constitution of the United States may not be made the subject
10 of taxation by this State.

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

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

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

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

24 Section 999. Effective date. This Act takes effect January
25 1, 2024.