



Rep. Thomas Holbrook

**Filed: 1/11/2010**

09600SB2093ham002

LRB096 11467 RLJ 32088 a

1 AMENDMENT TO SENATE BILL 2093

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2093, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

5 "Section 1. Short title. This Act may be cited as the STAR  
6 Bonds Financing Act.

7 Section 5. Purpose. It is hereby found and declared that  
8 the purpose of this Act is to promote, stimulate, and develop  
9 the general and economic welfare of the State of Illinois and  
10 its communities and to assist in the development and  
11 redevelopment of major tourism, entertainment, retail, and  
12 related destination projects within eligible areas of the  
13 State, thereby creating new jobs, stimulating significant  
14 capital investment, and promoting the general welfare of the  
15 citizens of this State, by authorizing municipalities and  
16 counties to issue sales tax and revenue (STAR) bonds for the

1 financing of STAR bond projects as defined in Section 10, and  
2 to otherwise exercise the powers and authorities granted to  
3 municipalities. It is further found and declared to be the  
4 policy of the State, in the interest of promoting the health,  
5 safety, morals, and general welfare of all the people of the  
6 State, to provide incentives to create new job opportunities  
7 and to promote major tourism, entertainment, retail, and  
8 related destination projects within the State. It is further  
9 found and declared:

10 (a) that as a result of the costs of land assemblage,  
11 financing, infrastructure, and other project costs, the  
12 private sector, without the assistance contemplated in  
13 this Act, is unable to develop major tourism,  
14 entertainment, retail, and related destination projects in  
15 the State;

16 (b) that the type of projects for which this Act is  
17 intended must be of a certain size, scope, and acreage and  
18 have direct access to major highways, and must be developed  
19 in a cohesive and comprehensive manner;

20 (c) that the eligible tracts of land, significant  
21 portions of which are vacant and located in the 100-year  
22 flood plain, present unique development obstacles and are  
23 more likely to remain underutilized and undeveloped, or  
24 developed in a piecemeal manner resulting in inefficient  
25 and poorly planned developments that do not maximize job  
26 creation, job retention, tourism, and tax revenue

1 generation within the State;

2 (d) that there are multiple eligible areas in the State  
3 that could benefit from this Act;

4 (e) that municipalities of the State that already have  
5 an enterprise zone in place have a sufficient tool to  
6 encourage development and to preserve and enhance their  
7 local tax bases and job opportunities and otherwise achieve  
8 the purposes set forth in this Act;

9 (f) that investment in major tourism, entertainment,  
10 retail, and related destination projects within the State  
11 would stimulate economic activity in the State, including  
12 the creation and maintenance of jobs, the creation of new  
13 and lasting infrastructure and other improvements, and the  
14 attraction and retention of interstate tourists and  
15 entertainment events that generate significant economic  
16 activity;

17 (g) that the continual encouragement, development,  
18 growth, and expansion of major tourism, entertainment,  
19 retail, and related destination projects within the State  
20 requires a cooperative and continuous partnership between  
21 government and the public sector;

22 (h) that the State has a responsibility to help create  
23 a favorable climate for new and improved job opportunities  
24 for its citizens and to increase the tax base of the State  
25 and its political subdivisions by encouraging development  
26 by the private sector of major tourism, entertainment,

1 retail, and related destination projects within the State;

2 (i) that the stagnation of local tax bases and the loss  
3 of job opportunities within the State has persisted despite  
4 efforts of State and local authorities and private  
5 organizations to create major tourism, entertainment,  
6 retail, and related destination projects within the State;

7 (j) that the stagnation of local tax bases and the  
8 persistent loss of job opportunities in the State may  
9 continue and worsen if the State and its political  
10 subdivisions are not able to provide additional incentives  
11 to developers of major tourism, entertainment, retail, and  
12 related destination projects;

13 (k) that the provision of additional incentives by the  
14 State and its political subdivisions will relieve  
15 conditions of unemployment, maintain existing levels of  
16 employment, create new job opportunities, retain jobs  
17 within the State, increase tourism and commerce within the  
18 State, and increase the tax base of the State and its  
19 political subdivisions;

20 (l) that the powers conferred by this Act promote and  
21 protect the health, safety, morals, and welfare of the  
22 State, and are for a public purpose and public use for  
23 which public money and resources may be expended; and

24 (m) that the necessity in the public interest for the  
25 provisions of this Act is hereby declared as a matter of  
26 legislative determination.

1           Section 10. Definitions. As used in this Act, the following  
2 words and phrases shall have the following meanings unless a  
3 different meaning clearly appears from the context:

4           "Base year" means the calendar year immediately prior to  
5 the calendar year in which the STAR bond district is  
6 established.

7           "Commence work" means the manifest commencement of actual  
8 operations on the development site, such as, erecting a  
9 building, general on-site and off-site grading and utility  
10 installations, commencing design and construction  
11 documentation, ordering lead-time materials, excavating the  
12 ground to lay a foundation or a basement, or work of like  
13 description which a reasonable person would recognize as being  
14 done with the intention and purpose to continue work until the  
15 project is completed.

16           "County" means the county in which a proposed STAR bond  
17 district is located.

18           "De minimus" means an amount less than 15% of the land area  
19 within a STAR bond district.

20           "Department of Revenue" means the Department of Revenue of  
21 the State of Illinois.

22           "Destination user" means an owner, operator, licensee,  
23 co-developer, subdeveloper, or tenant (i) that operates a  
24 business within a STAR bond district that is a retail store  
25 having at least 150,000 square feet of sales floor area; (ii)

1 that at the time of opening does not have another Illinois  
2 location within a 70 mile radius; (iii) that has an annual  
3 average of not less than 30% of customers who travel from at  
4 least 75 miles away or from out-of-state, as demonstrated by  
5 data from a comparable existing store or stores, or, if there  
6 is no comparable existing store, as demonstrated by an economic  
7 analysis that shows that the proposed retailer will have an  
8 annual average of not less than 30% of customers who travel  
9 from at least 75 miles away or from out-of-state; and (iv) that  
10 makes an initial capital investment, including project costs  
11 and other direct costs, of not less than \$30,000,000 for such  
12 retail store.

13 "Developer" means any individual, corporation, trust,  
14 estate, partnership, limited liability partnership, limited  
15 liability company, or other entity. The term does not include a  
16 not-for-profit entity, political subdivision, or other agency  
17 or instrumentality of the State.

18 "Director" means the Director of Revenue, who shall consult  
19 with the Director of Commerce and Economic Opportunity in any  
20 approvals or decisions required by the Director under this Act.

21 "Economic impact study" means a study conducted by an  
22 independent economist to project the financial benefit of the  
23 proposed STAR bond project to the local, regional, and State  
24 economies, consider the proposed adverse impacts on similar  
25 projects and businesses, as well as municipalities within the  
26 projected market area, and draw conclusions about the net

1 effect of the proposed STAR bond project on the local,  
2 regional, and State economies. A copy of the economic impact  
3 study shall be provided to the Director for review.

4 "Eligible area" means any improved or vacant area that is  
5 contiguous and is not, in the aggregate, less than 600 acres  
6 which must include only parcels of real property directly and  
7 substantially benefited by the proposed STAR bond district  
8 plan, which is located adjacent to the intersection of at least  
9 2 highways, one of which is an interstate highway, which area  
10 must be comprised of land which is at least 90% vacant, and at  
11 least 30% of which is located in the 100-year flood plain. The  
12 area may be bisected by streets, highways, roads, alleys,  
13 railways, bike paths, streams, rivers, and other waterways and  
14 still be deemed contiguous. In addition, in order to constitute  
15 an eligible area one of the following requirements must be  
16 satisfied and all of which are subject to the review and  
17 approval of the Director as provided in subsection (d) of  
18 Section 15:

19 (a) the governing body of the political subdivision  
20 shall have determined that the area meets the requirements  
21 of a "blighted area" as defined under the Tax Increment  
22 Allocation Redevelopment Act; or

23 (b) the governing body of the political subdivision  
24 shall have determined that the area is a blighted area as  
25 determined under the provisions of Section 11-74.3-5 of the  
26 Illinois Municipal Code; or

1 (c) the governing body of the political subdivision  
2 shall make the following findings:

3 (i) that the vacant portions of the area have  
4 remained vacant for at least one year, or that any  
5 building located on a vacant portion of the property  
6 was demolished within the last year and that the  
7 building would have qualified under item (ii) of this  
8 subsection;

9 (ii) if portions of the area are currently  
10 developed, that the use, condition, and character of  
11 the buildings on the property are not consistent with  
12 the purposes set forth in Section 5;

13 (iii) that the STAR bond district is expected to  
14 create or retain job opportunities within the  
15 political subdivision;

16 (iv) that the STAR bond district will serve to  
17 further the development of adjacent areas;

18 (v) that without the availability of STAR bonds,  
19 the projects described in the STAR bond district plan  
20 would not be possible;

21 (vi) that the master developer meets high  
22 standards of creditworthiness and financial strength  
23 as demonstrated by one or more of the following: (i)  
24 corporate debenture ratings of BBB or higher by  
25 Standard & Poor's Corporation or Baa or higher by  
26 Moody's Investors Service, Inc.; (ii) a letter from a



1 financial institution with assets of \$10,000,000 or  
2 more attesting to the financial strength of the master  
3 developer; or (iii) specific evidence of equity  
4 financing for not less than 10% of the estimated total  
5 STAR bond project costs;

6 (vii) that the STAR bond district will strengthen  
7 the commercial sector of the political subdivision;

8 (viii) that the STAR bond district will enhance the  
9 tax base of the political subdivision; and

10 (ix) that the formation of a STAR bond district is  
11 in the best interest of the political subdivision.

12 "Entertainment user" means an owner, operator, licensee,  
13 co-developer, subdeveloper, or tenant that operates a business  
14 within a STAR bond district that has a primary use of providing  
15 a venue for entertainment attractions, rides, or other  
16 activities oriented toward the entertainment and amusement of  
17 its patrons, occupies at least 50 acres of land in the STAR  
18 bond district, and makes an initial capital investment,  
19 including project costs and other direct and indirect costs, of  
20 not less than \$100,000,000 for that venue.

21 "Feasibility study" means a feasibility study as defined in  
22 subsection (b) of Section 20.

23 "Infrastructure" means the public improvements and private  
24 improvements that serve the public purposes set forth in  
25 Section 5 of this Act and that benefit the STAR bond district  
26 or any STAR bond projects, including, but not limited to,

1 streets, drives and driveways, traffic and directional signs  
2 and signals, parking lots and parking facilities,  
3 interchanges, highways, sidewalks, bridges, underpasses and  
4 overpasses, bike and walking trails, sanitary storm sewers and  
5 lift stations, drainage conduits, channels, levees, canals,  
6 storm water detention and retention facilities, utilities and  
7 utility connections, water mains and extensions, and street and  
8 parking lot lighting and connections.

9 "Local sales taxes" means any locally-imposed taxes  
10 received by a municipality, county, or other local governmental  
11 entity arising from sales by retailers and servicemen within a  
12 STAR bond district, including business district sales taxes and  
13 STAR bond occupation taxes, and that portion of the net revenue  
14 realized under the Retailers' Occupation Tax Act, the Use Tax  
15 Act, the Service Use Tax Act, and the Service Occupation Tax  
16 Act from transactions at places of business located within a  
17 STAR bond district that is deposited into the Local Government  
18 Tax Fund and the County and Mass Transit District Fund. For the  
19 purpose of this Act, "local sales taxes" does not include (i)  
20 any taxes authorized pursuant to the Local Mass Transit  
21 District Act, the Metro-East Park and Recreation District Act,  
22 or the Flood Prevention District Act for so long as the  
23 applicable taxing district does not impose a tax on real  
24 property or (ii) any local sales taxes that are, at the time of  
25 formation of a STAR bond district, already subject to tax  
26 increment financing under the Tax Increment Allocation

1 Redevelopment Act.

2 "Local sales tax increment" means, with respect to local  
3 sales taxes administered by the Illinois Department of Revenue,  
4 (i) that portion of the local sales tax paid by destination  
5 users and entertainment users that is in excess of the local  
6 sales tax paid by destination users and entertainment users for  
7 the same month in the base year, as determined by the Illinois  
8 Department of Revenue and (ii) that portion of the local sales  
9 tax paid by taxpayers that are not destination users or  
10 entertainment users that is in excess of the local sales tax  
11 paid by taxpayers that are not destination users or  
12 entertainment users for the same month in the base year, as  
13 determined by the Illinois Department of Revenue. "Local sales  
14 tax increment" means, with respect to local sales taxes  
15 administered by a municipality, county, or other unit of local  
16 government, that portion of the local sales tax that is in  
17 excess of the local sales tax for the same month in the base  
18 year, as determined by the respective municipality, county, or  
19 other unit of local government. The Illinois Department of  
20 Revenue shall allocate the local sales tax increment only if  
21 the local sales tax is administered by the Department.

22 "Market study" means a study to determine the ability of  
23 the proposed STAR bond project to gain market share locally and  
24 regionally and to remain profitable past the term of repayment  
25 of STAR bonds.

26 "Master developer" means a developer cooperating with a

1 political subdivision to plan, develop, and implement a STAR  
2 bond project plan for a STAR bond district. Subject to the  
3 limitations of Section 25, the master developer may work with  
4 and transfer certain development rights to other developers for  
5 the purpose of implementing STAR bond project plans and  
6 achieving the purposes of this Act. A master developer for a  
7 STAR bond district shall be appointed by a political  
8 subdivision in the resolution establishing the STAR bond  
9 district, and the master developer must, at the time of  
10 appointment, own or have control of, through purchase  
11 agreements, option contracts, or other means, not less than 50%  
12 of the acreage within the STAR bond district and the master  
13 developer or its affiliate must have ownership or control on  
14 May 26, 2009.

15 "Master development agreement" means an agreement between  
16 the master developer and the political subdivision to govern a  
17 STAR bond district and any STAR bond projects.

18 "Municipality" means the city, village, or incorporated  
19 town in which a proposed STAR bond district is located.

20 "Pledged STAR revenues" means those sales tax and revenues  
21 and other sources of funds pledged to pay debt service on STAR  
22 bonds or to pay project costs pursuant to Section 30.  
23 Notwithstanding any provision to the contrary, the following  
24 revenues shall not constitute pledged STAR revenues or be  
25 available to pay principal and interest on STAR bonds: any  
26 State sales tax increment or local sales tax increment from a

1 retail entity initiating operations in a STAR bond district  
2 while terminating operations at another Illinois location  
3 within 25 miles of the STAR bond district. For purposes of this  
4 paragraph, "terminating operations" means a closing of a retail  
5 operation that is directly related to the opening of the same  
6 operation or like retail entity owned or operated by more than  
7 50% of the original ownership in a STAR bond district within  
8 one year before or after initiating operations in the STAR bond  
9 district, but it does not mean closing an operation for reasons  
10 beyond the control of the retail entity, as documented by the  
11 retail entity, subject to a reasonable finding by the  
12 municipality that the current location contained inadequate  
13 space, had become economically obsolete, or was no longer a  
14 viable location for the retailer or serviceman.

15 "Political subdivision" means a municipality or county  
16 which undertakes to establish a STAR bond district pursuant to  
17 the provisions of this Act.

18 "Project costs" means and includes the sum total of all  
19 costs incurred or estimated to be incurred on or following the  
20 date of establishment of a STAR bond district that are  
21 reasonable or necessary to implement a STAR bond district plan  
22 or any STAR bond project plans, or both, including costs  
23 incurred for public improvements and private improvements that  
24 serve the public purposes set forth in Section 5 of this Act.  
25 Such costs include without limitation the following:

26 (a) costs of studies, surveys, development of plans and

1 specifications, formation, implementation, and  
2 administration of a STAR bond district, STAR bond district  
3 plan, any STAR bond projects, or any STAR bond project  
4 plans, including, but not limited to, staff and  
5 professional service costs for architectural, engineering,  
6 legal, financial, planning, or other services, provided  
7 however that no charges for professional services may be  
8 based on a percentage of the tax increment collected and no  
9 contracts for professional services, excluding  
10 architectural and engineering services, may be entered  
11 into if the terms of the contract extend beyond a period of  
12 3 years;

13 (b) property assembly costs, including, but not  
14 limited to, acquisition of land and other real property or  
15 rights or interests therein, located within the boundaries  
16 of a STAR bond district, demolition of buildings, site  
17 preparation, site improvements that serve as an engineered  
18 barrier addressing ground level or below ground  
19 environmental contamination, including, but not limited  
20 to, parking lots and other concrete or asphalt barriers,  
21 the clearing and grading of land, and importing additional  
22 soil and fill materials, or removal of soil and fill  
23 materials from the site;

24 (c) subject to paragraph (d), costs of buildings and  
25 other vertical improvements that are located within the  
26 boundaries of a STAR bond district and owned by a political

1 subdivision or other public entity, including without  
2 limitation police and fire stations, educational  
3 facilities, and public restrooms and rest areas;

4 (c-5) costs of buildings; rides and attractions, which  
5 include carousels, slides, roller coasters, displays,  
6 models, towers, works of art, and similar theme and  
7 amusement park improvements; and other vertical  
8 improvements that are located within the boundaries of a  
9 STAR bond district and owned by an entertainment user;  
10 except that only one entertainment user in a STAR bond  
11 district is eligible to include the cost of those vertical  
12 improvements as project costs;

13 (d) costs of the design and construction of  
14 infrastructure and public works located within the  
15 boundaries of a STAR bond district that are reasonable or  
16 necessary to implement a STAR bond district plan or any  
17 STAR bond project plans, or both, except that project costs  
18 shall not include the cost of constructing a new municipal  
19 public building principally used to provide offices,  
20 storage space, or conference facilities or vehicle  
21 storage, maintenance, or repair for administrative, public  
22 safety, or public works personnel and that is not intended  
23 to replace an existing public building unless the political  
24 subdivision makes a reasonable determination in a STAR bond  
25 district plan or any STAR bond project plans, supported by  
26 information that provides the basis for that

1 determination, that the new municipal building is required  
2 to meet an increase in the need for public safety purposes  
3 anticipated to result from the implementation of the STAR  
4 bond district plan or any STAR bond project plans;

5 (e) costs of the design and construction of the  
6 following improvements located outside the boundaries of a  
7 STAR bond district, provided that the costs are essential  
8 to further the purpose and development of a STAR bond  
9 district plan and either (i) part of and connected to  
10 sewer, water, or utility service lines that physically  
11 connect to the STAR bond district or (ii) significant  
12 improvements for adjacent offsite highways, streets,  
13 roadways, and interchanges that are approved by the  
14 Illinois Department of Transportation. No other cost of  
15 infrastructure and public works improvements located  
16 outside the boundaries of a STAR bond district may be  
17 deemed project costs;

18 (f) costs of job training and retraining projects,  
19 including the cost of "welfare to work" programs  
20 implemented by businesses located within a STAR bond  
21 district;

22 (g) financing costs, including, but not limited to, all  
23 necessary and incidental expenses related to the issuance  
24 of obligations and which may include payment of interest on  
25 any obligations issued hereunder including interest  
26 accruing during the estimated period of construction of any



1 improvements in a STAR bond district or any STAR bond  
2 projects for which such obligations are issued and for not  
3 exceeding 36 months thereafter and including reasonable  
4 reserves related thereto;

5 (h) to the extent the political subdivision by written  
6 agreement accepts and approves the same, all or a portion  
7 of a taxing district's capital costs resulting from a STAR  
8 bond district or STAR bond projects necessarily incurred or  
9 to be incurred within a taxing district in furtherance of  
10 the objectives of a STAR bond district plan or STAR bond  
11 project plans;

12 (i) interest cost incurred by a developer for project  
13 costs related to the acquisition, formation,  
14 implementation, development, construction, and  
15 administration of a STAR bond district, STAR bond district  
16 plan, STAR bond projects, or any STAR bond project plans  
17 provided that:

18 (i) payment of such costs in any one year may not  
19 exceed 30% of the annual interest costs incurred by the  
20 developer with regard to the STAR bond district or any  
21 STAR bond projects during that year; and

22 (ii) the total of such interest payments paid  
23 pursuant to this Act may not exceed 30% of the total  
24 cost paid or incurred by the developer for a STAR bond  
25 district or STAR bond projects, plus project costs,  
26 excluding any property assembly costs incurred by a

1 political subdivision pursuant to this Act;

2 (j) costs of common areas located within the boundaries  
3 of a STAR bond district;

4 (k) costs of landscaping and plantings, retaining  
5 walls and fences, man-made lakes and ponds, shelters,  
6 benches, lighting, and similar amenities located within  
7 the boundaries of a STAR bond district;

8 (l) costs of mounted building signs, site monument, and  
9 pylon signs located within the boundaries of a STAR bond  
10 district; or

11 (m) if included in the STAR bond district plan and  
12 approved in writing by the Director, salaries or a portion  
13 of salaries for local government employees to the extent  
14 the same are directly attributable to the work of such  
15 employees on the establishment and management of a STAR  
16 bond district or any STAR bond projects.

17 Except as specified in items (a) through (m), "project  
18 costs" shall not include:

19 (i) the cost of construction of buildings that are  
20 privately owned or owned by a municipality and leased to a  
21 developer or retail user for non-entertainment retail  
22 uses;

23 (ii) moving expenses for employees of the businesses  
24 locating within the STAR bond district;

25 (iii) property taxes for property located in the STAR  
26 bond district;

1 (iv) lobbying costs; and

2 (v) general overhead or administrative costs of the  
3 political subdivision that would still have been incurred  
4 by the political subdivision if the political subdivision  
5 had not established a STAR bond district.

6 "Project development agreement" means any one or more  
7 agreements, including any amendments thereto, between a master  
8 developer and any co-developer or subdeveloper in connection  
9 with a STAR bond project, which project development agreement  
10 may include the political subdivision as a party.

11 "Projected market area" means any area within the State in  
12 which a STAR bond district or STAR bond project is projected to  
13 have a significant fiscal or market impact as determined by the  
14 Director.

15 "Resolution" means a resolution, order, ordinance, or  
16 other appropriate form of legislative action of a political  
17 subdivision or other applicable public entity approved by a  
18 vote of a majority of a quorum at a meeting of the governing  
19 body of the political subdivision or applicable public entity.

20 "STAR bond" means a sales tax and revenue bond, note, or  
21 other obligation payable from pledged STAR revenues and issued  
22 by a political subdivision, the proceeds of which shall be used  
23 only to pay project costs as defined in this Act.

24 "STAR bond district" means the specific area declared to be  
25 an eligible area as determined by the political subdivision,  
26 and approved by the Director, in which the political

1 subdivision may develop one or more STAR bond projects.

2 "STAR bond district plan" means the preliminary or  
3 conceptual plan that generally identifies the proposed STAR  
4 bond project areas and identifies in a general manner the  
5 buildings, facilities, and improvements to be constructed or  
6 improved in each STAR bond project area.

7 "STAR bond project" means a project within a STAR bond  
8 district which is approved pursuant to Section 20.

9 "STAR bond project area" means the geographic area within a  
10 STAR bond district in which there may be one or more STAR bond  
11 projects.

12 "STAR bond project plan" means the written plan adopted by  
13 a political subdivision for the development of a STAR bond  
14 project in a STAR bond district; the plan may include, but is  
15 not limited to, (i) project costs incurred prior to the date of  
16 the STAR bond project plan and estimated future STAR bond  
17 project costs, (ii) proposed sources of funds to pay those  
18 costs, (iii) the nature and estimated term of any obligations  
19 to be issued by the political subdivision to pay those costs,  
20 (iv) the most recent equalized assessed valuation of the STAR  
21 bond project area, (v) an estimate of the equalized assessed  
22 valuation of the STAR bond district or applicable project area  
23 after completion of a STAR bond project, (vi) a general  
24 description of the types of any known or proposed developers,  
25 users, or tenants of the STAR bond project or projects included  
26 in the plan, (vii) a general description of the type,

1 structure, and character of the property or facilities to be  
2 developed or improved, (viii) a description of the general land  
3 uses to apply to the STAR bond project, and (ix) a general  
4 description or an estimate of the type, class, and number of  
5 employees to be employed in the operation of the STAR bond  
6 project.

7 "State sales tax" means all of the net revenue realized  
8 under the Retailers' Occupation Tax Act, the Use Tax Act, the  
9 Service Use Tax Act, and the Service Occupation Tax Act from  
10 transactions at places of business located within a STAR bond  
11 district, excluding that portion of the net revenue realized  
12 under the Retailers' Occupation Tax Act, the Use Tax Act, the  
13 Service Use Tax Act, and the Service Occupation Tax Act from  
14 transactions at places of business located within a STAR bond  
15 district that is deposited into the Local Government Tax Fund  
16 and the County and Mass Transit District Fund. For the purposes  
17 of this Act, "State sales tax" does not include any State sales  
18 taxes that are, at the time of formation of a STAR bond  
19 district, already subject to tax increment financing under the  
20 Tax Increment Allocation Redevelopment Act.

21 "State sales tax increment" means that portion of the State  
22 sales tax that is in excess of the State sales tax for the same  
23 month in the base year, as determined by the Department of  
24 Revenue, from transactions at destination users and  
25 entertainment users located within a STAR bond district, which  
26 destination users and entertainment users shall be designated

1 by the master developer and approved by the political  
2 subdivision and the Director in conjunction with the applicable  
3 STAR bond project approval.

4 "Substantial change" means a change wherein the proposed  
5 STAR bond project plan differs substantially in size, scope, or  
6 use from the approved STAR bond district plan or STAR bond  
7 project plan.

8 "Taxpayer" means an individual, partnership, corporation,  
9 limited liability company, trust, estate, or other entity that  
10 is subject to the Illinois Income Tax Act.

11 "Total development costs" means the aggregate public and  
12 private investment in a STAR bond district, including project  
13 costs and other direct and indirect costs related to the  
14 development of the STAR bond district.

15 "Vacant" means that portion of the land in a proposed STAR  
16 bond district that is not occupied by a building, facility, or  
17 other vertical improvement.

18 Section 15. Establishment of STAR bond district. The  
19 governing body of a municipality may establish a STAR bond  
20 district within an eligible area within the municipality or  
21 partially outside the boundaries of the municipality in an  
22 unincorporated area of the county. A STAR bond district which  
23 is partially outside the boundaries of the municipality must  
24 also be approved by the governing body of the county by the  
25 passage of a resolution. The governing body of a county may

1 establish a STAR bond district in an eligible area in any  
2 unincorporated area of the county.

3 (a) When a political subdivision proposes to establish a  
4 STAR bond district, the political subdivision shall adopt a  
5 resolution stating that the political subdivision is  
6 considering the establishment of a STAR bond district. The  
7 resolution shall:

8 (1) give notice, in the same manner as set forth in  
9 item (2) of subsection (g) of Section 20, that a public  
10 hearing will be held to consider the establishment of a  
11 STAR bond district and fix the date, hour, and place of the  
12 public hearing, which shall be at a location that is within  
13 20 miles of the STAR bond district, in a facility that can  
14 accommodate a large crowd, and in a facility that is  
15 accessible to persons with disabilities;

16 (2) describe the proposed general boundaries of the  
17 STAR bond district;

18 (3) describe the STAR bond district plan;

19 (4) require that a description and map of the proposed  
20 STAR bond district are available for inspection at a time  
21 and place designated;

22 (5) identify the master developer for the STAR bond  
23 district; and

24 (6) require that the governing body consider findings  
25 necessary for the establishment of a STAR bond district.

26 (b) Upon the conclusion of the public hearing the governing

1 body of the political subdivision may consider a resolution to  
2 establish the STAR bond district.

3 (1) A resolution to establish a STAR bond district  
4 shall:

5 (A) make findings that the proposed STAR bond  
6 district is to be developed with one or more STAR bond  
7 projects;

8 (B) make findings that the STAR bond district is an  
9 eligible area;

10 (C) contain a STAR bond district plan that  
11 identifies in a general manner the buildings and  
12 facilities that are proposed to be constructed or  
13 improved in subsequent STAR bond projects and that  
14 includes plans for destination users and an  
15 entertainment user;

16 (D) contain the legal description of the STAR bond  
17 district;

18 (E) appoint the master developer for the STAR bond  
19 district; and

20 (F) establish the STAR bond district, contingent  
21 upon approval of the Director as set forth in  
22 subsection (d).

23 (2) If the resolution is not adopted by the political  
24 subdivision within 60 days from the conclusion of the  
25 public hearing, then the STAR bond district shall not be  
26 established.



1           (3) Upon adoption of a resolution establishing a STAR  
2       bond district, the political subdivision shall send a  
3       certified copy of such resolution to the Department of  
4       Revenue.

5           (c) Upon the establishment of a STAR bond district, the  
6       STAR bond district and any STAR bond projects shall be governed  
7       by a master development agreement between the political  
8       subdivision and the master developer. A STAR bond district that  
9       is partially outside the boundaries of a municipality shall  
10      only require one master development agreement; the agreement  
11      shall be between the municipality and the master developer. In  
12      no event shall there be more than one master development  
13      agreement governing the terms and conditions of a STAR bond  
14      district. The master development agreement shall require the  
15      master developer to ensure compliance with the following  
16      requirements to reduce the ecological impact of the STAR bond  
17      district development: (i) inclusion of pollution prevention,  
18      erosion, and sedimentation control plans during construction;  
19      (ii) protection of endangered species' habitat and wetlands  
20      mitigation; (iii) preservation of at least 20% of the STAR bond  
21      district as green space, including lawns, parks, landscaped  
22      areas, paths, lakes, ponds, and other water features; (iv)  
23      promotion of the use of renewable energy to the extent  
24      commercially feasible; (v) promotion of access to mass transit  
25      and bicycle transportation; (vi) implementation of recycling  
26      programs during construction and at completed STAR bond

1 projects; (vii) preservation of water quality and promotion of  
2 water conservation through the use of techniques such as  
3 reusing storm water and landscaping with native and  
4 low-maintenance vegetation to reduce the need for irrigation  
5 and fertilization; (viii) inclusion of comprehensive lighting  
6 programs that reduce light pollution within the STAR bond  
7 district; and (ix) promotion of shared parking between  
8 different users to reduce the impact on project sites.

9 (d) Upon adoption of the resolution to establish a STAR  
10 bond district, the political subdivision shall submit the  
11 proposed STAR bond district to the Director for consideration.  
12 The Director may only approve a STAR bond district if the  
13 Director finds that: (i) the proposed STAR bond district is an  
14 eligible area, (ii) no portion of the proposed STAR bond  
15 district is located within a municipality that has an  
16 enterprise zone pursuant to the Illinois Enterprise Zone Act  
17 within its municipal boundaries, (iii) the STAR bond district  
18 plan includes a projected capital investment of at least  
19 \$300,000,000, (iv) the STAR bond district plan is reasonably  
20 projected to produce at least \$300,000,000 of annual gross  
21 sales revenues and 1,000 new jobs, (v) the STAR bond district  
22 plan includes potential destination users and a potential  
23 entertainment user, (vi) the creation of the STAR bond district  
24 and STAR bond district plan are in accordance with the purpose  
25 of this Act and the public interest, and (vii) the STAR bond  
26 district and STAR bond district plan meet any other requirement

1 that the Director deems appropriate. If a proposed STAR bond  
2 district meets all of the foregoing criteria, the Director  
3 shall not unreasonably withhold its approval of the proposed  
4 STAR bond district. The Director may only approve one STAR bond  
5 district within any projected market area. However, the  
6 Director may approve additional STAR bond districts in a single  
7 projected market area provided that the Director finds that the  
8 additional STAR bond district will not thwart the purposes of  
9 this Act. The Director shall promptly send a copy of its  
10 written findings and approval or denial of a STAR bond district  
11 to the requesting political subdivision.

12 (e) Starting on the fifth anniversary of the first date of  
13 distribution of State sales tax revenues from the first STAR  
14 bond project in the STAR bond district and continuing each  
15 anniversary thereafter, the Director shall, in consultation  
16 with the political subdivision and the master developer,  
17 determine the total number of new jobs created within the STAR  
18 bond district, the total development cost to date, and the  
19 master developer's compliance with its obligations under any  
20 written agreements with the State. If, on the fifth anniversary  
21 of the first date of distribution of State sales tax revenues  
22 from the first STAR bond project in the STAR bond district, the  
23 Director determines that the total development cost to date is  
24 not equal to or greater than \$300,000,000, or that the master  
25 developer is in breach of any written agreement with the State,  
26 then no new STAR bonds may be issued in the STAR bond district

1 until the total development cost exceeds \$300,000,000 or the  
2 breach of agreement is cured, or both. If, on the fifth  
3 anniversary of the first date of distribution of State sales  
4 tax revenues from the first STAR bond project in the STAR bond  
5 district, there are not at least 1,000 jobs existing in the  
6 STAR bond district, the State may require the master developer  
7 to pay the State a penalty of \$1,500 per job under 1,000 each  
8 year until the earlier of (i) the twenty-third anniversary of  
9 the first date of distribution of State sales tax revenues from  
10 the first STAR bond project in the STAR bond district, (ii) the  
11 date that all STAR bonds issued in the STAR bond district have  
12 been paid off, or (iii) the date that at least 1,000 jobs have  
13 been created in the STAR bond district. Upon creation of 1,000  
14 jobs in the STAR bond district, there shall not be an ongoing  
15 obligation to maintain those jobs after the fifth anniversary  
16 of the first date of distribution of State sales tax revenues  
17 from the first STAR bond project in the STAR bond district, and  
18 the master developer shall be relieved of any liability with  
19 respect to job creation under this subsection. Notwithstanding  
20 anything to the contrary in this subsection, the master  
21 developer shall not be liable for the penalties set forth under  
22 this subsection if the breach of agreement, failure to reach at  
23 least \$300,000,000 in total development costs, or failure to  
24 create 1,000 jobs is due to delays caused by force majeure, as  
25 that term shall be defined in the master development agreement.

1           Section 20. Approval of STAR bond projects. The governing  
2 body of a political subdivision may establish one or more STAR  
3 bond projects in any STAR bond district. A STAR bond project  
4 which is partially outside the boundaries of a municipality  
5 must also be approved by the governing body of the county by  
6 resolution.

7           (a) After the establishment of a STAR bond district, the  
8 master developer may propose one or more STAR bond projects to  
9 a political subdivision and the master developer shall, in  
10 cooperation with the political subdivision, prepare a STAR bond  
11 project plan in consultation with the planning commission of  
12 the political subdivision, if any. The STAR bond project plan  
13 may be implemented in separate development stages.

14           (b) Any political subdivision considering a STAR bond  
15 project within a STAR bond district shall notify the  
16 Department, which shall cause to be prepared an independent  
17 feasibility study by a feasibility consultant with certified  
18 copies provided to the political subdivision, the Director, and  
19 the Department of Commerce and Economic Opportunity. The  
20 feasibility study shall include the following:

21           (1) the estimated amount of pledged STAR revenues  
22 expected to be collected in each year through the maturity  
23 date of the proposed STAR bonds;

24           (2) a statement of how the jobs and taxes obtained from  
25 the STAR bond project will contribute significantly to the  
26 economic development of the State and region;

- 1 (3) visitation expectations;
- 2 (4) the unique quality of the project;
- 3 (5) an economic impact study;
- 4 (6) a market study;
- 5 (7) integration and collaboration with other resources
- 6 or businesses;
- 7 (8) the quality of service and experience provided, as
- 8 measured against national consumer standards for the
- 9 specific target market;
- 10 (9) project accountability, measured according to best
- 11 industry practices;
- 12 (10) the expected return on State and local investment
- 13 that the STAR bond project is anticipated to produce; and
- 14 (11) an anticipated principal and interest payment
- 15 schedule on the STAR bonds.

16 The feasibility consultant, along with the independent  
17 economist and any other consultants commissioned to perform the  
18 studies and other analysis required by the feasibility study,  
19 shall be selected by the Director with the approval of the  
20 political subdivision. The consultants shall be retained by the  
21 Director and the Department shall be reimbursed by the master  
22 developer for the costs to retain the consultants.

23 The failure to include all information enumerated in this  
24 subsection in the feasibility study for a STAR bond project  
25 shall not affect the validity of STAR bonds issued pursuant to  
26 this Act.

1 (c) If the political subdivision determines the STAR bond  
2 project is feasible, the STAR bond project plan shall include:

3 (1) a summary of the feasibility study;

4 (2) a reference to the STAR bond district plan that  
5 identifies the STAR bond project area that is set forth in  
6 the STAR bond project plan that is being considered;

7 (3) a legal description and map of the STAR bond  
8 project area to be developed or redeveloped;

9 (4) a description of the buildings and facilities  
10 proposed to be constructed or improved in such STAR bond  
11 project area, including destination users and an  
12 entertainment user, as applicable;

13 (5) a copy of letters of intent to locate within the  
14 STAR bond district signed by both the master developer and  
15 the appropriate corporate officer of a destination user and  
16 an entertainment user for the first STAR bond project  
17 proposed within the district; and

18 (6) any other information the governing body of the  
19 political subdivision deems reasonable and necessary to  
20 advise the public of the intent of the STAR bond project  
21 plan.

22 (d) Before a political subdivision may hold a public  
23 hearing to consider a STAR bond project plan, the Department of  
24 Commerce and Economic Opportunity shall hold a regional public  
25 meeting to discuss, evaluate, and review the merits of the STAR  
26 bond project plan. The public meeting shall be held at a

1 location that is within 20 miles of the STAR bond district, in  
2 a facility that can accommodate a large crowd, and in a  
3 facility that is accessible to persons with disabilities. The  
4 public meeting shall be held within 20 days after the receipt  
5 of the feasibility study by the Director. Notice of the public  
6 meeting shall be delivered to the Director and the political  
7 subdivision and shall be published once in a newspaper of  
8 general circulation in the political subdivision not less than  
9 one week and not more than 3 weeks preceding the date of the  
10 public meeting. At the public meeting, all interested persons  
11 shall be given an opportunity to be heard. At the conclusion of  
12 the public meeting, the Department of Commerce and Economic  
13 Opportunity shall provide a report to the Director concerning  
14 the testimony of the public meeting.

15 (e) Before a political subdivision may hold a public  
16 hearing to consider a STAR bond project plan, the political  
17 subdivision must apply to the Department for approval of the  
18 STAR bond project plan. An application for approval of a STAR  
19 bond project plan must not be approved unless all of the  
20 components of the feasibility study set forth in items (1)  
21 through (11) of subsection (b) have been completed and  
22 submitted to the Department for review. In addition to  
23 reviewing all of the other elements of the STAR bond project  
24 plan required under subsection (c), which must be included in  
25 the application (which plan must include a letter or letters of  
26 intent as required under subdivision (c) (5) in order to receive



1 Director approval), the Director must review the feasibility  
2 study and consider all of the components of the feasibility  
3 study set forth in items (1) through (11) of subsection (b) of  
4 Section 20, including without limitation the economic impact  
5 study and the financial benefit of the proposed STAR bond  
6 project to the local, regional, and State economies, the  
7 proposed adverse impacts on similar businesses and projects as  
8 well as municipalities within the market area, and the net  
9 effect of the proposed STAR bond project on the local,  
10 regional, and State economies. In addition to the economic  
11 impact study, the political subdivision must also submit to the  
12 Department, as part of its application, the financial and other  
13 information that substantiates the basis for the conclusion of  
14 the economic impact study, in the form and manner as required  
15 by the Department, so that the Department can verify the  
16 results of the study. In addition to any other criteria in this  
17 subsection, to approve the STAR bond project plan, the Director  
18 must be satisfied that the proposed destination user is in fact  
19 a true destination user and also find that the STAR bond  
20 project plan is in accordance with the purpose of this Act and  
21 the public interest. The Director shall either approve or deny  
22 the STAR bond project plan based on the criteria in this  
23 subsection.

24 (f) Upon a finding by the planning and zoning commission of  
25 the political subdivision that the STAR bond project plan is  
26 consistent with the intent of the comprehensive plan for the

1 development of the political subdivision and upon issuance of  
2 the written approval of the STAR bond project plan from the  
3 Director pursuant to subsection (e) of Section 20 the governing  
4 body of the political subdivision shall adopt a resolution  
5 stating that the political subdivision is considering the  
6 adoption of the STAR bond project plan. The resolution shall:

7 (1) give notice that a public hearing will be held to  
8 consider the adoption of the STAR bond project plan and fix  
9 the date, hour, and place of the public hearing;

10 (2) describe the general boundaries of the STAR bond  
11 district within which the STAR bond project will be located  
12 and the date of establishment of the STAR bond district;

13 (3) describe the general boundaries of the area  
14 proposed to be included within the STAR bond project area;

15 (4) provide that the STAR bond project plan and map of  
16 the area to be redeveloped or developed are available for  
17 inspection during regular office hours in the offices of  
18 the political subdivision; and

19 (5) contain a summary of the terms and conditions of  
20 any proposed project development agreement with the  
21 political subdivision.

22 (g) A public hearing shall be conducted to consider the  
23 adoption of any STAR bond project plan.

24 (1) The date fixed for the public hearing to consider  
25 the adoption of the STAR bond project plan shall be not  
26 less than 20 nor more than 90 days following the date of

1 the adoption of the resolution fixing the date of the  
2 hearing.

3 (2) A copy of the political subdivision's resolution  
4 providing for the public hearing shall be sent by certified  
5 mail, return receipt requested, to the governing body of  
6 the county. A copy of the political subdivision's  
7 resolution providing for the public hearing shall be sent  
8 by certified mail, return receipt requested, to each person  
9 or persons in whose name the general taxes for the last  
10 preceding year were paid on each parcel of land lying  
11 within the proposed STAR bond project area within 10 days  
12 following the date of the adoption of the resolution. The  
13 resolution shall be published once in a newspaper of  
14 general circulation in the political subdivision not less  
15 than one week nor more than 3 weeks preceding the date  
16 fixed for the public hearing. A map or aerial photo clearly  
17 delineating the area of land proposed to be included within  
18 the STAR bond project area shall be published with the  
19 resolution.

20 (3) The hearing shall be held at a location that is  
21 within 20 miles of the STAR bond district, in a facility  
22 that can accommodate a large crowd, and in a facility that  
23 is accessible to persons with disabilities.

24 (4) At the public hearing, a representative of the  
25 political subdivision or master developer shall present  
26 the STAR bond project plan. Following the presentation of

1 the STAR bond project plan, all interested persons shall be  
2 given an opportunity to be heard. The governing body may  
3 continue the date and time of the public hearing.

4 (h) Upon conclusion of the public hearing, the governing  
5 body of the political subdivision may adopt the STAR bond  
6 project plan by a resolution approving the STAR bond project  
7 plan.

8 (i) After the adoption by the corporate authorities of the  
9 political subdivision of a STAR bond project plan, the  
10 political subdivision may enter into a project development  
11 agreement if the master developer has requested the political  
12 subdivision to be a party to the project development agreement  
13 pursuant to subsection (b) of Section 25.

14 (j) Within 30 days after the adoption by the political  
15 subdivision of a STAR bond project plan, the clerk of the  
16 political subdivision shall transmit a copy of the legal  
17 description of the land and a list of all new and existing  
18 mailing addresses within the STAR bond district, a copy of the  
19 resolution adopting the STAR bond project plan, and a map or  
20 plat indicating the boundaries of the STAR bond project area to  
21 the clerk, treasurer, and governing body of the county and to  
22 the Department of Revenue. Within 30 days of creation of any  
23 new mailing addresses within a STAR bond district, the clerk of  
24 the political subdivision shall provide written notice of such  
25 new addresses to the Department of Revenue.

26 If a certified copy of the resolution adopting the STAR

1 bond project plan is filed with the Department on or before the  
2 first day of April, the Department, if all other requirements  
3 of this subsection are met, shall proceed to collect and  
4 allocate any local sales tax increment and any State sales tax  
5 increment in accordance with the provisions of this Act as of  
6 the first day of July next following the adoption and filing.  
7 If a certified copy of the resolution adopting the STAR bond  
8 project plan is filed with the Department after April 1 but on  
9 or before the first day of October, the Department, if all  
10 other requirements of this subsection are met, shall proceed to  
11 collect and allocate any local sales tax increment and any  
12 State sales tax increment in accordance with the provisions of  
13 this Act as of the first day of January next following the  
14 adoption and filing.

15 Any substantial changes to a STAR bond project plan as  
16 adopted shall be subject to a public hearing following  
17 publication of notice thereof in a newspaper of general  
18 circulation in the political subdivision and approval by  
19 resolution of the governing body of the political subdivision.

20 The Department of Revenue shall not collect or allocate any  
21 local sales tax increment or State sales tax increment, until  
22 the political subdivision also provides, in the manner  
23 prescribed by the Department, the boundaries of the STAR bond  
24 project area and each address in the STAR bond project area in  
25 such a way that the Department can determine by its address  
26 whether a business is located in the STAR bond project area.

1 The political subdivision must provide this boundary and  
2 address information to the Department on or before April 1 for  
3 administration and enforcement under this Act by the Department  
4 beginning on the following July 1 and on or before October 1  
5 for administration and enforcement under this Act by the  
6 Department beginning on the following January 1. The Department  
7 of Revenue shall not administer or enforce any change made to  
8 the boundaries of a STAR bond project or any address change,  
9 addition, or deletion until the political subdivision reports  
10 the boundary change or address change, addition, or deletion to  
11 the Department in the manner prescribed by the Department. The  
12 political subdivision must provide this boundary change or  
13 address change, addition, or deletion information to the  
14 Department on or before April 1 for administration and  
15 enforcement by the Department of the change, addition, or  
16 deletion beginning on the following July 1 and on or before  
17 October 1 for administration and enforcement by the Department  
18 of the change, addition, or deletion beginning on the following  
19 January 1. If a retailer is incorrectly included or excluded  
20 from the list of those located in the STAR bond project, the  
21 Department of Revenue shall be held harmless if it reasonably  
22 relied on information provided by the political subdivision.

23 (k) Any STAR bond project must be approved by the political  
24 subdivision prior to that date which is 23 years from the date  
25 of the approval of the STAR bond district, provided however  
26 that any amendments to such STAR bond project may occur

1 following such date.

2 (l) Any developer of a STAR bond project shall commence  
3 work on the STAR bond project within 3 years from the date of  
4 adoption of the STAR bond project plan. If the developer fails  
5 to commence work on the STAR bond project within the 3-year  
6 period, funding for the project shall cease and the developer  
7 of the project or complex shall have one year to appeal to the  
8 political subdivision for reapproval of the project and  
9 funding. If the project is reapproved, the 3-year period for  
10 commencement shall begin again on the date of the reapproval.

11 (m) After the adoption by the corporate authorities of the  
12 political subdivision of a STAR bond project plan and approval  
13 of the Director pursuant to subsection (e) of Section 20, the  
14 political subdivision may authorize the issuance of the STAR  
15 bonds in one or more series to finance the STAR bond project in  
16 accordance with the provisions of this Act.

17 (n) The maximum maturity of STAR bonds issued to finance a  
18 STAR bond project shall not exceed 23 years from the first date  
19 of distribution of State sales tax revenues from such STAR bond  
20 project to the political subdivision, unless the political  
21 subdivision extends such maturity by resolution up to a maximum  
22 of 35 years from such first distribution date. Any such  
23 extension shall require the approval of the Director. In no  
24 event shall the maximum maturity date for any STAR bonds exceed  
25 that date which is 35 years from the first distribution date of  
26 the first STAR bonds issued in a STAR bond district.

1           Section 25. Co-developers and subdevelopers. Upon approval  
2 of a STAR bond project by the political subdivision, the master  
3 developer may, subject to the approval of the Director and the  
4 political subdivision, develop the STAR bond project on its own  
5 or it may develop the STAR bond project with another developer,  
6 which may include an assignment or transfer of development  
7 rights.

8           (a) A master developer may sell, lease, or otherwise convey  
9 its property interest in the STAR bond project area to a  
10 co-developer or subdeveloper.

11           (b) A master developer may enter into one or more  
12 agreements with a co-developer or subdeveloper in connection  
13 with a STAR bond project, and the master developer may request  
14 that the political subdivision become a party to the project  
15 development agreement, or the master developer may request that  
16 the political subdivision amend its master development  
17 agreement to provide for certain terms and conditions that may  
18 be related to the co-developer or subdeveloper and the STAR  
19 bond project. For any project development agreement which the  
20 political subdivision would be a party or for any amendments to  
21 the master development agreement, the terms and conditions must  
22 be acceptable to both the master developer and the political  
23 subdivision.

24           Section 30. STAR bonds; source of payment. Any political



1 subdivision shall have the power to issue STAR bonds in one or  
2 more series to finance the undertaking of any STAR bond project  
3 in accordance with the provisions of this Act and the Omnibus  
4 Bond Acts. STAR bonds may be issued as revenue bonds, alternate  
5 bonds, or general obligation bonds as defined in and subject to  
6 the procedures provided in the Local Government Debt Reform  
7 Act.

8 (a) STAR bonds may be made payable, both as to principal  
9 and interest, from the following revenues, which to the extent  
10 pledged by each respective political subdivision or other  
11 public entity for such purpose shall constitute pledged STAR  
12 revenues:

13 (1) revenues of the political subdivision derived from  
14 or held in connection with the undertaking and carrying out  
15 of any STAR bond project or projects under this Act;

16 (2) available private funds and contributions, grants,  
17 tax credits, or other financial assistance from the State  
18 or federal government;

19 (3) all of the local sales tax increment of a  
20 municipality, county, or other unit of local government;

21 (4) any special service area taxes collected within the  
22 STAR bond district under the Special Service Area Tax Act,  
23 may be used for the purposes of funding project costs or  
24 paying debt service on STAR bonds in addition to the  
25 purposes contained in the special service area plan;

26 (5) all of the State sales tax increment;

1           (6) any other revenues appropriated by the political  
2           subdivision; and

3           (7) any combination of these methods.

4           (b) The political subdivision may pledge the pledged STAR  
5           revenues to the repayment of STAR bonds prior to,  
6           simultaneously with, or subsequent to the issuance of the STAR  
7           bonds.

8           (c) Bonds issued as revenue bonds shall not be general  
9           obligations of the political subdivision, nor in any event  
10          shall they give rise to a charge against its general credit or  
11          taxing powers, or be payable out of any funds or properties  
12          other than those set forth in subsection (a) and the bonds  
13          shall so state on their face.

14          (d) For each STAR bond project financed with STAR bonds  
15          payable from the pledged STAR revenues, the political  
16          subdivision shall prepare and submit to the Department of  
17          Revenue by June 1 of each year a report describing the status  
18          of the STAR bond project, any expenditures of the proceeds of  
19          STAR bonds that have occurred for the preceding calendar year,  
20          and any expenditures of the proceeds of the bonds expected to  
21          occur in the future, including the amount of pledged STAR  
22          revenue, the amount of revenue that has been spent, the  
23          projected amount of the revenue, and the anticipated use of the  
24          revenue. Each annual report shall be accompanied by an  
25          affidavit of the master developer certifying the contents of  
26          the report as true to the best of the master developer's

1 knowledge. The Department of Revenue shall have the right, but  
2 not the obligation, to request the Illinois Auditor General to  
3 review the annual report and the political subdivision's  
4 records containing the source information for the report for  
5 the purpose of verifying the report's contents. If the Illinois  
6 Auditor General declines the request for review, the Department  
7 of Revenue shall have the right to select an independent  
8 third-party auditor to conduct an audit of the annual report  
9 and the political subdivision's records containing the source  
10 information for the report. The reasonable cost of the audit  
11 shall be paid by the master developer. The master development  
12 agreement shall grant the Department of Revenue and the  
13 Illinois Auditor General the right to review the records of the  
14 political subdivision containing the source information for  
15 the report.

16 (e) There is created in the State treasury a special fund  
17 to be known as the STAR Bonds Revenue Fund. As soon as possible  
18 after the first day of each month, beginning January 1, 2011,  
19 upon certification of the Department of Revenue, the  
20 Comptroller shall order transferred, and the Treasurer shall  
21 transfer, from the General Revenue Fund to the STAR Bonds  
22 Revenue Fund the State sales tax increment for the second  
23 preceding month, less 3% of that amount, which shall be  
24 transferred into the Tax Compliance and Administration Fund and  
25 shall be used by the Department, subject to appropriation, to  
26 cover the costs of the Department in administering the STAR

1 Bonds Financing Act. As soon as possible after the first day of  
2 each month, beginning January 1, 2011, upon certification of  
3 the Department of Revenue, the Comptroller shall order  
4 transferred, and the Treasurer shall transfer, from the Local  
5 Government Tax Fund to the STAR Bonds Revenue Fund the local  
6 sales tax increment for the second preceding month, as provided  
7 in Section 6z-18 of the State Finance Act and from the County  
8 and Mass Transit District Fund to the STAR Bonds Revenue Fund  
9 the local sales tax increment for the second preceding month,  
10 as provided in Section 6z-20 of the State Finance Act.

11 On or before the 25th day of each calendar month, beginning  
12 on January 1, 2011, the Department shall prepare and certify to  
13 the Comptroller the disbursement of stated sums of money out of  
14 the STAR Bonds Revenue Fund to named municipalities and  
15 counties, the municipalities and counties to be those entitled  
16 to distribution of taxes or penalties paid to the Department  
17 during the second preceding calendar month. The amount to be  
18 paid to each municipality or county shall be the amount of the  
19 State sales tax increment and the local sales tax increment  
20 (not including credit memoranda or the amount transferred into  
21 the Tax Compliance and Administration Fund) collected during  
22 the second preceding calendar month by the Department from  
23 retailers and servicemen on transactions at places of business  
24 located within a STAR bond district in that municipality or  
25 county, plus an amount the Department determines is necessary  
26 to offset any amounts which were erroneously paid to a

1 different taxing body, and not including an amount equal to the  
2 amount of refunds made during the second preceding calendar  
3 month by the Department, and not including any amount which the  
4 Department determines is necessary to offset any amounts which  
5 are payable to a different taxing body but were erroneously  
6 paid to the municipality or county. Within 10 days after  
7 receipt, by the Comptroller, of the disbursement certification  
8 to the municipalities and counties, provided for in this  
9 Section to be given to the Comptroller by the Department, the  
10 Comptroller shall cause the orders to be drawn for the  
11 respective amounts in accordance with the directions contained  
12 in such certification.

13 When certifying the amount of monthly disbursement to a  
14 municipality or county under this subsection, the Department  
15 shall increase or decrease that amount by an amount necessary  
16 to offset any misallocation of previous disbursements. The  
17 offset amount shall be the amount erroneously disbursed within  
18 the 6 months preceding the time a misallocation is discovered.

19 (f) As of the seventh anniversary of the first date of  
20 distribution of State sales tax revenues from the first STAR  
21 bond project in the STAR bond district, and as of every fifth  
22 anniversary thereafter until final maturity of all STAR bonds  
23 issued in a STAR bond district, the aggregate proceeds of STAR  
24 bonds issued to date for the STAR bond district shall not  
25 exceed 50% of the total development costs in the STAR bond  
26 district to date. The Illinois Auditor General shall make the

1 foregoing determination on said seventh anniversary and every 5  
2 years thereafter until final maturity of all STAR bonds issued  
3 in a STAR bond district. If at any time after the seventh  
4 anniversary of the first date of distribution of State sales  
5 tax revenues from the first STAR bond project in the STAR bond  
6 district the Illinois Auditor General determines that the  
7 aggregate proceeds of STAR bonds issued to date for the STAR  
8 bond district have exceeded 50% of the total development costs  
9 in the STAR bond district, no additional STAR bonds may be  
10 issued in the STAR bond district until the percentage is  
11 reduced to 50% or below. When the percentage has been reduced  
12 to 50% or below, the master developer shall have the right, at  
13 its own cost, to obtain a new audit prepared by an independent  
14 third-party auditor verifying compliance and shall provide  
15 such audit to the Illinois Auditor General for review and  
16 approval. Upon the Illinois Auditor General's determination  
17 from the audit that the percentage has been reduced to 50% or  
18 below, STAR bonds may again be issued in the STAR bond  
19 district.

20 Section 31. STAR bond occupation taxes.

21 (a) If the corporate authorities of a political subdivision  
22 have established a STAR bond district and have elected to  
23 impose a tax by ordinance pursuant to subsection (b) or (c) of  
24 this Section, each year after the date of the adoption of the  
25 ordinance and until all STAR bond project costs and all

1 political subdivision obligations financing the STAR bond  
2 project costs, if any, have been paid in accordance with the  
3 STAR bond project plans, but in no event longer than the  
4 maximum maturity date of the last of the STAR bonds issued for  
5 projects in the STAR bond district, all amounts generated by  
6 the retailers' occupation tax and service occupation tax shall  
7 be collected and the tax shall be enforced by the Department of  
8 Revenue in the same manner as all retailers' occupation taxes  
9 and service occupation taxes imposed in the political  
10 subdivision imposing the tax. The corporate authorities of the  
11 political subdivision shall deposit the proceeds of the taxes  
12 imposed under subsections (b) and (c) into a special fund held  
13 by the corporate authorities of the political subdivision  
14 called the STAR Bonds Tax Allocation Fund for the purpose of  
15 paying STAR bond project costs and obligations incurred in the  
16 payment of those costs.

17 The tax imposed under this Section by a municipality may be  
18 imposed only on the portion of a STAR bond district that is  
19 within the boundaries of the municipality. For any part of a  
20 STAR bond district that lies outside of the boundaries of that  
21 municipality, the municipality in which the other part of the  
22 STAR bond district lies (or the county, in cases where a  
23 portion of the STAR bond district lies in the unincorporated  
24 area of a county) is authorized to impose the tax under this  
25 Section on that part of the STAR bond district.

26 (b) The corporate authorities of a political subdivision

1 that has established a STAR bond district under this Act may,  
2 by ordinance or resolution, impose a STAR Bond Retailers'  
3 Occupation Tax upon all persons engaged in the business of  
4 selling tangible personal property, other than an item of  
5 tangible personal property titled or registered with an agency  
6 of this State's government, at retail in the STAR bond district  
7 at a rate not to exceed 1% of the gross receipts from the sales  
8 made in the course of that business, to be imposed only in  
9 0.25% increments. The tax may not be imposed on food for human  
10 consumption that is to be consumed off the premises where it is  
11 sold (other than alcoholic beverages, soft drinks, and food  
12 that has been prepared for immediate consumption),  
13 prescription and nonprescription medicines, drugs, medical  
14 appliances, modifications to a motor vehicle for the purpose of  
15 rendering it usable by a disabled person, and insulin, urine  
16 testing materials, syringes, and needles used by diabetics, for  
17 human use.

18 The tax imposed under this subsection and all civil  
19 penalties that may be assessed as an incident thereof shall be  
20 collected and enforced by the Department of Revenue. The  
21 certificate of registration that is issued by the Department to  
22 a retailer under the Retailers' Occupation Tax Act shall permit  
23 the retailer to engage in a business that is taxable under any  
24 ordinance or resolution enacted pursuant to this subsection  
25 without registering separately with the Department under such  
26 ordinance or resolution or under this subsection. The



1 Department of Revenue shall have full power to administer and  
2 enforce this subsection; to collect all taxes and penalties due  
3 under this subsection in the manner hereinafter provided; and  
4 to determine all rights to credit memoranda arising on account  
5 of the erroneous payment of tax or penalty under this  
6 subsection. In the administration of, and compliance with, this  
7 subsection, the Department and persons who are subject to this  
8 subsection shall have the same rights, remedies, privileges,  
9 immunities, powers, and duties, and be subject to the same  
10 conditions, restrictions, limitations, penalties, exclusions,  
11 exemptions, and definitions of terms and employ the same modes  
12 of procedure, as are prescribed in Sections 1, 1a through 1o, 2  
13 through 2-65 (in respect to all provisions therein other than  
14 the State rate of tax), 2c through 2h, 3 (except as to the  
15 disposition of taxes and penalties collected), 4, 5, 5a, 5b,  
16 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10,  
17 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all  
18 provisions of the Uniform Penalty and Interest Act, as fully as  
19 if those provisions were set forth herein.

20 If a tax is imposed under this subsection (b), a tax shall  
21 also be imposed under subsection (c) of this Section.

22 (c) If a tax has been imposed under subsection (b), a STAR  
23 Bond Service Occupation Tax shall also be imposed upon all  
24 persons engaged, in the STAR bond district, in the business of  
25 making sales of service, who, as an incident to making those  
26 sales of service, transfer tangible personal property within

1 the STAR bond district, either in the form of tangible personal  
2 property or in the form of real estate as an incident to a sale  
3 of service. The tax shall be imposed at the same rate as the  
4 tax imposed in subsection (b) and shall not exceed 1% of the  
5 selling price of tangible personal property so transferred  
6 within the STAR bond district, to be imposed only in 0.25%  
7 increments. The tax may not be imposed on food for human  
8 consumption that is to be consumed off the premises where it is  
9 sold (other than alcoholic beverages, soft drinks, and food  
10 that has been prepared for immediate consumption),  
11 prescription and nonprescription medicines, drugs, medical  
12 appliances, modifications to a motor vehicle for the purpose of  
13 rendering it usable by a disabled person, and insulin, urine  
14 testing materials, syringes, and needles used by diabetics, for  
15 human use.

16 The tax imposed under this subsection and all civil  
17 penalties that may be assessed as an incident thereof shall be  
18 collected and enforced by the Department of Revenue. The  
19 certificate of registration that is issued by the Department to  
20 a retailer under the Retailers' Occupation Tax Act or under the  
21 Service Occupation Tax Act shall permit the registrant to  
22 engage in a business that is taxable under any ordinance or  
23 resolution enacted pursuant to this subsection without  
24 registering separately with the Department under that  
25 ordinance or resolution or under this subsection. The  
26 Department of Revenue shall have full power to administer and

1 enforce this subsection; to collect all taxes and penalties due  
2 under this subsection; to dispose of taxes and penalties so  
3 collected in the manner hereinafter provided; and to determine  
4 all rights to credit memoranda arising on account of the  
5 erroneous payment of tax or penalty under this subsection. In  
6 the administration of, and compliance with this subsection, the  
7 Department and persons who are subject to this subsection shall  
8 have the same rights, remedies, privileges, immunities,  
9 powers, and duties, and be subject to the same conditions,  
10 restrictions, limitations, penalties, exclusions, exemptions,  
11 and definitions of terms and employ the same modes of procedure  
12 as are prescribed in Sections 2, 2a through 2d, 3 through 3-50  
13 (in respect to all provisions therein other than the State rate  
14 of tax), 4 (except that the reference to the State shall be to  
15 the STAR bond district), 5, 7, 8 (except that the jurisdiction  
16 to which the tax shall be a debt to the extent indicated in  
17 that Section 8 shall be the political subdivision), 9 (except  
18 as to the disposition of taxes and penalties collected, and  
19 except that the returned merchandise credit for this tax may  
20 not be taken against any State tax), 10, 11, 12 (except the  
21 reference therein to Section 2b of the Retailers' Occupation  
22 Tax Act), 13 (except that any reference to the State shall mean  
23 the political subdivision), the first paragraph of Section 15,  
24 and Sections 16, 17, 18, 19 and 20 of the Service Occupation  
25 Tax Act and all provisions of the Uniform Penalty and Interest  
26 Act, as fully as if those provisions were set forth herein.

1           If a tax is imposed under this subsection (c), a tax shall  
2 also be imposed under subsection (b) of this Section.

3           (d) Persons subject to any tax imposed under this Section  
4 may reimburse themselves for their seller's tax liability under  
5 this Section by separately stating the tax as an additional  
6 charge, which charge may be stated in combination, in a single  
7 amount, with State taxes that sellers are required to collect  
8 under the Use Tax Act, in accordance with such bracket  
9 schedules as the Department may prescribe.

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

17           The Department shall immediately pay over to the State  
18 Treasurer, ex officio, as trustee, all taxes, penalties, and  
19 interest collected under this Section for deposit into the STAR  
20 bond retailers' occupation tax fund. On or before the 25th day  
21 of each calendar month, the Department shall prepare and  
22 certify to the Comptroller the disbursement of stated sums of  
23 money to named political subdivisions from the STAR bond  
24 retailers' occupation tax fund, the political subdivisions to  
25 be those from which retailers have paid taxes or penalties  
26 under this Section to the Department during the second

1 preceding calendar month. The amount to be paid to each  
2 political subdivision shall be the amount (not including credit  
3 memoranda) collected under this Section during the second  
4 preceding calendar month by the Department plus an amount the  
5 Department determines is necessary to offset any amounts that  
6 were erroneously paid to a different taxing body, and not  
7 including an amount equal to the amount of refunds made during  
8 the second preceding calendar month by the Department, less 3%  
9 of that amount, which shall be deposited into the Tax  
10 Compliance and Administration Fund and shall be used by the  
11 Department, subject to appropriation, to cover the costs of the  
12 Department in administering and enforcing the provisions of  
13 this Section, on behalf of such political subdivision, and not  
14 including any amount that the Department determines is  
15 necessary to offset any amounts that were payable to a  
16 different taxing body but were erroneously paid to the  
17 political subdivision. Within 10 days after receipt by the  
18 Comptroller of the disbursement certification to the political  
19 subdivisions provided for in this Section to be given to the  
20 Comptroller by the Department, the Comptroller shall cause the  
21 orders to be drawn for the respective amounts in accordance  
22 with the directions contained in the certification. The  
23 proceeds of the tax paid to political subdivisions under this  
24 Section shall be deposited into the STAR Bonds Tax Allocation  
25 Fund by the political subdivision.

26 An ordinance or resolution imposing or discontinuing the

1 tax under this Section or effecting a change in the rate  
2 thereof shall either (i) be adopted and a certified copy  
3 thereof filed with the Department on or before the first day of  
4 April, whereupon the Department, if all other requirements of  
5 this Section are met, shall proceed to administer and enforce  
6 this Section as of the first day of July next following the  
7 adoption and filing; or (ii) be adopted and a certified copy  
8 thereof filed with the Department on or before the first day of  
9 October, whereupon, if all other requirements of this Section  
10 are met, the Department shall proceed to administer and enforce  
11 this Section as of the first day of January next following the  
12 adoption and filing.

13 The Department of Revenue shall not administer or enforce  
14 an ordinance imposing, discontinuing, or changing the rate of  
15 the tax under this Section, until the political subdivision  
16 also provides, in the manner prescribed by the Department, the  
17 boundaries of the STAR bond district and each address in the  
18 STAR bond district in such a way that the Department can  
19 determine by its address whether a business is located in the  
20 STAR bond district. The political subdivision must provide this  
21 boundary and address information to the Department on or before  
22 April 1 for administration and enforcement of the tax under  
23 this Section by the Department beginning on the following July  
24 1 and on or before October 1 for administration and enforcement  
25 of the tax under this Section by the Department beginning on  
26 the following January 1. The Department of Revenue shall not

1 administer or enforce any change made to the boundaries of a  
2 STAR bond district or any address change, addition, or deletion  
3 until the political subdivision reports the boundary change or  
4 address change, addition, or deletion to the Department in the  
5 manner prescribed by the Department. The political subdivision  
6 must provide this boundary change or address change, addition,  
7 or deletion information to the Department on or before April 1  
8 for administration and enforcement by the Department of the  
9 change, addition, or deletion beginning on the following July 1  
10 and on or before October 1 for administration and enforcement  
11 by the Department of the change, addition, or deletion  
12 beginning on the following January 1. The retailers in the STAR  
13 bond district shall be responsible for charging the tax imposed  
14 under this Section. If a retailer is incorrectly included or  
15 excluded from the list of those required to collect the tax  
16 under this Section, both the Department of Revenue and the  
17 retailer shall be held harmless if they reasonably relied on  
18 information provided by the political subdivision.

19 A political subdivision that imposes the tax under this  
20 Section must submit to the Department of Revenue any other  
21 information as the Department may require for the  
22 administration and enforcement of the tax.

23 When certifying the amount of a monthly disbursement to a  
24 political subdivision under this Section, the Department shall  
25 increase or decrease the amount by an amount necessary to  
26 offset any misallocation of previous disbursements. The offset

1 amount shall be the amount erroneously disbursed within the  
2 previous 6 months from the time a misallocation is discovered.

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

8 (e) When STAR bond project costs, including, without  
9 limitation, all political subdivision obligations financing  
10 STAR bond project costs, have been paid, any surplus funds then  
11 remaining in the STAR Bonds Tax Allocation Fund shall be  
12 distributed to the treasurer of the political subdivision for  
13 deposit into the political subdivision's general corporate  
14 fund. Upon payment of all STAR bond project costs and  
15 retirement of obligations, but in no event later than the  
16 maximum maturity date of the last of the STAR bonds issued in  
17 the STAR bond district, the political subdivision shall adopt  
18 an ordinance immediately rescinding the taxes imposed pursuant  
19 to this Section and file a certified copy of the ordinance with  
20 the Department in the form and manner as described in this  
21 Section.

22 Section 33. STAR Bonds Community Improvement Trust Fund.

23 (a) The STAR Bonds Community Improvement Trust Fund is  
24 created as a trust fund in the State treasury. Deposits into  
25 the Trust Fund shall be made as provided under this Section.



1 Moneys in the Trust Fund shall be used by the Department of  
2 Revenue only for the purpose of making payments to  
3 municipalities that lie within a 12 mile radius of the  
4 political subdivision in which the STAR bond district is  
5 located and the county in which the STAR bond district is  
6 located. Moneys in the Trust Fund are not subject to  
7 appropriation and shall be used solely as provided in this  
8 Section. All deposits into the Trust Fund shall be held in the  
9 Trust Fund by the State Treasurer as ex officio custodian  
10 separate and apart from all public moneys or funds of this  
11 State and shall be administered by the Department exclusively  
12 for the purposes set forth in this Section. All moneys in the  
13 Trust Fund shall be invested and reinvested by the State  
14 Treasurer. All interest accruing from these investments shall  
15 be deposited in the Trust Fund.

16 (b) Upon approval of a STAR bond district by the Director,  
17 the political subdivision shall immediately transmit to the  
18 county clerk of the county in which the district is located a  
19 certified copy of the ordinance creating the district, a legal  
20 description of the district, a map of the district,  
21 identification of the year that the county clerk shall use for  
22 determining the total initial equalized assessed value of the  
23 district consistent with subsection (c), and a list of the  
24 parcel or tax identification number of each parcel of property  
25 included in the district.

26 (c) Upon approval of a STAR bond district, the county clerk

1 immediately thereafter shall determine (i) the most recently  
2 ascertained equalized assessed value of each lot, block, tract,  
3 or parcel of real property within the STAR bond district, from  
4 which shall be deducted the homestead exemptions under Article  
5 15 of the Property Tax Code, which value shall be the initial  
6 equalized assessed value of each such piece of property, and  
7 (ii) the total equalized assessed value of all taxable real  
8 property within the district by adding together the most  
9 recently ascertained equalized assessed value of each taxable  
10 lot, block, tract, or parcel of real property within the  
11 district, from which shall be deducted the homestead exemptions  
12 under Article 15 of the Property Tax Code, and shall certify  
13 that amount as the total initial equalized assessed value of  
14 the taxable real property within the STAR bond district.

15 (d) In reference to any STAR bond district created within  
16 any political subdivision, and in respect to which the county  
17 clerk has certified the total initial equalized assessed value  
18 of the property in the area, the political subdivision may  
19 thereafter request the clerk in writing to adjust the initial  
20 equalized value of all taxable real property within the STAR  
21 bond district by deducting therefrom the exemptions under  
22 Article 15 of the Property Tax Code applicable to each lot,  
23 block, tract, or parcel of real property within the STAR bond  
24 district. The county clerk shall immediately after the written  
25 request to adjust the total initial equalized value is received  
26 determine the total homestead exemptions in the STAR bond

1 district as provided under Article 15 of the Property Tax Code  
2 by adding together the homestead exemptions provided by said  
3 Article on each lot, block, tract, or parcel of real property  
4 within STAR bond district and then shall deduct the total of  
5 said exemptions from the total initial equalized assessed  
6 value. The county clerk shall then promptly certify that amount  
7 as the total initial equalized assessed value as adjusted of  
8 the taxable real property within the STAR bond district.

9 (e) The county clerk or other person authorized by law  
10 shall compute the tax rates for each taxing district with all  
11 or a portion of its equalized assessed value located in the  
12 STAR bond district. The rate per cent of tax determined shall  
13 be extended to the current equalized assessed value of all  
14 property in the district in the same manner as the rate per  
15 cent of tax is extended to all other taxable property in the  
16 taxing district.

17 (f) Beginning with the assessment year in which the first  
18 destination user in the first STAR bond project in a STAR bond  
19 district makes its first retail sales and for each assessment  
20 year thereafter until final maturity of the last STAR bonds  
21 issued in the district, the county clerk or other person  
22 authorized by law shall determine the increase in equalized  
23 assessed value of all real property within the STAR bond  
24 district by subtracting the initial equalized assessed value of  
25 all property in the district certified under subsection (c)  
26 from the current equalized assessed value of all property in

1 the district. Each year, the property taxes arising from the  
2 increase in equalized assessed value in the STAR bond district  
3 shall be determined for each taxing district and shall be  
4 certified to the county collector.

5 (g) Beginning with the year in which taxes are collected  
6 based on the assessment year in which the first destination  
7 user in the first STAR bond project in a STAR bond district  
8 makes its first retail sales and for each year thereafter until  
9 final maturity of the last STAR bonds issued in the district,  
10 the county collector shall, within 30 days after receipt of  
11 property taxes, transmit to the Department to be deposited into  
12 the STAR Bonds Community Improvement Trust Fund 15% of property  
13 taxes attributable to the increase in equalized assessed value  
14 within the STAR bond district from each taxing district as  
15 certified in subsection (f).

16 (h) The Department shall pay to each municipality that lies  
17 within 12 miles of the STAR bond district (excluding the  
18 municipality in which the STAR bond district is located) and to  
19 the county in which the STAR bond district is located for each  
20 year for which money is remitted to the Department and paid  
21 into the STAR Bonds Community Improvement Trust Fund, a portion  
22 of the money in the Fund as provided in this subsection. The  
23 money in the Fund shall first be allocated such that 35% of the  
24 money is paid to the municipalities that lie within 5 miles of  
25 the STAR bond district (excluding the municipality in which the  
26 STAR bond district is located), with the balance being paid to

1 the municipalities that lie more than 5 but no more than 12  
2 miles from the STAR bond district and the county. The amount  
3 paid to each political subdivision (after allocating 35% to  
4 municipalities that lie within 5 miles of the STAR bond  
5 district and 65% to the municipalities that lie more than 5 but  
6 not more than 12 miles from the STAR bond district and the  
7 county) shall be based on each qualifying municipality or  
8 county's proportionate share of the total municipal and county  
9 sales tax generated within a 12 mile radius of the STAR bond  
10 district (excluding the municipality in which the STAR bond  
11 district is located) as measured over the 4 years immediately  
12 prior to the year in which the first retail sales are made in  
13 the district.

14 The Department shall determine the distributions under  
15 this Section using its best judgment and information. The  
16 Department shall be held harmless for the distributions made  
17 under this Section and all distributions shall be final.

18 (i) In any year that an assessment appeal is filed, the  
19 extension of taxes on any assessment so appealed shall not be  
20 delayed. In the case of an assessment that is altered, any  
21 taxes extended upon the unauthorized assessment or part thereof  
22 shall be abated, or, if already paid, shall be refunded with  
23 interest as provided in Section 23-20 of the Property Tax Code.  
24 In the case of an assessment appeal, the county collector shall  
25 notify the Department that an assessment appeal has been filed  
26 and the amount of the tax that would have been deposited in the

1 STAR Bond Community Improvement Fund. The county collector  
2 shall hold that amount in a separate fund until the appeal  
3 process is final. After the appeal process is finalized, the  
4 county collector shall transmit to the Department the amount of  
5 tax that remains, if any, after all required refunds are made.  
6 The Department shall pay any amount deposited into the Trust  
7 Fund under this Section in the same proportion as determined  
8 for payments for that taxable year under subsection (h).

9 (j) In any year that ad valorem taxes are allocated to the  
10 STAR Bonds Community Improvement Trust Fund, that allocation  
11 shall not reduce or otherwise impact the school aid provided to  
12 any school district under the general State school aid formula  
13 provided for in Section 18-8.05 of the School Code.

14 Section 34. STAR bond district property tax. To assist in  
15 the provision of special services that will necessarily be  
16 required by a STAR bond district, the political subdivision  
17 forming a STAR bond district shall, subject to item (6) of  
18 Section 7 of Article VII of the Illinois Constitution, have the  
19 power to levy a tax on the equalized assessed value of property  
20 within the STAR bond district to be known as the "STAR bond  
21 district property tax". For purposes of this Section, the  
22 corporate authorities of the political subdivision forming the  
23 STAR bond district shall be the governing body of the STAR bond  
24 district. The powers vested in political subdivisions under  
25 this Section shall be in addition to those set forth in the

1 Special Service Area Tax Law.

2 (a) The STAR bond district property tax may be annually  
3 levied or imposed by the political subdivision in the STAR bond  
4 district in an amount equal to 1% of the equalized assessed  
5 value. Prior to the first levy of the STAR bond district  
6 property tax, notice shall be furnished at least once in a  
7 newspaper of general circulation within the political  
8 subdivision not less than 15 days prior to the first levy. For  
9 purposes of this Section, the notice shall include: (i) the  
10 boundaries of the STAR bond district by legal description and,  
11 where possible, by street location; (ii) the permanent tax  
12 index number of each parcel located within the STAR bond  
13 district; and (iii) a statement that the proposed tax is to be  
14 levied pursuant to this Section to pay for the provision of  
15 certain special services provided to the STAR bond district.

16 After the first levy of the STAR bond district property tax  
17 within the STAR bond district, the tax may continue to be  
18 levied in subsequent years without the requirement of an  
19 additional public notice until such time as the STAR bond  
20 district is terminated pursuant to this Act.

21 (b) No STAR bond district property tax lien shall be  
22 established against any real property in a STAR bond district  
23 nor shall a STAR bond district property tax be valid before a  
24 certified copy of the ordinance or ordinances establishing the  
25 STAR bond district property tax and establishing or altering  
26 the boundaries of the STAR bond district, including a legal

1 description of the territory of the STAR bond district, the  
2 permanent tax index numbers of the parcels located within the  
3 STAR bond district, an accurate map of the STAR bond district,  
4 and a copy of the notice is filed for record in the office of  
5 the recorder in each county in which any part of the STAR bond  
6 district is located. The ordinance must be recorded no later  
7 than 60 days after the date the ordinance establishing the STAR  
8 bond district property tax was adopted.

9 (c) If the STAR bond district property tax is levied, the  
10 tax shall be extended by the county clerk in the STAR bond  
11 district in the manner provided by Articles 1 through 26 of the  
12 Property Tax Code based on equalized assessed values as  
13 established under Articles 1 through 26 of the Property Tax  
14 Code. The political subdivision shall file a certified copy of  
15 the ordinance creating the STAR bond district, including an  
16 accurate map thereof, with the county clerk. The corporate  
17 authorities of the political subdivision may levy taxes in the  
18 STAR bond district prior to the date the levy must be filed  
19 with the county clerk, for the same year in which the ordinance  
20 and map are filed with the county clerk. In addition, the  
21 corporate authorities shall file a certified copy of each  
22 ordinance levying the STAR bond district property tax on or  
23 before the last Tuesday of December of each year and shall file  
24 a certified copy of any ordinance authorizing the issuance of  
25 bonds by December 31 of the year of the first levy.



1           Section 35. Alternate bonds and general obligation bonds. A  
2 political subdivision shall have the power to issue alternate  
3 revenue and other general obligation bonds to finance the  
4 undertaking, establishment, or redevelopment of any STAR bond  
5 project as provided and pursuant to the procedures set forth in  
6 the Local Government Debt Reform Act. A political subdivision  
7 shall have the power to issue general obligation bonds to  
8 finance the undertaking, establishment, or redevelopment of  
9 any STAR bond project on approval by the voters of the  
10 political subdivision of a proposition authorizing the issue of  
11 such bonds.

12           The full faith and credit of the State, any department,  
13 authority, public corporation or quasi-public corporation of  
14 the State, any State college or university, or any other public  
15 agency created by the State shall not be pledged for any  
16 payment under any obligation authorized by this Act.

17           Section 40. Amendments to STAR bond district. Any addition  
18 of real property to a STAR bond district or any substantial  
19 change to a STAR bond district plan shall be subject to the  
20 same procedure for public notice, hearing, and approval as is  
21 required for the establishment of the STAR bond district  
22 pursuant to this Act.

23           (a) The addition or removal of land to or from a STAR bond  
24 district shall require the consent of the master developer of  
25 the STAR bond district.

1           (b) Any land that is outside of, but is contiguous to an  
2 established STAR bond district and is subsequently owned,  
3 leased, or controlled by the master developer shall be added to  
4 a STAR bond district at the request of the master developer and  
5 by approval of the political subdivision, provided that the  
6 land becomes a part of a STAR bond project area.

7           (c) If a political subdivision has undertaken a STAR bond  
8 project within a STAR bond district, and the political  
9 subdivision desires to subsequently remove more than a de  
10 minimus amount of real property from the STAR bond district,  
11 then prior to any removal of property the political subdivision  
12 must provide a revised feasibility study showing that the  
13 pledged STAR revenues from the resulting STAR bond district  
14 within which the STAR bond project is located are estimated to  
15 be sufficient to pay the project costs. If the revenue from the  
16 resulting STAR bond district is insufficient to pay the project  
17 costs, then the property may not be removed from the STAR bond  
18 district. Any removal of real property from a STAR bond  
19 district shall be approved by a resolution of the governing  
20 body of the political subdivision.

21           (d) If the boundaries of a STAR bond district are proposed  
22 to be enlarged and a STAR bond district property tax has been  
23 established pursuant to Section 34, the same notice  
24 requirements set forth in subsection (a) of Section 34 shall be  
25 complied with prior to implementation of the STAR bond district  
26 property tax in any area that becomes, or is proposed to

1 become, a part of the STAR bond district. The property added to  
2 the STAR bond district shall be subject to all taxes levied in  
3 the district after the property becomes a part of the district.

4 Section 45. Restrictions. No portion of a STAR bond project  
5 shall be financed with tax increment financing pursuant to the  
6 Tax Increment Allocation Redevelopment Act, and no moneys  
7 deposited into the STAR Bonds Revenue Fund shall be used to  
8 fund tax increment financing district projects. An existing  
9 district created under the Tax Increment Allocation  
10 Redevelopment Act, Industrial Jobs Recovery Law, or County  
11 Economic Development Project Area Property Tax Allocation Act  
12 may not annex parcels located within a STAR bond district nor  
13 may a new district be created that encompasses any portion of a  
14 STAR bond district. During any period of time that STAR bonds  
15 are outstanding for a STAR bond district, a developer may not  
16 use any land located in the STAR bond district for any (i)  
17 retail store whose primary business is the sale of automobiles,  
18 including trucks and other automotive vehicles with 4 wheels  
19 designed for passenger transportation on public streets and  
20 thoroughfares or (ii) stadium or facility for playing National  
21 Association of Minor League Baseball or Professional  
22 Independent Baseball League games.

23 Section 50. Reporting taxes. Notwithstanding any other  
24 provisions of law to the contrary, the Department of Revenue

1 shall provide a certified report of the State sales tax  
2 increment and local sales tax increment from all taxpayers  
3 within a STAR bond district to the bond trustee, escrow agent,  
4 or paying agent for such bonds upon the written request of the  
5 political subdivision on or before the 25th day of each month.  
6 Such report shall provide a detailed allocation of State sales  
7 tax increment and local sales tax increment from each local  
8 sales tax and State sales tax reported to the Department of  
9 Revenue.

10 (a) The bond trustee, escrow agent, or paying agent shall  
11 keep such sales and use tax reports and the information  
12 contained therein confidential, but may use such information  
13 for purposes of allocating and depositing the sales and use tax  
14 revenues in connection with the bonds used to finance project  
15 costs in such STAR bond district. Except as otherwise provided  
16 herein, the sales and use tax reports received by the bond  
17 trustee, escrow agent, or paying agent shall be subject to the  
18 provisions of Chapter 35 of the Illinois Compiled Statutes,  
19 including Section 3 of the Retailers' Occupation Tax Act and  
20 Section 9 of the Use Tax Act.

21 (b) The political subdivision shall determine when the  
22 amount of sales tax and other revenues that have been collected  
23 and distributed to the bond debt service or reserve fund is  
24 sufficient to satisfy all principal and interest costs to the  
25 maturity date or dates of any STAR bond issued by a political  
26 subdivision to finance a STAR bond project and shall give the

1 Department of Revenue written notice of such determination. The  
2 notice shall include a date certain on which deposits into the  
3 STAR Bonds Revenue Fund for that STAR bond project shall  
4 terminate and shall be provided to the Department of Revenue at  
5 least 60 days prior to that date. Thereafter, all sales tax and  
6 other revenues shall be collected and distributed in accordance  
7 with applicable law.

8 Section 52. Review committee. Upon the seventh anniversary  
9 of the first date of distribution of State sales tax revenues  
10 from the first STAR bond project in the State, a 6-member STAR  
11 bonds review committee shall be formed consisting of one  
12 appointee of each of the Director, the Director of the  
13 Department of Commerce and Economic Opportunity, the President  
14 of the Senate, the Senate Minority Leader, the Speaker of the  
15 House, and the House Minority Leader. The review committee  
16 shall evaluate the success of all STAR bond districts then  
17 existing in the State and make a determination of the  
18 comprehensive economic benefits and detriments of STAR bonds in  
19 the State as a whole. In making its determination, the review  
20 committee shall examine available data regarding job creation,  
21 sales revenues, and capital investment in STAR bond districts;  
22 development that has occurred and is planned in areas adjacent  
23 to STAR bond districts that will not be directly financed with  
24 STAR bonds; effects of market conditions on STAR bond districts  
25 and the likelihood of future successes based on improving or

1 declining market conditions; retail sales migration and  
2 cannibalization of retail sales due to STAR bond districts; and  
3 other relevant economic factors. The review committee shall  
4 provide the Director, the General Assembly, and the Governor  
5 with a written report detailing its findings and shall make a  
6 final determination of whether STAR bonds have had, and are  
7 likely to continue having, a negative or positive economic  
8 impact on the State as a whole. Upon completing and filing its  
9 written report, the review committee shall be dissolved. If the  
10 review committee's report makes a final determination that STAR  
11 bonds have had and are likely to continue having a negative  
12 economic impact on the State as a whole, then no new STAR bond  
13 districts may thereafter be formed in the State until further  
14 action by the General Assembly.

15 Section 55. Severability. If any provision of this Act or  
16 the application thereof to any persons or circumstances is held  
17 invalid, such invalidity shall not affect other provisions or  
18 application of the Act that can be given effect without the  
19 invalid provisions or application and to this end the  
20 provisions of this Act are declared to be severable.

21 Section 57. Rules. The Department of Revenue shall have the  
22 authority to adopt such rules as are reasonable and necessary  
23 to implement the provisions of this Act. Notwithstanding the  
24 foregoing, the Department of Revenue shall have the authority,

1 prior to adoption and approval of those rules, to approve a  
2 STAR bond district in accordance with subsection (d) of Section  
3 20 and otherwise administer the Act while those rules are  
4 pending adoption and approval.

5 Section 60. Open meetings and freedom of information. All  
6 public hearings related to the administration, formation,  
7 implementation, development, or construction of a STAR bond  
8 district, STAR bond district plan, STAR bond project, or STAR  
9 bond project plan, including but not limited to the public  
10 hearings required by Sections 15, 20, and 40 of this Act, shall  
11 be held in compliance with the Open Meetings Act. The public  
12 hearing records, feasibility study, and other documents that do  
13 not otherwise meet a confidentiality exemption shall be subject  
14 to the Freedom of Information Act.

15 Section 62. Powers of political subdivisions. The  
16 provisions of this Act are intended to be supplemental and in  
17 addition to all other power or authority granted to political  
18 subdivisions, shall be construed liberally, and shall not be  
19 construed as a limitation of any power or authority otherwise  
20 granted. In addition to the powers a political subdivision may  
21 have under other provisions of law, a political subdivision  
22 shall have all of the following powers in connection with a  
23 STAR bond district:

24 (a) To make and enter into all contracts necessary or

1 incidental to the implementation and furtherance of a STAR  
2 bond district plan.

3 (b) Within a STAR bond district, to acquire by  
4 purchase, donation, or lease, and to own, convey, lease,  
5 mortgage, or dispose of land and other real or personal  
6 property or rights or interests in property and to grant or  
7 acquire licenses, easements, and options with respect to  
8 property, all in the manner and at a price the political  
9 subdivision determines is reasonably necessary to achieve  
10 the objectives of the STAR bond project.

11 (c) To clear any area within a STAR bond district by  
12 demolition or removal of any existing buildings,  
13 structures, fixtures, utilities, or improvements and to  
14 clear and grade land.

15 (d) To install, repair, construct, reconstruct, extend  
16 or relocate public streets, public utilities, and other  
17 public site improvements located both within and outside  
18 the boundaries of a STAR bond district that are essential  
19 to the preparation of a STAR bond district for use in  
20 accordance with a STAR bond district plan.

21 (e) To renovate, rehabilitate, reconstruct, relocate,  
22 repair, or remodel any existing buildings, improvements,  
23 and fixtures within a STAR bond district.

24 (f) To install or construct any public buildings,  
25 structures, works, streets, improvements, utilities, or  
26 fixtures within a STAR bond district.



1 (g) To issue STAR bonds as provided in this Act.

2 (h) Subject to the limitations set forth in the  
3 definition of "project costs" in Section 10 of this Act, to  
4 fix, charge, and collect fees, rents, and charges for the  
5 use of any building, facility, or property or any portion  
6 of a building, facility, or property owned or leased by the  
7 political subdivision in furtherance of a STAR bond project  
8 under this Act within a STAR bond district.

9 (i) To accept grants, guarantees, donations of  
10 property or labor, or any other thing of value for use in  
11 connection with a STAR bond project.

12 (j) To pay or cause to be paid STAR bond project costs,  
13 including, specifically, to reimburse any developer or  
14 nongovernmental person for STAR bond project costs  
15 incurred by that person. A political subdivision is not  
16 required to obtain any right, title, or interest in any  
17 real or personal property in order to pay STAR bond project  
18 costs associated with the property. The political  
19 subdivision shall adopt accounting procedures necessary to  
20 determine that the STAR bond project costs are properly  
21 paid.

22 (k) To exercise any and all other powers necessary to  
23 effectuate the purposes of this Act.

24 Section 65. The Illinois State Auditing Act is amended by  
25 changing Section 3-1 as follows:

1 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

2 Sec. 3-1. Jurisdiction of Auditor General. The Auditor  
3 General has jurisdiction over all State agencies to make post  
4 audits and investigations authorized by or under this Act or  
5 the Constitution.

6 The Auditor General has jurisdiction over local government  
7 agencies and private agencies only:

8 (a) to make such post audits authorized by or under  
9 this Act as are necessary and incidental to a post audit of  
10 a State agency or of a program administered by a State  
11 agency involving public funds of the State, but this  
12 jurisdiction does not include any authority to review local  
13 governmental agencies in the obligation, receipt,  
14 expenditure or use of public funds of the State that are  
15 granted without limitation or condition imposed by law,  
16 other than the general limitation that such funds be used  
17 for public purposes;

18 (b) to make investigations authorized by or under this  
19 Act or the Constitution; and

20 (c) to make audits of the records of local government  
21 agencies to verify actual costs of state-mandated programs  
22 when directed to do so by the Legislative Audit Commission  
23 at the request of the State Board of Appeals under the  
24 State Mandates Act.

25 In addition to the foregoing, the Auditor General may

1     conduct an audit of the Metropolitan Pier and Exposition  
2     Authority, the Regional Transportation Authority, the Suburban  
3     Bus Division, the Commuter Rail Division and the Chicago  
4     Transit Authority and any other subsidized carrier when  
5     authorized by the Legislative Audit Commission. Such audit may  
6     be a financial, management or program audit, or any combination  
7     thereof.

8             The audit shall determine whether they are operating in  
9     accordance with all applicable laws and regulations. Subject to  
10    the limitations of this Act, the Legislative Audit Commission  
11    may by resolution specify additional determinations to be  
12    included in the scope of the audit.

13            In addition to the foregoing, the Auditor General must also  
14    conduct a financial audit of the Illinois Sports Facilities  
15    Authority's expenditures of public funds in connection with the  
16    reconstruction, renovation, remodeling, extension, or  
17    improvement of all or substantially all of any existing  
18    "facility", as that term is defined in the Illinois Sports  
19    Facilities Authority Act.

20            The Auditor General may also conduct an audit, when  
21    authorized by the Legislative Audit Commission, of any hospital  
22    which receives 10% or more of its gross revenues from payments  
23    from the State of Illinois, Department of Healthcare and Family  
24    Services (formerly Department of Public Aid), Medical  
25    Assistance Program.

26            The Auditor General is authorized to conduct financial and

1 compliance audits of the Illinois Distance Learning Foundation  
2 and the Illinois Conservation Foundation.

3 As soon as practical after the effective date of this  
4 amendatory Act of 1995, the Auditor General shall conduct a  
5 compliance and management audit of the City of Chicago and any  
6 other entity with regard to the operation of Chicago O'Hare  
7 International Airport, Chicago Midway Airport and Merrill C.  
8 Meigs Field. The audit shall include, but not be limited to, an  
9 examination of revenues, expenses, and transfers of funds;  
10 purchasing and contracting policies and practices; staffing  
11 levels; and hiring practices and procedures. When completed,  
12 the audit required by this paragraph shall be distributed in  
13 accordance with Section 3-14.

14 The Auditor General shall conduct a financial and  
15 compliance and program audit of distributions from the  
16 Municipal Economic Development Fund during the immediately  
17 preceding calendar year pursuant to Section 8-403.1 of the  
18 Public Utilities Act at no cost to the city, village, or  
19 incorporated town that received the distributions.

20 The Auditor General must conduct an audit of the Health  
21 Facilities and Services Review Board pursuant to Section 19.5  
22 of the Illinois Health Facilities Planning Act.

23 The Auditor General of the State of Illinois shall annually  
24 conduct or cause to be conducted a financial and compliance  
25 audit of the books and records of any county water commission  
26 organized pursuant to the Water Commission Act of 1985 and

1 shall file a copy of the report of that audit with the Governor  
2 and the Legislative Audit Commission. The filed audit shall be  
3 open to the public for inspection. The cost of the audit shall  
4 be charged to the county water commission in accordance with  
5 Section 6z-27 of the State Finance Act. The county water  
6 commission shall make available to the Auditor General its  
7 books and records and any other documentation, whether in the  
8 possession of its trustees or other parties, necessary to  
9 conduct the audit required. These audit requirements apply only  
10 through July 1, 2007.

11 The Auditor General must conduct audits of the Rend Lake  
12 Conservancy District as provided in Section 25.5 of the River  
13 Conservancy Districts Act.

14 The Auditor General must conduct financial audits of the  
15 Southeastern Illinois Economic Development Authority as  
16 provided in Section 70 of the Southeastern Illinois Economic  
17 Development Authority Act.

18 The Auditor General shall conduct a compliance audit in  
19 accordance with subsections (d) and (f) of Section 30 of the  
20 STAR Bonds Financing Act.

21 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09.)

22 Section 66. The State Finance Act is amended by changing  
23 Sections 6z-18 and 6z-20 and by adding Sections 5.756 and 5.757  
24 as follows:

1 (30 ILCS 105/5.756 new)

2 Sec. 5.756. The STAR Bonds Revenue Fund.

3 (30 ILCS 105/5.757 new)

4 Sec. 5.757. STAR Bonds Community Improvement Trust Fund.

5 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

6 Sec. 6z-18. A portion of the money paid into the Local  
7 Government Tax Fund from sales of food for human consumption  
8 which is to be consumed off the premises where it is sold  
9 (other than alcoholic beverages, soft drinks and food which has  
10 been prepared for immediate consumption) and prescription and  
11 nonprescription medicines, drugs, medical appliances and  
12 insulin, urine testing materials, syringes and needles used by  
13 diabetics, which occurred in municipalities, shall be  
14 distributed to each municipality based upon the sales which  
15 occurred in that municipality. The remainder shall be  
16 distributed to each county based upon the sales which occurred  
17 in the unincorporated area of that county.

18 A portion of the money paid into the Local Government Tax  
19 Fund from the 6.25% general use tax rate on the selling price  
20 of tangible personal property which is purchased outside  
21 Illinois at retail from a retailer and which is titled or  
22 registered by any agency of this State's government shall be  
23 distributed to municipalities as provided in this paragraph.  
24 Each municipality shall receive the amount attributable to

1 sales for which Illinois addresses for titling or registration  
2 purposes are given as being in such municipality. The remainder  
3 of the money paid into the Local Government Tax Fund from such  
4 sales shall be distributed to counties. Each county shall  
5 receive the amount attributable to sales for which Illinois  
6 addresses for titling or registration purposes are given as  
7 being located in the unincorporated area of such county.

8 A portion of the money paid into the Local Government Tax  
9 Fund from the 6.25% general rate (and, beginning July 1, 2000  
10 and through December 31, 2000, the 1.25% rate on motor fuel and  
11 gasohol) on sales subject to taxation under the Retailers'  
12 Occupation Tax Act and the Service Occupation Tax Act, which  
13 occurred in municipalities, shall be distributed to each  
14 municipality, based upon the sales which occurred in that  
15 municipality. The remainder shall be distributed to each  
16 county, based upon the sales which occurred in the  
17 unincorporated area of such county.

18 For the purpose of determining allocation to the local  
19 government unit, a retail sale by a producer of coal or other  
20 mineral mined in Illinois is a sale at retail at the place  
21 where the coal or other mineral mined in Illinois is extracted  
22 from the earth. This paragraph does not apply to coal or other  
23 mineral when it is delivered or shipped by the seller to the  
24 purchaser at a point outside Illinois so that the sale is  
25 exempt under the United States Constitution as a sale in  
26 interstate or foreign commerce.

1           Whenever the Department determines that a refund of money  
2 paid into the Local Government Tax Fund should be made to a  
3 claimant instead of issuing a credit memorandum, the Department  
4 shall notify the State Comptroller, who shall cause the order  
5 to be drawn for the amount specified, and to the person named,  
6 in such notification from the Department. Such refund shall be  
7 paid by the State Treasurer out of the Local Government Tax  
8 Fund.

9           As soon as possible after the first day of each month,  
10 beginning January 1, 2011, upon certification of the Department  
11 of Revenue, the Comptroller shall order transferred, and the  
12 Treasurer shall transfer to the STAR Bonds Revenue Fund the  
13 local sales tax increment, as defined in the STAR Bonds  
14 Financing Act, collected during the second preceding calendar  
15 month for sales within a STAR bond district and deposited into  
16 the Local Government Tax Fund, less 3% of that amount, which  
17 shall be transferred into the Tax Compliance and Administration  
18 Fund and shall be used by the Department, subject to  
19 appropriation, to cover the costs of the Department in  
20 administering the STAR Bonds Financing Act.

21           After the monthly transfer to the STAR Bonds Revenue Fund,  
22 on ~~on~~ or before the 25th day of each calendar month, the  
23 Department shall prepare and certify to the Comptroller the  
24 disbursement of stated sums of money to named municipalities  
25 and counties, the municipalities and counties to be those  
26 entitled to distribution of taxes or penalties paid to the



1 Department during the second preceding calendar month. The  
2 amount to be paid to each municipality or county shall be the  
3 amount (not including credit memoranda) collected during the  
4 second preceding calendar month by the Department and paid into  
5 the Local Government Tax Fund, plus an amount the Department  
6 determines is necessary to offset any amounts which were  
7 erroneously paid to a different taxing body, and not including  
8 an amount equal to the amount of refunds made during the second  
9 preceding calendar month by the Department, and not including  
10 any amount which the Department determines is necessary to  
11 offset any amounts which are payable to a different taxing body  
12 but were erroneously paid to the municipality or county, and  
13 not including any amounts that are transferred to the STAR  
14 Bonds Revenue Fund. Within 10 days after receipt, by the  
15 Comptroller, of the disbursement certification to the  
16 municipalities and counties, provided for in this Section to be  
17 given to the Comptroller by the Department, the Comptroller  
18 shall cause the orders to be drawn for the respective amounts  
19 in accordance with the directions contained in such  
20 certification.

21 When certifying the amount of monthly disbursement to a  
22 municipality or county under this Section, the Department shall  
23 increase or decrease that amount by an amount necessary to  
24 offset any misallocation of previous disbursements. The offset  
25 amount shall be the amount erroneously disbursed within the 6  
26 months preceding the time a misallocation is discovered.

1           The provisions directing the distributions from the  
2 special fund in the State Treasury provided for in this Section  
3 shall constitute an irrevocable and continuing appropriation  
4 of all amounts as provided herein. The State Treasurer and  
5 State Comptroller are hereby authorized to make distributions  
6 as provided in this Section.

7           In construing any development, redevelopment, annexation,  
8 preannexation or other lawful agreement in effect prior to  
9 September 1, 1990, which describes or refers to receipts from a  
10 county or municipal retailers' occupation tax, use tax or  
11 service occupation tax which now cannot be imposed, such  
12 description or reference shall be deemed to include the  
13 replacement revenue for such abolished taxes, distributed from  
14 the Local Government Tax Fund.

15           (Source: P.A. 90-491, eff. 1-1-98; 91-51, eff. 6-30-99; 91-872,  
16 eff. 7-1-00.)

17           (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

18           Sec. 6z-20. Of the money received from the 6.25% general  
19 rate (and, beginning July 1, 2000 and through December 31,  
20 2000, the 1.25% rate on motor fuel and gasohol) on sales  
21 subject to taxation under the Retailers' Occupation Tax Act and  
22 Service Occupation Tax Act and paid into the County and Mass  
23 Transit District Fund, distribution to the Regional  
24 Transportation Authority tax fund, created pursuant to Section  
25 4.03 of the Regional Transportation Authority Act, for deposit

1       therein shall be made based upon the retail sales occurring in  
2       a county having more than 3,000,000 inhabitants. The remainder  
3       shall be distributed to each county having 3,000,000 or fewer  
4       inhabitants based upon the retail sales occurring in each such  
5       county.

6             For the purpose of determining allocation to the local  
7       government unit, a retail sale by a producer of coal or other  
8       mineral mined in Illinois is a sale at retail at the place  
9       where the coal or other mineral mined in Illinois is extracted  
10      from the earth. This paragraph does not apply to coal or other  
11      mineral when it is delivered or shipped by the seller to the  
12      purchaser at a point outside Illinois so that the sale is  
13      exempt under the United States Constitution as a sale in  
14      interstate or foreign commerce.

15            Of the money received from the 6.25% general use tax rate  
16      on tangible personal property which is purchased outside  
17      Illinois at retail from a retailer and which is titled or  
18      registered by any agency of this State's government and paid  
19      into the County and Mass Transit District Fund, the amount for  
20      which Illinois addresses for titling or registration purposes  
21      are given as being in each county having more than 3,000,000  
22      inhabitants shall be distributed into the Regional  
23      Transportation Authority tax fund, created pursuant to Section  
24      4.03 of the Regional Transportation Authority Act. The  
25      remainder of the money paid from such sales shall be  
26      distributed to each county based on sales for which Illinois

1 addresses for titling or registration purposes are given as  
2 being located in the county. Any money paid into the Regional  
3 Transportation Authority Occupation and Use Tax Replacement  
4 Fund from the County and Mass Transit District Fund prior to  
5 January 14, 1991, which has not been paid to the Authority  
6 prior to that date, shall be transferred to the Regional  
7 Transportation Authority tax fund.

8 Whenever the Department determines that a refund of money  
9 paid into the County and Mass Transit District Fund should be  
10 made to a claimant instead of issuing a credit memorandum, the  
11 Department shall notify the State Comptroller, who shall cause  
12 the order to be drawn for the amount specified, and to the  
13 person named, in such notification from the Department. Such  
14 refund shall be paid by the State Treasurer out of the County  
15 and Mass Transit District Fund.

16 As soon as possible after the first day of each month,  
17 beginning January 1, 2011, upon certification of the Department  
18 of Revenue, the Comptroller shall order transferred, and the  
19 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
20 State sales tax increment, as defined in the STAR Bonds  
21 Financing Act, collected during the second preceding calendar  
22 month for sales within a STAR bond district and deposited into  
23 the County and Mass Transit District Fund, less 3% of that  
24 amount, which shall be transferred into the Tax Compliance and  
25 Administration Fund and shall be used by the Department,  
26 subject to appropriation, to cover the costs of the Department

1 in administering the STAR Bonds Financing Act.

2 After the monthly transfer to the STAR Bonds Revenue Fund,  
3 on ~~On~~ or before the 25th day of each calendar month, the  
4 Department shall prepare and certify to the Comptroller the  
5 disbursement of stated sums of money to the Regional  
6 Transportation Authority and to named counties, the counties to  
7 be those entitled to distribution, as hereinabove provided, of  
8 taxes or penalties paid to the Department during the second  
9 preceding calendar month. The amount to be paid to the Regional  
10 Transportation Authority and each county having 3,000,000 or  
11 fewer inhabitants shall be the amount (not including credit  
12 memoranda) collected during the second preceding calendar  
13 month by the Department and paid into the County and Mass  
14 Transit District Fund, plus an amount the Department determines  
15 is necessary to offset any amounts which were erroneously paid  
16 to a different taxing body, and not including an amount equal  
17 to the amount of refunds made during the second preceding  
18 calendar month by the Department, and not including any amount  
19 which the Department determines is necessary to offset any  
20 amounts which were payable to a different taxing body but were  
21 erroneously paid to the Regional Transportation Authority or  
22 county, and not including any amounts that are transferred to  
23 the STAR Bonds Revenue Fund. Within 10 days after receipt, by  
24 the Comptroller, of the disbursement certification to the  
25 Regional Transportation Authority and counties, provided for  
26 in this Section to be given to the Comptroller by the

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

4 When certifying the amount of a monthly disbursement to the  
5 Regional Transportation Authority or to a county under this  
6 Section, the Department shall increase or decrease that amount  
7 by an amount necessary to offset any misallocation of previous  
8 disbursements. The offset amount shall be the amount  
9 erroneously disbursed within the 6 months preceding the time a  
10 misallocation is discovered.

11 The provisions directing the distributions from the  
12 special fund in the State Treasury provided for in this Section  
13 and from the Regional Transportation Authority tax fund created  
14 by Section 4.03 of the Regional Transportation Authority Act  
15 shall constitute an irrevocable and continuing appropriation  
16 of all amounts as provided herein. The State Treasurer and  
17 State Comptroller are hereby authorized to make distributions  
18 as provided in this Section.

19 In construing any development, redevelopment, annexation,  
20 preannexation or other lawful agreement in effect prior to  
21 September 1, 1990, which describes or refers to receipts from a  
22 county or municipal retailers' occupation tax, use tax or  
23 service occupation tax which now cannot be imposed, such  
24 description or reference shall be deemed to include the  
25 replacement revenue for such abolished taxes, distributed from  
26 the County and Mass Transit District Fund or Local Government

1 Distributive Fund, as the case may be.

2 (Source: P.A. 90-491, eff. 1-1-98; 91-872, eff. 7-1-00.)

3 Section 67. The Counties Code is amended by changing  
4 Sections 5-1006, 5-1006.5, 5-1006.7, and 5-1007 as follows:

5 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

6 Sec. 5-1006. Home Rule County Retailers' Occupation Tax  
7 Law. Any county that is a home rule unit may impose a tax upon  
8 all persons engaged in the business of selling tangible  
9 personal property, other than an item of tangible personal  
10 property titled or registered with an agency of this State's  
11 government, at retail in the county on the gross receipts from  
12 such sales made in the course of their business. If imposed,  
13 this tax shall only be imposed in 1/4% increments. On and after  
14 September 1, 1991, this additional tax may not be imposed on  
15 the sales of food for human consumption which is to be consumed  
16 off the premises where it is sold (other than alcoholic  
17 beverages, soft drinks and food which has been prepared for  
18 immediate consumption) and prescription and nonprescription  
19 medicines, drugs, medical appliances and insulin, urine  
20 testing materials, syringes and needles used by diabetics. The  
21 tax imposed by a home rule county pursuant to this Section and  
22 all civil penalties that may be assessed as an incident thereof  
23 shall be collected and enforced by the State Department of  
24 Revenue. The certificate of registration that is issued by the

1 Department to a retailer under the Retailers' Occupation Tax  
2 Act shall permit the retailer to engage in a business that is  
3 taxable under any ordinance or resolution enacted pursuant to  
4 this Section without registering separately with the  
5 Department under such ordinance or resolution or under this  
6 Section. The Department shall have full power to administer and  
7 enforce this Section; to collect all taxes and penalties due  
8 hereunder; to dispose of taxes and penalties so collected in  
9 the manner hereinafter provided; and to determine all rights to  
10 credit memoranda arising on account of the erroneous payment of  
11 tax or penalty hereunder. In the administration of, and  
12 compliance with, this Section, the Department and persons who  
13 are subject to this Section shall have the same rights,  
14 remedies, privileges, immunities, powers and duties, and be  
15 subject to the same conditions, restrictions, limitations,  
16 penalties and definitions of terms, and employ the same modes  
17 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,  
18 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all  
19 provisions therein other than the State rate of tax), 4, 5, 5a,  
20 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,  
21 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and  
22 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
23 as if those provisions were set forth herein.

24 No tax may be imposed by a home rule county pursuant to  
25 this Section unless the county also imposes a tax at the same  
26 rate pursuant to Section 5-1007.



1           Persons subject to any tax imposed pursuant to the  
2 authority granted in this Section may reimburse themselves for  
3 their seller's tax liability hereunder by separately stating  
4 such tax as an additional charge, which charge may be stated in  
5 combination, in a single amount, with State tax which sellers  
6 are required to collect under the Use Tax Act, pursuant to such  
7 bracket schedules as the Department may prescribe.

8           Whenever the Department determines that a refund should be  
9 made under this Section to a claimant instead of issuing a  
10 credit memorandum, the Department shall notify the State  
11 Comptroller, who shall cause the order to be drawn for the  
12 amount specified and to the person named in the notification  
13 from the Department. The refund shall be paid by the State  
14 Treasurer out of the home rule county retailers' occupation tax  
15 fund.

16           The Department shall forthwith pay over to the State  
17 Treasurer, ex officio, as trustee, all taxes and penalties  
18 collected hereunder.

19           As soon as possible after the first day of each month,  
20 beginning January 1, 2011, upon certification of the Department  
21 of Revenue, the Comptroller shall order transferred, and the  
22 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
23 local sales tax increment, as defined in the STAR Bonds  
24 Financing Act, collected under this Section during the second  
25 preceding calendar month for sales within a STAR bond district.

26           After the monthly transfer to the STAR Bonds Revenue Fund,

1 on ~~On~~ or before the 25th day of each calendar month, the  
2 Department shall prepare and certify to the Comptroller the  
3 disbursement of stated sums of money to named counties, the  
4 counties to be those from which retailers have paid taxes or  
5 penalties hereunder to the Department during the second  
6 preceding calendar month. The amount to be paid to each county  
7 shall be the amount (not including credit memoranda) collected  
8 hereunder during the second preceding calendar month by the  
9 Department plus an amount the Department determines is  
10 necessary to offset any amounts that were erroneously paid to a  
11 different taxing body, and not including an amount equal to the  
12 amount of refunds made during the second preceding calendar  
13 month by the Department on behalf of such county, and not  
14 including any amount which the Department determines is  
15 necessary to offset any amounts which were payable to a  
16 different taxing body but were erroneously paid to the county,  
17 and not including any amounts that are transferred to the STAR  
18 Bonds Revenue Fund. Within 10 days after receipt, by the  
19 Comptroller, of the disbursement certification to the counties  
20 provided for in this Section to be given to the Comptroller by  
21 the Department, the Comptroller shall cause the orders to be  
22 drawn for the respective amounts in accordance with the  
23 directions contained in the certification.

24 In addition to the disbursement required by the preceding  
25 paragraph, an allocation shall be made in March of each year to  
26 each county that received more than \$500,000 in disbursements

1 under the preceding paragraph in the preceding calendar year.  
2 The allocation shall be in an amount equal to the average  
3 monthly distribution made to each such county under the  
4 preceding paragraph during the preceding calendar year  
5 (excluding the 2 months of highest receipts). The distribution  
6 made in March of each year subsequent to the year in which an  
7 allocation was made pursuant to this paragraph and the  
8 preceding paragraph shall be reduced by the amount allocated  
9 and disbursed under this paragraph in the preceding calendar  
10 year. The Department shall prepare and certify to the  
11 Comptroller for disbursement the allocations made in  
12 accordance with this paragraph.

13 For the purpose of determining the local governmental unit  
14 whose tax is applicable, a retail sale by a producer of coal or  
15 other mineral mined in Illinois is a sale at retail at the  
16 place where the coal or other mineral mined in Illinois is  
17 extracted from the earth. This paragraph does not apply to coal  
18 or other mineral when it is delivered or shipped by the seller  
19 to the purchaser at a point outside Illinois so that the sale  
20 is exempt under the United States Constitution as a sale in  
21 interstate or foreign commerce.

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

26 An ordinance or resolution imposing or discontinuing a tax

1 hereunder or effecting a change in the rate thereof shall be  
2 adopted and a certified copy thereof filed with the Department  
3 on or before the first day of June, whereupon the Department  
4 shall proceed to administer and enforce this Section as of the  
5 first day of September next following such adoption and filing.  
6 Beginning January 1, 1992, an ordinance or resolution imposing  
7 or discontinuing the tax hereunder or effecting a change in the  
8 rate thereof shall be adopted and a certified copy thereof  
9 filed with the Department on or before the first day of July,  
10 whereupon the Department shall proceed to administer and  
11 enforce this Section as of the first day of October next  
12 following such adoption and filing. Beginning January 1, 1993,  
13 an ordinance or resolution imposing or discontinuing the tax  
14 hereunder or effecting a change in the rate thereof shall be  
15 adopted and a certified copy thereof filed with the Department  
16 on or before the first day of October, whereupon the Department  
17 shall proceed to administer and enforce this Section as of the  
18 first day of January next following such adoption and filing.  
19 Beginning April 1, 1998, an ordinance or resolution imposing or  
20 discontinuing the tax hereunder or effecting a change in the  
21 rate thereof shall either (i) be adopted and a certified copy  
22 thereof filed with the Department on or before the first day of  
23 April, whereupon the Department shall proceed to administer and  
24 enforce this Section as of the first day of July next following  
25 the adoption and filing; or (ii) be adopted and a certified  
26 copy thereof filed with the Department on or before the first

1 day of October, whereupon the Department shall proceed to  
2 administer and enforce this Section as of the first day of  
3 January next following the adoption and filing.

4 When certifying the amount of a monthly disbursement to a  
5 county under this Section, the Department shall increase or  
6 decrease such amount by an amount necessary to offset any  
7 misallocation of previous disbursements. The offset amount  
8 shall be the amount erroneously disbursed within the previous 6  
9 months from the time a misallocation is discovered.

10 This Section shall be known and may be cited as the Home  
11 Rule County Retailers' Occupation Tax Law.

12 (Source: P.A. 90-689, eff. 7-31-98; 91-51, eff. 6-30-99.)

13 (55 ILCS 5/5-1006.5)

14 (Text of Section before amendment by P.A. 96-845)

15 Sec. 5-1006.5. Special County Retailers' Occupation Tax  
16 For Public Safety, Public Facilities, or Transportation.

17 (a) The county board of any county may impose a tax upon  
18 all persons engaged in the business of selling tangible  
19 personal property, other than personal property titled or  
20 registered with an agency of this State's government, at retail  
21 in the county on the gross receipts from the sales made in the  
22 course of business to provide revenue to be used exclusively  
23 for public safety, public facility, or transportation purposes  
24 in that county, if a proposition for the tax has been submitted  
25 to the electors of that county and approved by a majority of

1 those voting on the question. If imposed, this tax shall be  
2 imposed only in one-quarter percent increments. By resolution,  
3 the county board may order the proposition to be submitted at  
4 any election. If the tax is imposed for transportation purposes  
5 for expenditures for public highways or as authorized under the  
6 Illinois Highway Code, the county board must publish notice of  
7 the existence of its long-range highway transportation plan as  
8 required or described in Section 5-301 of the Illinois Highway  
9 Code and must make the plan publicly available prior to  
10 approval of the ordinance or resolution imposing the tax. If  
11 the tax is imposed for transportation purposes for expenditures  
12 for passenger rail transportation, the county board must  
13 publish notice of the existence of its long-range passenger  
14 rail transportation plan and must make the plan publicly  
15 available prior to approval of the ordinance or resolution  
16 imposing the tax.

17 If a tax is imposed for public facilities purposes, then  
18 the name of the project may be included in the proposition at  
19 the discretion of the county board as determined in the  
20 enabling resolution. For example, the "XXX Nursing Home" or the  
21 "YYY Museum".

22 The county clerk shall certify the question to the proper  
23 election authority, who shall submit the proposition at an  
24 election in accordance with the general election law.

25 (1) The proposition for public safety purposes shall be  
26 in substantially the following form:

1            "To pay for public safety purposes, shall (name of  
2 county) be authorized to impose an increase on its share of  
3 local sales taxes by (insert rate)?"

4            As additional information on the ballot below the  
5 question shall appear the following:

6            "This would mean that a consumer would pay an  
7 additional (insert amount) in sales tax for every \$100 of  
8 tangible personal property bought at retail."

9            The county board may also opt to establish a sunset  
10 provision at which time the additional sales tax would  
11 cease being collected, if not terminated earlier by a vote  
12 of the county board. If the county board votes to include a  
13 sunset provision, the proposition for public safety  
14 purposes shall be in substantially the following form:

15           "To pay for public safety purposes, shall (name of  
16 county) be authorized to impose an increase on its share of  
17 local sales taxes by (insert rate) for a period not to  
18 exceed (insert number of years)?"

19           As additional information on the ballot below the  
20 question shall appear the following:

21           "This would mean that a consumer would pay an  
22 additional (insert amount) in sales tax for every \$100 of  
23 tangible personal property bought at retail. If imposed,  
24 the additional tax would cease being collected at the end  
25 of (insert number of years), if not terminated earlier by a  
26 vote of the county board."

1           For the purposes of the paragraph, "public safety  
2 purposes" means crime prevention, detention, fire  
3 fighting, police, medical, ambulance, or other emergency  
4 services.

5           Votes shall be recorded as "Yes" or "No".

6           (2) The proposition for transportation purposes shall  
7 be in substantially the following form:

8           "To pay for improvements to roads and other  
9 transportation purposes, shall (name of county) be  
10 authorized to impose an increase on its share of local  
11 sales taxes by (insert rate)?"

12           As additional information on the ballot below the  
13 question shall appear the following:

14           "This would mean that a consumer would pay an  
15 additional (insert amount) in sales tax for every \$100 of  
16 tangible personal property bought at retail."

17           The county board may also opt to establish a sunset  
18 provision at which time the additional sales tax would  
19 cease being collected, if not terminated earlier by a vote  
20 of the county board. If the county board votes to include a  
21 sunset provision, the proposition for transportation  
22 purposes shall be in substantially the following form:

23           "To pay for road improvements and other transportation  
24 purposes, shall (name of county) be authorized to impose an  
25 increase on its share of local sales taxes by (insert rate)  
26 for a period not to exceed (insert number of years)?"



1           As additional information on the ballot below the  
2 question shall appear the following:

3           "This would mean that a consumer would pay an  
4 additional (insert amount) in sales tax for every \$100 of  
5 tangible personal property bought at retail. If imposed,  
6 the additional tax would cease being collected at the end  
7 of (insert number of years), if not terminated earlier by a  
8 vote of the county board."

9           For the purposes of this paragraph, transportation  
10 purposes means construction, maintenance, operation, and  
11 improvement of public highways, any other purpose for which  
12 a county may expend funds under the Illinois Highway Code,  
13 and passenger rail transportation.

14           The votes shall be recorded as "Yes" or "No".

15           (3) The proposition for public facilities purposes  
16 shall be in substantially the following form:

17           "To pay for public facilities purposes, shall (name of  
18 county) be authorized to impose an increase on its share of  
19 local sales taxes by (insert rate)?"

20           As additional information on the ballot below the  
21 question shall appear the following:

22           "This would mean that a consumer would pay an  
23 additional (insert amount) in sales tax for every \$100 of  
24 tangible personal property bought at retail."

25           The county board may also opt to establish a sunset  
26 provision at which time the additional sales tax would

1       cease being collected, if not terminated earlier by a vote  
2       of the county board. If the county board votes to include a  
3       sunset provision, the proposition for public facilities  
4       purposes shall be in substantially the following form:

5                "To pay for public facilities purposes, shall (name of  
6       county) be authorized to impose an increase on its share of  
7       local sales taxes by (insert rate) for a period not to  
8       exceed (insert number of years)?"

9       As additional information on the ballot below the  
10      question shall appear the following:

11                "This would mean that a consumer would pay an  
12      additional (insert amount) in sales tax for every \$100 of  
13      tangible personal property bought at retail. If imposed,  
14      the additional tax would cease being collected at the end  
15      of (insert number of years), if not terminated earlier by a  
16      vote of the county board."

17                For purposes of this Section, "public facilities  
18      purposes" means the acquisition, development,  
19      construction, reconstruction, rehabilitation, improvement,  
20      financing, architectural planning, and installation of  
21      capital facilities consisting of buildings, structures,  
22      and durable equipment and for the acquisition and  
23      improvement of real property and interest in real property  
24      required, or expected to be required, in connection with  
25      the public facilities, for use by the county for the  
26      furnishing of governmental services to its citizens,

1 including but not limited to museums and nursing homes.

2 The votes shall be recorded as "Yes" or "No".

3 If a majority of the electors voting on the proposition  
4 vote in favor of it, the county may impose the tax. A county  
5 may not submit more than one proposition authorized by this  
6 Section to the electors at any one time.

7 This additional tax may not be imposed on the sales of food  
8 for human consumption that is to be consumed off the premises  
9 where it is sold (other than alcoholic beverages, soft drinks,  
10 and food which has been prepared for immediate consumption) and  
11 prescription and non-prescription medicines, drugs, medical  
12 appliances and insulin, urine testing materials, syringes, and  
13 needles used by diabetics. The tax imposed by a county under  
14 this Section and all civil penalties that may be assessed as an  
15 incident of the tax shall be collected and enforced by the  
16 Illinois Department of Revenue and deposited into a special  
17 fund created for that purpose. The certificate of registration  
18 that is issued by the Department to a retailer under the  
19 Retailers' Occupation Tax Act shall permit the retailer to  
20 engage in a business that is taxable without registering  
21 separately with the Department under an ordinance or resolution  
22 under this Section. The Department has full power to administer  
23 and enforce this Section, to collect all taxes and penalties  
24 due under this Section, to dispose of taxes and penalties so  
25 collected in the manner provided in this Section, and to  
26 determine all rights to credit memoranda arising on account of

1 the erroneous payment of a tax or penalty under this Section.  
2 In the administration of and compliance with this Section, the  
3 Department and persons who are subject to this Section shall  
4 (i) have the same rights, remedies, privileges, immunities,  
5 powers, and duties, (ii) be subject to the same conditions,  
6 restrictions, limitations, penalties, and definitions of  
7 terms, and (iii) employ the same modes of procedure as are  
8 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,  
9 1n, 2 through 2-70 (in respect to all provisions contained in  
10 those Sections other than the State rate of tax), 2a, 2b, 2c, 3  
11 (except provisions relating to transaction returns and quarter  
12 monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,  
13 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of  
14 the Retailers' Occupation Tax Act and Section 3-7 of the  
15 Uniform Penalty and Interest Act as if those provisions were  
16 set forth in this Section.

17 Persons subject to any tax imposed under the authority  
18 granted in this Section may reimburse themselves for their  
19 sellers' tax liability by separately stating the tax as an  
20 additional charge, which charge may be stated in combination,  
21 in a single amount, with State tax which sellers are required  
22 to collect under the Use Tax Act, pursuant to such bracketed  
23 schedules as the Department may prescribe.

24 Whenever the Department determines that a refund should be  
25 made under this Section to a claimant instead of issuing a  
26 credit memorandum, the Department shall notify the State

1 Comptroller, who shall cause the order to be drawn for the  
2 amount specified and to the person named in the notification  
3 from the Department. The refund shall be paid by the State  
4 Treasurer out of the County Public Safety or Transportation  
5 Retailers' Occupation Tax Fund.

6 (b) If a tax has been imposed under subsection (a), a  
7 service occupation tax shall also be imposed at the same rate  
8 upon all persons engaged, in the county, in the business of  
9 making sales of service, who, as an incident to making those  
10 sales of service, transfer tangible personal property within  
11 the county as an incident to a sale of service. This tax may  
12 not be imposed on sales of food for human consumption that is  
13 to be consumed off the premises where it is sold (other than  
14 alcoholic beverages, soft drinks, and food prepared for  
15 immediate consumption) and prescription and non-prescription  
16 medicines, drugs, medical appliances and insulin, urine  
17 testing materials, syringes, and needles used by diabetics. The  
18 tax imposed under this subsection and all civil penalties that  
19 may be assessed as an incident thereof shall be collected and  
20 enforced by the Department of Revenue. The Department has full  
21 power to administer and enforce this subsection; to collect all  
22 taxes and penalties due hereunder; to dispose of taxes and  
23 penalties so collected in the manner hereinafter provided; and  
24 to determine all rights to credit memoranda arising on account  
25 of the erroneous payment of tax or penalty hereunder. In the  
26 administration of, and compliance with this subsection, the

1 Department and persons who are subject to this paragraph shall  
2 (i) have the same rights, remedies, privileges, immunities,  
3 powers, and duties, (ii) be subject to the same conditions,  
4 restrictions, limitations, penalties, exclusions, exemptions,  
5 and definitions of terms, and (iii) employ the same modes of  
6 procedure as are prescribed in Sections 2 (except that the  
7 reference to State in the definition of supplier maintaining a  
8 place of business in this State shall mean the county), 2a, 2b,  
9 2c, 3 through 3-50 (in respect to all provisions therein other  
10 than the State rate of tax), 4 (except that the reference to  
11 the State shall be to the county), 5, 7, 8 (except that the  
12 jurisdiction to which the tax shall be a debt to the extent  
13 indicated in that Section 8 shall be the county), 9 (except as  
14 to the disposition of taxes and penalties collected), 10, 11,  
15 12 (except the reference therein to Section 2b of the  
16 Retailers' Occupation Tax Act), 13 (except that any reference  
17 to the State shall mean the county), Section 15, 16, 17, 18, 19  
18 and 20 of the Service Occupation Tax Act and Section 3-7 of the  
19 Uniform Penalty and Interest Act, as fully as if those  
20 provisions were set forth herein.

21 Persons subject to any tax imposed under the authority  
22 granted in this subsection may reimburse themselves for their  
23 serviceman's tax liability by separately stating the tax as an  
24 additional charge, which charge may be stated in combination,  
25 in a single amount, with State tax that servicemen are  
26 authorized to collect under the Service Use Tax Act, in

1 accordance with such bracket schedules as the Department may  
2 prescribe.

3 Whenever the Department determines that a refund should be  
4 made under this subsection to a claimant instead of issuing a  
5 credit memorandum, the Department shall notify the State  
6 Comptroller, who shall cause the warrant to be drawn for the  
7 amount specified, and to the person named, in the notification  
8 from the Department. The refund shall be paid by the State  
9 Treasurer out of the County Public Safety or Transportation  
10 Retailers' Occupation Fund.

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

15 (c) The Department shall immediately pay over to the State  
16 Treasurer, ex officio, as trustee, all taxes and penalties  
17 collected under this Section to be deposited into the County  
18 Public Safety or Transportation Retailers' Occupation Tax  
19 Fund, which shall be an unappropriated trust fund held outside  
20 of the State treasury.

21 As soon as possible after the first day of each month,  
22 beginning January 1, 2011, upon certification of the Department  
23 of Revenue, the Comptroller shall order transferred, and the  
24 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
25 local sales tax increment, as defined in the STAR Bonds  
26 Financing Act, collected under this Section during the second

1 preceding calendar month for sales within a STAR bond district.

2 After the monthly transfer to the STAR Bonds Revenue Fund,  
3 on ~~On~~ or before the 25th day of each calendar month, the  
4 Department shall prepare and certify to the Comptroller the  
5 disbursement of stated sums of money to the counties from which  
6 retailers have paid taxes or penalties to the Department during  
7 the second preceding calendar month. The amount to be paid to  
8 each county, and deposited by the county into its special fund  
9 created for the purposes of this Section, shall be the amount  
10 (not including credit memoranda) collected under this Section  
11 during the second preceding calendar month by the Department  
12 plus an amount the Department determines is necessary to offset  
13 any amounts that were erroneously paid to a different taxing  
14 body, and not including (i) an amount equal to the amount of  
15 refunds made during the second preceding calendar month by the  
16 Department on behalf of the county, ~~and~~ (ii) any amount that  
17 the Department determines is necessary to offset any amounts  
18 that were payable to a different taxing body but were  
19 erroneously paid to the county, and (iii) any amounts that are  
20 transferred to the STAR Bonds Revenue Fund. Within 10 days  
21 after receipt by the Comptroller of the disbursement  
22 certification to the counties provided for in this Section to  
23 be given to the Comptroller by the Department, the Comptroller  
24 shall cause the orders to be drawn for the respective amounts  
25 in accordance with directions contained in the certification.

26 In addition to the disbursement required by the preceding



1 paragraph, an allocation shall be made in March of each year to  
2 each county that received more than \$500,000 in disbursements  
3 under the preceding paragraph in the preceding calendar year.  
4 The allocation shall be in an amount equal to the average  
5 monthly distribution made to each such county under the  
6 preceding paragraph during the preceding calendar year  
7 (excluding the 2 months of highest receipts). The distribution  
8 made in March of each year subsequent to the year in which an  
9 allocation was made pursuant to this paragraph and the  
10 preceding paragraph shall be reduced by the amount allocated  
11 and disbursed under this paragraph in the preceding calendar  
12 year. The Department shall prepare and certify to the  
13 Comptroller for disbursement the allocations made in  
14 accordance with this paragraph.

15 (d) For the purpose of determining the local governmental  
16 unit whose tax is applicable, a retail sale by a producer of  
17 coal or another mineral mined in Illinois is a sale at retail  
18 at the place where the coal or other mineral mined in Illinois  
19 is extracted from the earth. This paragraph does not apply to  
20 coal or another mineral when it is delivered or shipped by the  
21 seller to the purchaser at a point outside Illinois so that the  
22 sale is exempt under the United States Constitution as a sale  
23 in interstate or foreign commerce.

24 (e) Nothing in this Section shall be construed to authorize  
25 a county to impose a tax upon the privilege of engaging in any  
26 business that under the Constitution of the United States may

1 not be made the subject of taxation by this State.

2 (e-5) If a county imposes a tax under this Section, the  
3 county board may, by ordinance, discontinue or lower the rate  
4 of the tax. If the county board lowers the tax rate or  
5 discontinues the tax, a referendum must be held in accordance  
6 with subsection (a) of this Section in order to increase the  
7 rate of the tax or to reimpose the discontinued tax.

8 (f) Beginning April 1, 1998, the results of any election  
9 authorizing a proposition to impose a tax under this Section or  
10 effecting a change in the rate of tax, or any ordinance  
11 lowering the rate or discontinuing the tax, shall be certified  
12 by the county clerk and filed with the Illinois Department of  
13 Revenue either (i) on or before the first day of April,  
14 whereupon the Department shall proceed to administer and  
15 enforce the tax as of the first day of July next following the  
16 filing; or (ii) on or before the first day of October,  
17 whereupon the Department shall proceed to administer and  
18 enforce the tax as of the first day of January next following  
19 the filing.

20 (g) When certifying the amount of a monthly disbursement to  
21 a county under this Section, the Department shall increase or  
22 decrease the amounts by an amount necessary to offset any  
23 miscalculation of previous disbursements. The offset amount  
24 shall be the amount erroneously disbursed within the previous 6  
25 months from the time a miscalculation is discovered.

26 (h) This Section may be cited as the "Special County

1 Occupation Tax For Public Safety, Public Facilities, or  
2 Transportation Law".

3 (i) For purposes of this Section, "public safety" includes,  
4 but is not limited to, crime prevention, detention, fire  
5 fighting, police, medical, ambulance, or other emergency  
6 services. The county may share tax proceeds received under this  
7 Section for public safety purposes, including proceeds  
8 received before August 4, 2009 (the effective date of Public  
9 Act 96-124) ~~this amendatory Act of the 96th General Assembly,~~  
10 with any fire protection district located in the county. For  
11 the purposes of this Section, "transportation" includes, but is  
12 not limited to, the construction, maintenance, operation, and  
13 improvement of public highways, any other purpose for which a  
14 county may expend funds under the Illinois Highway Code, and  
15 passenger rail transportation. For the purposes of this  
16 Section, "public facilities purposes" includes, but is not  
17 limited to, the acquisition, development, construction,  
18 reconstruction, rehabilitation, improvement, financing,  
19 architectural planning, and installation of capital facilities  
20 consisting of buildings, structures, and durable equipment and  
21 for the acquisition and improvement of real property and  
22 interest in real property required, or expected to be required,  
23 in connection with the public facilities, for use by the county  
24 for the furnishing of governmental services to its citizens,  
25 including but not limited to museums and nursing homes.

26 (j) The Department may promulgate rules to implement Public

1 ~~Act 95-1002 this amendatory Act of the 95th General Assembly~~  
2 only to the extent necessary to apply the existing rules for  
3 the Special County Retailers' Occupation Tax for Public Safety  
4 to this new purpose for public facilities.

5 (Source: P.A. 95-474, eff. 1-1-08; 95-1002, eff. 11-20-08;  
6 96-124, eff. 8-4-09; 96-622, eff. 8-24-09; revised 11-3-09.)

7 (Text of Section after amendment by P.A. 96-845)

8 Sec. 5-1006.5. Special County Retailers' Occupation Tax  
9 For Public Safety, Public Facilities, or Transportation.

10 (a) The county board of any county may impose a tax upon  
11 all persons engaged in the business of selling tangible  
12 personal property, other than personal property titled or  
13 registered with an agency of this State's government, at retail  
14 in the county on the gross receipts from the sales made in the  
15 course of business to provide revenue to be used exclusively  
16 for public safety, public facility, or transportation purposes  
17 in that county, if a proposition for the tax has been submitted  
18 to the electors of that county and approved by a majority of  
19 those voting on the question. If imposed, this tax shall be  
20 imposed only in one-quarter percent increments. By resolution,  
21 the county board may order the proposition to be submitted at  
22 any election. If the tax is imposed for transportation purposes  
23 for expenditures for public highways or as authorized under the  
24 Illinois Highway Code, the county board must publish notice of  
25 the existence of its long-range highway transportation plan as

1 required or described in Section 5-301 of the Illinois Highway  
2 Code and must make the plan publicly available prior to  
3 approval of the ordinance or resolution imposing the tax. If  
4 the tax is imposed for transportation purposes for expenditures  
5 for passenger rail transportation, the county board must  
6 publish notice of the existence of its long-range passenger  
7 rail transportation plan and must make the plan publicly  
8 available prior to approval of the ordinance or resolution  
9 imposing the tax.

10 If a tax is imposed for public facilities purposes, then  
11 the name of the project may be included in the proposition at  
12 the discretion of the county board as determined in the  
13 enabling resolution. For example, the "XXX Nursing Home" or the  
14 "YYY Museum".

15 The county clerk shall certify the question to the proper  
16 election authority, who shall submit the proposition at an  
17 election in accordance with the general election law.

18 (1) The proposition for public safety purposes shall be  
19 in substantially the following form:

20 "To pay for public safety purposes, shall (name of  
21 county) be authorized to impose an increase on its share of  
22 local sales taxes by (insert rate)?"

23 As additional information on the ballot below the  
24 question shall appear the following:

25 "This would mean that a consumer would pay an  
26 additional (insert amount) in sales tax for every \$100 of

1 tangible personal property bought at retail."

2 The county board may also opt to establish a sunset  
3 provision at which time the additional sales tax would  
4 cease being collected, if not terminated earlier by a vote  
5 of the county board. If the county board votes to include a  
6 sunset provision, the proposition for public safety  
7 purposes shall be in substantially the following form:

8 "To pay for public safety purposes, shall (name of  
9 county) be authorized to impose an increase on its share of  
10 local sales taxes by (insert rate) for a period not to  
11 exceed (insert number of years)?"

12 As additional information on the ballot below the  
13 question shall appear the following:

14 "This would mean that a consumer would pay an  
15 additional (insert amount) in sales tax for every \$100 of  
16 tangible personal property bought at retail. If imposed,  
17 the additional tax would cease being collected at the end  
18 of (insert number of years), if not terminated earlier by a  
19 vote of the county board."

20 For the purposes of the paragraph, "public safety  
21 purposes" means crime prevention, detention, fire  
22 fighting, police, medical, ambulance, or other emergency  
23 services.

24 Votes shall be recorded as "Yes" or "No".

25 (2) The proposition for transportation purposes shall  
26 be in substantially the following form:

1            "To pay for improvements to roads and other  
2 transportation purposes, shall (name of county) be  
3 authorized to impose an increase on its share of local  
4 sales taxes by (insert rate)?"

5            As additional information on the ballot below the  
6 question shall appear the following:

7            "This would mean that a consumer would pay an  
8 additional (insert amount) in sales tax for every \$100 of  
9 tangible personal property bought at retail."

10           The county board may also opt to establish a sunset  
11 provision at which time the additional sales tax would  
12 cease being collected, if not terminated earlier by a vote  
13 of the county board. If the county board votes to include a  
14 sunset provision, the proposition for transportation  
15 purposes shall be in substantially the following form:

16           "To pay for road improvements and other transportation  
17 purposes, shall (name of county) be authorized to impose an  
18 increase on its share of local sales taxes by (insert rate)  
19 for a period not to exceed (insert number of years)?"

20           As additional information on the ballot below the  
21 question shall appear the following:

22           "This would mean that a consumer would pay an  
23 additional (insert amount) in sales tax for every \$100 of  
24 tangible personal property bought at retail. If imposed,  
25 the additional tax would cease being collected at the end  
26 of (insert number of years), if not terminated earlier by a

1 vote of the county board."

2 For the purposes of this paragraph, transportation  
3 purposes means construction, maintenance, operation, and  
4 improvement of public highways, any other purpose for which  
5 a county may expend funds under the Illinois Highway Code,  
6 and passenger rail transportation.

7 The votes shall be recorded as "Yes" or "No".

8 (3) The proposition for public facilities purposes  
9 shall be in substantially the following form:

10 "To pay for public facilities purposes, shall (name of  
11 county) be authorized to impose an increase on its share of  
12 local sales taxes by (insert rate)?"

13 As additional information on the ballot below the  
14 question shall appear the following:

15 "This would mean that a consumer would pay an  
16 additional (insert amount) in sales tax for every \$100 of  
17 tangible personal property bought at retail."

18 The county board may also opt to establish a sunset  
19 provision at which time the additional sales tax would  
20 cease being collected, if not terminated earlier by a vote  
21 of the county board. If the county board votes to include a  
22 sunset provision, the proposition for public facilities  
23 purposes shall be in substantially the following form:

24 "To pay for public facilities purposes, shall (name of  
25 county) be authorized to impose an increase on its share of  
26 local sales taxes by (insert rate) for a period not to



1 exceed (insert number of years)?"

2 As additional information on the ballot below the  
3 question shall appear the following:

4 "This would mean that a consumer would pay an  
5 additional (insert amount) in sales tax for every \$100 of  
6 tangible personal property bought at retail. If imposed,  
7 the additional tax would cease being collected at the end  
8 of (insert number of years), if not terminated earlier by a  
9 vote of the county board."

10 For purposes of this Section, "public facilities  
11 purposes" means the acquisition, development,  
12 construction, reconstruction, rehabilitation, improvement,  
13 financing, architectural planning, and installation of  
14 capital facilities consisting of buildings, structures,  
15 and durable equipment and for the acquisition and  
16 improvement of real property and interest in real property  
17 required, or expected to be required, in connection with  
18 the public facilities, for use by the county for the  
19 furnishing of governmental services to its citizens,  
20 including but not limited to museums and nursing homes.

21 The votes shall be recorded as "Yes" or "No".

22 If a majority of the electors voting on the proposition  
23 vote in favor of it, the county may impose the tax. A county  
24 may not submit more than one proposition authorized by this  
25 Section to the electors at any one time.

26 This additional tax may not be imposed on the sales of food

1 for human consumption that is to be consumed off the premises  
2 where it is sold (other than alcoholic beverages, soft drinks,  
3 and food which has been prepared for immediate consumption) and  
4 prescription and non-prescription medicines, drugs, medical  
5 appliances and insulin, urine testing materials, syringes, and  
6 needles used by diabetics. The tax imposed by a county under  
7 this Section and all civil penalties that may be assessed as an  
8 incident of the tax shall be collected and enforced by the  
9 Illinois Department of Revenue and deposited into a special  
10 fund created for that purpose. The certificate of registration  
11 that is issued by the Department to a retailer under the  
12 Retailers' Occupation Tax Act shall permit the retailer to  
13 engage in a business that is taxable without registering  
14 separately with the Department under an ordinance or resolution  
15 under this Section. The Department has full power to administer  
16 and enforce this Section, to collect all taxes and penalties  
17 due under this Section, to dispose of taxes and penalties so  
18 collected in the manner provided in this Section, and to  
19 determine all rights to credit memoranda arising on account of  
20 the erroneous payment of a tax or penalty under this Section.  
21 In the administration of and compliance with this Section, the  
22 Department and persons who are subject to this Section shall  
23 (i) have the same rights, remedies, privileges, immunities,  
24 powers, and duties, (ii) be subject to the same conditions,  
25 restrictions, limitations, penalties, and definitions of  
26 terms, and (iii) employ the same modes of procedure as are

1 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,  
2 1n, 2 through 2-70 (in respect to all provisions contained in  
3 those Sections other than the State rate of tax), 2a, 2b, 2c, 3  
4 (except provisions relating to transaction returns and quarter  
5 monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,  
6 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of  
7 the Retailers' Occupation Tax Act and Section 3-7 of the  
8 Uniform Penalty and Interest Act as if those provisions were  
9 set forth in this Section.

10 Persons subject to any tax imposed under the authority  
11 granted in this Section may reimburse themselves for their  
12 sellers' tax liability by separately stating the tax as an  
13 additional charge, which charge may be stated in combination,  
14 in a single amount, with State tax which sellers are required  
15 to collect under the Use Tax Act, pursuant to such bracketed  
16 schedules as the Department may prescribe.

17 Whenever the Department determines that a refund should be  
18 made under this Section to a claimant instead of issuing a  
19 credit memorandum, the Department shall notify the State  
20 Comptroller, who shall cause the order to be drawn for the  
21 amount specified and to the person named in the notification  
22 from the Department. The refund shall be paid by the State  
23 Treasurer out of the County Public Safety or Transportation  
24 Retailers' Occupation Tax Fund.

25 (b) If a tax has been imposed under subsection (a), a  
26 service occupation tax shall also be imposed at the same rate

1 upon all persons engaged, in the county, in the business of  
2 making sales of service, who, as an incident to making those  
3 sales of service, transfer tangible personal property within  
4 the county as an incident to a sale of service. This tax may  
5 not be imposed on sales of food for human consumption that is  
6 to be consumed off the premises where it is sold (other than  
7 alcoholic beverages, soft drinks, and food prepared for  
8 immediate consumption) and prescription and non-prescription  
9 medicines, drugs, medical appliances and insulin, urine  
10 testing materials, syringes, and needles used by diabetics. The  
11 tax imposed under this subsection and all civil penalties that  
12 may be assessed as an incident thereof shall be collected and  
13 enforced by the Department of Revenue. The Department has full  
14 power to administer and enforce this subsection; to collect all  
15 taxes and penalties due hereunder; to dispose of taxes and  
16 penalties so collected in the manner hereinafter provided; and  
17 to determine all rights to credit memoranda arising on account  
18 of the erroneous payment of tax or penalty hereunder. In the  
19 administration of, and compliance with this subsection, the  
20 Department and persons who are subject to this paragraph shall  
21 (i) have the same rights, remedies, privileges, immunities,  
22 powers, and duties, (ii) be subject to the same conditions,  
23 restrictions, limitations, penalties, exclusions, exemptions,  
24 and definitions of terms, and (iii) employ the same modes of  
25 procedure as are prescribed in Sections 2 (except that the  
26 reference to State in the definition of supplier maintaining a

1 place of business in this State shall mean the county), 2a, 2b,  
2 2c, 3 through 3-50 (in respect to all provisions therein other  
3 than the State rate of tax), 4 (except that the reference to  
4 the State shall be to the county), 5, 7, 8 (except that the  
5 jurisdiction to which the tax shall be a debt to the extent  
6 indicated in that Section 8 shall be the county), 9 (except as  
7 to the disposition of taxes and penalties collected), 10, 11,  
8 12 (except the reference therein to Section 2b of the  
9 Retailers' Occupation Tax Act), 13 (except that any reference  
10 to the State shall mean the county), Section 15, 16, 17, 18, 19  
11 and 20 of the Service Occupation Tax Act and Section 3-7 of the  
12 Uniform Penalty and Interest Act, as fully as if those  
13 provisions were set forth herein.

14 Persons subject to any tax imposed under the authority  
15 granted in this subsection may reimburse themselves for their  
16 serviceman's tax liability by separately stating the tax as an  
17 additional charge, which charge may be stated in combination,  
18 in a single amount, with State tax that servicemen are  
19 authorized to collect under the Service Use Tax Act, in  
20 accordance with such bracket schedules as the Department may  
21 prescribe.

22 Whenever the Department determines that a refund should be  
23 made under this subsection to a claimant instead of issuing a  
24 credit memorandum, the Department shall notify the State  
25 Comptroller, who shall cause the warrant to be drawn for the  
26 amount specified, and to the person named, in the notification

1 from the Department. The refund shall be paid by the State  
2 Treasurer out of the County Public Safety or Transportation  
3 Retailers' Occupation Fund.

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

8 (c) The Department shall immediately pay over to the State  
9 Treasurer, ex officio, as trustee, all taxes and penalties  
10 collected under this Section to be deposited into the County  
11 Public Safety or Transportation Retailers' Occupation Tax  
12 Fund, which shall be an unappropriated trust fund held outside  
13 of the State treasury.

14 As soon as possible after the first day of each month,  
15 beginning January 1, 2011, upon certification of the Department  
16 of Revenue, the Comptroller shall order transferred, and the  
17 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
18 local sales tax increment, as defined in the STAR Bonds  
19 Financing Act, collected under this Section during the second  
20 preceding calendar month for sales within a STAR bond district.

21 After the monthly transfer to the STAR Bonds Revenue Fund,  
22 on ~~on~~ or before the 25th day of each calendar month, the  
23 Department shall prepare and certify to the Comptroller the  
24 disbursement of stated sums of money to the counties from which  
25 retailers have paid taxes or penalties to the Department during  
26 the second preceding calendar month. The amount to be paid to

1 each county, and deposited by the county into its special fund  
2 created for the purposes of this Section, shall be the amount  
3 (not including credit memoranda) collected under this Section  
4 during the second preceding calendar month by the Department  
5 plus an amount the Department determines is necessary to offset  
6 any amounts that were erroneously paid to a different taxing  
7 body, and not including (i) an amount equal to the amount of  
8 refunds made during the second preceding calendar month by the  
9 Department on behalf of the county, ~~and~~ (ii) any amount that  
10 the Department determines is necessary to offset any amounts  
11 that were payable to a different taxing body but were  
12 erroneously paid to the county, and (iii) any amounts that are  
13 transferred to the STAR Bonds Revenue Fund. Within 10 days  
14 after receipt by the Comptroller of the disbursement  
15 certification to the counties provided for in this Section to  
16 be given to the Comptroller by the Department, the Comptroller  
17 shall cause the orders to be drawn for the respective amounts  
18 in accordance with directions contained in the certification.

19 In addition to the disbursement required by the preceding  
20 paragraph, an allocation shall be made in March of each year to  
21 each county that received more than \$500,000 in disbursements  
22 under the preceding paragraph in the preceding calendar year.  
23 The allocation shall be in an amount equal to the average  
24 monthly distribution made to each such county under the  
25 preceding paragraph during the preceding calendar year  
26 (excluding the 2 months of highest receipts). The distribution

1 made in March of each year subsequent to the year in which an  
2 allocation was made pursuant to this paragraph and the  
3 preceding paragraph shall be reduced by the amount allocated  
4 and disbursed under this paragraph in the preceding calendar  
5 year. The Department shall prepare and certify to the  
6 Comptroller for disbursement the allocations made in  
7 accordance with this paragraph.

8 A county may direct, by ordinance, that all or a portion of  
9 the taxes and penalties collected under the Special County  
10 Retailers' Occupation Tax For Public Safety or Transportation  
11 be deposited into the Transportation Development Partnership  
12 Trust Fund.

13 (d) For the purpose of determining the local governmental  
14 unit whose tax is applicable, a retail sale by a producer of  
15 coal or another mineral mined in Illinois is a sale at retail  
16 at the place where the coal or other mineral mined in Illinois  
17 is extracted from the earth. This paragraph does not apply to  
18 coal or another mineral when it is delivered or shipped by the  
19 seller to the purchaser at a point outside Illinois so that the  
20 sale is exempt under the United States Constitution as a sale  
21 in interstate or foreign commerce.

22 (e) Nothing in this Section shall be construed to authorize  
23 a county to impose a tax upon the privilege of engaging in any  
24 business that under the Constitution of the United States may  
25 not be made the subject of taxation by this State.

26 (e-5) If a county imposes a tax under this Section, the



1 county board may, by ordinance, discontinue or lower the rate  
2 of the tax. If the county board lowers the tax rate or  
3 discontinues the tax, a referendum must be held in accordance  
4 with subsection (a) of this Section in order to increase the  
5 rate of the tax or to reimpose the discontinued tax.

6 (f) Beginning April 1, 1998, the results of any election  
7 authorizing a proposition to impose a tax under this Section or  
8 effecting a change in the rate of tax, or any ordinance  
9 lowering the rate or discontinuing the tax, shall be certified  
10 by the county clerk and filed with the Illinois Department of  
11 Revenue either (i) on or before the first day of April,  
12 whereupon the Department shall proceed to administer and  
13 enforce the tax as of the first day of July next following the  
14 filing; or (ii) on or before the first day of October,  
15 whereupon the Department shall proceed to administer and  
16 enforce the tax as of the first day of January next following  
17 the filing.

18 (g) When certifying the amount of a monthly disbursement to  
19 a county under this Section, the Department shall increase or  
20 decrease the amounts by an amount necessary to offset any  
21 miscalculation of previous disbursements. The offset amount  
22 shall be the amount erroneously disbursed within the previous 6  
23 months from the time a miscalculation is discovered.

24 (h) This Section may be cited as the "Special County  
25 Occupation Tax For Public Safety, Public Facilities, or  
26 Transportation Law".

1 (i) For purposes of this Section, "public safety" includes,  
2 but is not limited to, crime prevention, detention, fire  
3 fighting, police, medical, ambulance, or other emergency  
4 services. The county may share tax proceeds received under this  
5 Section for public safety purposes, including proceeds  
6 received before August 4, 2009 (the effective date of Public  
7 Act 96-124) ~~this amendatory Act of the 96th General Assembly,~~  
8 with any fire protection district located in the county. For  
9 the purposes of this Section, "transportation" includes, but is  
10 not limited to, the construction, maintenance, operation, and  
11 improvement of public highways, any other purpose for which a  
12 county may expend funds under the Illinois Highway Code, and  
13 passenger rail transportation. For the purposes of this  
14 Section, "public facilities purposes" includes, but is not  
15 limited to, the acquisition, development, construction,  
16 reconstruction, rehabilitation, improvement, financing,  
17 architectural planning, and installation of capital facilities  
18 consisting of buildings, structures, and durable equipment and  
19 for the acquisition and improvement of real property and  
20 interest in real property required, or expected to be required,  
21 in connection with the public facilities, for use by the county  
22 for the furnishing of governmental services to its citizens,  
23 including but not limited to museums and nursing homes.

24 (j) The Department may promulgate rules to implement Public  
25 Act 95-1002 ~~this amendatory Act of the 95th General Assembly~~  
26 only to the extent necessary to apply the existing rules for

1 the Special County Retailers' Occupation Tax for Public Safety  
2 to this new purpose for public facilities.

3 (Source: P.A. 95-474, eff. 1-1-08; 95-1002, eff. 11-20-08;  
4 96-124, eff. 8-4-09; 96-622, eff. 8-24-09; 96-845, eff. 7-1-12;  
5 revised 12-30-09.)

6 (55 ILCS 5/5-1006.7)

7 Sec. 5-1006.7. School facility occupation taxes.

8 (a) The county board of any county may impose a tax upon  
9 all persons engaged in the business of selling tangible  
10 personal property, other than personal property titled or  
11 registered with an agency of this State's government, at retail  
12 in the county on the gross receipts from the sales made in the  
13 course of business to provide revenue to be used exclusively  
14 for school facility purposes if a proposition for the tax has  
15 been submitted to the electors of that county and approved by a  
16 majority of those voting on the question as provided in  
17 subsection (c). The tax under this Section may be imposed only  
18 in one-quarter percent increments and may not exceed 1%.

19 This additional tax may not be imposed on the sale of food  
20 for human consumption that is to be consumed off the premises  
21 where it is sold (other than alcoholic beverages, soft drinks,  
22 and food that has been prepared for immediate consumption) and  
23 prescription and non-prescription medicines, drugs, medical  
24 appliances and insulin, urine testing materials, syringes and  
25 needles used by diabetics. The Department of Revenue has full

1 power to administer and enforce this subsection, to collect all  
2 taxes and penalties due under this subsection, to dispose of  
3 taxes and penalties so collected in the manner provided in this  
4 subsection, and to determine all rights to credit memoranda  
5 arising on account of the erroneous payment of a tax or penalty  
6 under this subsection. The Department shall deposit all taxes  
7 and penalties collected under this subsection into a special  
8 fund created for that purpose.

9 In the administration of and compliance with this  
10 subsection, the Department and persons who are subject to this  
11 subsection (i) have the same rights, remedies, privileges,  
12 immunities, powers, and duties, (ii) are subject to the same  
13 conditions, restrictions, limitations, penalties, and  
14 definitions of terms, and (iii) shall employ the same modes of  
15 procedure as are set forth in Sections 1 through 1o, 2 through  
16 2-70 (in respect to all provisions contained in those Sections  
17 other than the State rate of tax), 2a through 2h, 3 (except as  
18 to the disposition of taxes and penalties collected), 4, 5, 5a,  
19 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,  
20 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act  
21 and all provisions of the Uniform Penalty and Interest Act as  
22 if those provisions were set forth in this subsection.

23 The certificate of registration that is issued by the  
24 Department to a retailer under the Retailers' Occupation Tax  
25 Act permits the retailer to engage in a business that is  
26 taxable without registering separately with the Department

1 under an ordinance or resolution under this subsection.

2 Persons subject to any tax imposed under the authority  
3 granted in this subsection may reimburse themselves for their  
4 seller's tax liability by separately stating that tax as an  
5 additional charge, which may be stated in combination, in a  
6 single amount, with State tax that sellers are required to  
7 collect under the Use Tax Act, pursuant to any bracketed  
8 schedules set forth by the Department.

9 (b) If a tax has been imposed under subsection (a), then a  
10 service occupation tax must also be imposed at the same rate  
11 upon all persons engaged, in the county, in the business of  
12 making sales of service, who, as an incident to making those  
13 sales of service, transfer tangible personal property within  
14 the county as an incident to a sale of service.

15 This tax may not be imposed on sales of food for human  
16 consumption that is to be consumed off the premises where it is  
17 sold (other than alcoholic beverages, soft drinks, and food  
18 prepared for immediate consumption) and prescription and  
19 non-prescription medicines, drugs, medical appliances and  
20 insulin, urine testing materials, syringes, and needles used by  
21 diabetics.

22 The tax imposed under this subsection and all civil  
23 penalties that may be assessed as an incident thereof shall be  
24 collected and enforced by the Department and deposited into a  
25 special fund created for that purpose. The Department has full  
26 power to administer and enforce this subsection, to collect all

1 taxes and penalties due under this subsection, to dispose of  
2 taxes and penalties so collected in the manner provided in this  
3 subsection, and to determine all rights to credit memoranda  
4 arising on account of the erroneous payment of a tax or penalty  
5 under this subsection.

6 In the administration of and compliance with this  
7 subsection, the Department and persons who are subject to this  
8 subsection shall (i) have the same rights, remedies,  
9 privileges, immunities, powers and duties, (ii) be subject to  
10 the same conditions, restrictions, limitations, penalties and  
11 definition of terms, and (iii) employ the same modes of  
12 procedure as are set forth in Sections 2 (except that that  
13 reference to State in the definition of supplier maintaining a  
14 place of business in this State means the county), 2a through  
15 2d, 3 through 3-50 (in respect to all provisions contained in  
16 those Sections other than the State rate of tax), 4 (except  
17 that the reference to the State shall be to the county), 5, 7,  
18 8 (except that the jurisdiction to which the tax is a debt to  
19 the extent indicated in that Section 8 is the county), 9  
20 (except as to the disposition of taxes and penalties  
21 collected), 10, 11, 12 (except the reference therein to Section  
22 2b of the Retailers' Occupation Tax Act), 13 (except that any  
23 reference to the State means the county), Section 15, 16, 17,  
24 18, 19, and 20 of the Service Occupation Tax Act and all  
25 provisions of the Uniform Penalty and Interest Act, as fully as  
26 if those provisions were set forth herein.

1           Persons subject to any tax imposed under the authority  
2 granted in this subsection may reimburse themselves for their  
3 serviceman's tax liability by separately stating the tax as an  
4 additional charge, which may be stated in combination, in a  
5 single amount, with State tax that servicemen are authorized to  
6 collect under the Service Use Tax Act, pursuant to any  
7 bracketed schedules set forth by the Department.

8           (c) The tax under this Section may not be imposed until, by  
9 ordinance or resolution of the county board, the question of  
10 imposing the tax has been submitted to the electors of the  
11 county at a regular election and approved by a majority of the  
12 electors voting on the question. Upon a resolution by the  
13 county board or a resolution by school district boards that  
14 represent at least 51% of the student enrollment within the  
15 county, the county board must certify the question to the  
16 proper election authority in accordance with the Election Code.

17           The election authority must submit the question in  
18 substantially the following form:

19           Shall (name of county) be authorized to impose a  
20 retailers' occupation tax and a service occupation tax  
21 (commonly referred to as a "sales tax") at a rate of  
22 (insert rate) to be used exclusively for school facility  
23 purposes?

24           The election authority must record the votes as "Yes" or "No".

25           If a majority of the electors voting on the question vote  
26 in the affirmative, then the county may, thereafter, impose the

1 tax.

2 For the purposes of this subsection (c), "enrollment" means  
3 the head count of the students residing in the county on the  
4 last school day of September of each year, which must be  
5 reported on the Illinois State Board of Education Public School  
6 Fall Enrollment/Housing Report.

7 (d) The Department shall immediately pay over to the State  
8 Treasurer, ex officio, as trustee, all taxes and penalties  
9 collected under this Section to be deposited into the School  
10 Facility Occupation Tax Fund, which shall be an unappropriated  
11 trust fund held outside the State treasury.

12 As soon as possible after the first day of each month,  
13 beginning January 1, 2011, upon certification of the Department  
14 of Revenue, the Comptroller shall order transferred, and the  
15 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
16 local sales tax increment, as defined in the STAR Bonds  
17 Financing Act, collected under this Section during the second  
18 preceding calendar month for sales within a STAR bond district.

19 After the monthly transfer to the STAR Bonds Revenue Fund,  
20 on ~~on~~ or before the 25th day of each calendar month, the  
21 Department shall prepare and certify to the Comptroller the  
22 disbursement of stated sums of money to the regional  
23 superintendents of schools in counties from which retailers or  
24 servicemen have paid taxes or penalties to the Department  
25 during the second preceding calendar month. The amount to be  
26 paid to each regional superintendent of schools and disbursed



1 to him or her in accordance with 3-14.31 of the School Code, is  
2 equal to the amount (not including credit memoranda) collected  
3 from the county under this Section during the second preceding  
4 calendar month by the Department, (i) less 2% of that amount,  
5 which shall be deposited into the Tax Compliance and  
6 Administration Fund and shall be used by the Department,  
7 subject to appropriation, to cover the costs of the Department  
8 in administering and enforcing the provisions of this Section,  
9 on behalf of the county, (ii) plus an amount that the  
10 Department determines is necessary to offset any amounts that  
11 were erroneously paid to a different taxing body; (iii) less an  
12 amount equal to the amount of refunds made during the second  
13 preceding calendar month by the Department on behalf of the  
14 county; ~~and~~ (iv) less any amount that the Department determines  
15 is necessary to offset any amounts that were payable to a  
16 different taxing body but were erroneously paid to the county;  
17 and (v) less any amounts that are transferred to the STAR Bonds  
18 Revenue Fund. When certifying the amount of a monthly  
19 disbursement to a regional superintendent of schools under this  
20 Section, the Department shall increase or decrease the amounts  
21 by an amount necessary to offset any miscalculation of previous  
22 disbursements within the previous 6 months from the time a  
23 miscalculation is discovered.

24 Within 10 days after receipt by the Comptroller from the  
25 Department of the disbursement certification to the regional  
26 superintendents of the schools provided for in this Section,

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

4 If the Department determines that a refund should be made  
5 under this Section to a claimant instead of issuing a credit  
6 memorandum, then the Department shall notify the Comptroller,  
7 who shall cause the order to be drawn for the amount specified  
8 and to the person named in the notification from the  
9 Department. The refund shall be paid by the Treasurer out of  
10 the School Facility Occupation Tax Fund.

11 (e) For the purposes of determining the local governmental  
12 unit whose tax is applicable, a retail sale by a producer of  
13 coal or another mineral mined in Illinois is a sale at retail  
14 at the place where the coal or other mineral mined in Illinois  
15 is extracted from the earth. This subsection does not apply to  
16 coal or another mineral when it is delivered or shipped by the  
17 seller to the purchaser at a point outside Illinois so that the  
18 sale is exempt under the United States Constitution as a sale  
19 in interstate or foreign commerce.

20 (f) Nothing in this Section may be construed to authorize a  
21 county board to impose a tax upon the privilege of engaging in  
22 any business that under the Constitution of the United States  
23 may not be made the subject of taxation by this State.

24 (g) If a county board imposes a tax under this Section,  
25 then the board may, by ordinance, discontinue or reduce the  
26 rate of the tax. If, however, a school board issues bonds that

1 are backed by the proceeds of the tax under this Section, then  
2 the county board may not reduce the tax rate or discontinue the  
3 tax if that rate reduction or discontinuance would inhibit the  
4 school board's ability to pay the principal and interest on  
5 those bonds as they become due. If the county board reduces the  
6 tax rate or discontinues the tax, then a referendum must be  
7 held in accordance with subsection (c) of this Section in order  
8 to increase the rate of the tax or to reimpose the discontinued  
9 tax.

10 The results of any election that authorizes a proposition  
11 to impose a tax under this Section or to change the rate of the  
12 tax along with an ordinance imposing the tax, or any ordinance  
13 that lowers the rate or discontinues the tax, must be certified  
14 by the county clerk and filed with the Illinois Department of  
15 Revenue either (i) on or before the first day of April,  
16 whereupon the Department shall proceed to administer and  
17 enforce the tax or change in the rate as of the first day of  
18 July next following the filing; or (ii) on or before the first  
19 day of October, whereupon the Department shall proceed to  
20 administer and enforce the tax or change in the rate as of the  
21 first day of January next following the filing.

22 (h) For purposes of this Section, "school facility  
23 purposes" means the acquisition, development, construction,  
24 reconstruction, rehabilitation, improvement, financing,  
25 architectural planning, and installation of capital facilities  
26 consisting of buildings, structures, and durable equipment and

1 for the acquisition and improvement of real property and  
2 interest in real property required, or expected to be required,  
3 in connection with the capital facilities. "School-facility  
4 purposes" also includes fire prevention, safety, energy  
5 conservation, disabled accessibility, school security, and  
6 specified repair purposes set forth under Section 17-2.11 of  
7 the School Code.

8 (i) This Section does not apply to Cook County.

9 (j) This Section may be cited as the County School Facility  
10 Occupation Tax Law.

11 (Source: P.A. 95-675, eff. 10-11-07.)

12 (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

13 Sec. 5-1007. Home Rule County Service Occupation Tax Law.  
14 The corporate authorities of a home rule county may impose a  
15 tax upon all persons engaged, in such county, in the business  
16 of making sales of service at the same rate of tax imposed  
17 pursuant to Section 5-1006 of the selling price of all tangible  
18 personal property transferred by such servicemen either in the  
19 form of tangible personal property or in the form of real  
20 estate as an incident to a sale of service. If imposed, such  
21 tax shall only be imposed in 1/4% increments. On and after  
22 September 1, 1991, this additional tax may not be imposed on  
23 the sales of food for human consumption which is to be consumed  
24 off the premises where it is sold (other than alcoholic  
25 beverages, soft drinks and food which has been prepared for

1 immediate consumption) and prescription and nonprescription  
2 medicines, drugs, medical appliances and insulin, urine  
3 testing materials, syringes and needles used by diabetics. The  
4 tax imposed by a home rule county pursuant to this Section and  
5 all civil penalties that may be assessed as an incident thereof  
6 shall be collected and enforced by the State Department of  
7 Revenue. The certificate of registration which is issued by the  
8 Department to a retailer under the Retailers' Occupation Tax  
9 Act or under the Service Occupation Tax Act shall permit such  
10 registrant to engage in a business which is taxable under any  
11 ordinance or resolution enacted pursuant to this Section  
12 without registering separately with the Department under such  
13 ordinance or resolution or under this Section. The Department  
14 shall have full power to administer and enforce this Section;  
15 to collect all taxes and penalties due hereunder; to dispose of  
16 taxes and penalties so collected in the manner hereinafter  
17 provided; and to determine all rights to credit memoranda  
18 arising on account of the erroneous payment of tax or penalty  
19 hereunder. In the administration of, and compliance with, this  
20 Section the Department and persons who are subject to this  
21 Section shall have the same rights, remedies, privileges,  
22 immunities, powers and duties, and be subject to the same  
23 conditions, restrictions, limitations, penalties and  
24 definitions of terms, and employ the same modes of procedure,  
25 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
26 respect to all provisions therein other than the State rate of

1 tax), 4 (except that the reference to the State shall be to the  
2 taxing county), 5, 7, 8 (except that the jurisdiction to which  
3 the tax shall be a debt to the extent indicated in that Section  
4 8 shall be the taxing county), 9 (except as to the disposition  
5 of taxes and penalties collected, and except that the returned  
6 merchandise credit for this county tax may not be taken against  
7 any State tax), 10, 11, 12 (except the reference therein to  
8 Section 2b of the Retailers' Occupation Tax Act), 13 (except  
9 that any reference to the State shall mean the taxing county),  
10 the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the  
11 Service Occupation Tax Act and Section 3-7 of the Uniform  
12 Penalty and Interest Act, as fully as if those provisions were  
13 set forth herein.

14 No tax may be imposed by a home rule county pursuant to  
15 this Section unless such county also imposes a tax at the same  
16 rate pursuant to Section 5-1006.

17 Persons subject to any tax imposed pursuant to the  
18 authority granted in this Section may reimburse themselves for  
19 their serviceman's tax liability hereunder by separately  
20 stating such tax as an additional charge, which charge may be  
21 stated in combination, in a single amount, with State tax which  
22 servicemen are authorized to collect under the Service Use Tax  
23 Act, pursuant to such bracket schedules as the Department may  
24 prescribe.

25 Whenever the Department determines that a refund should be  
26 made under this Section to a claimant instead of issuing credit

1 memorandum, the Department shall notify the State Comptroller,  
2 who shall cause the order to be drawn for the amount specified,  
3 and to the person named, in such notification from the  
4 Department. Such refund shall be paid by the State Treasurer  
5 out of the home rule county retailers' occupation tax fund.

6 The Department shall forthwith pay over to the State  
7 Treasurer, ex-officio, as trustee, all taxes and penalties  
8 collected hereunder.

9 As soon as possible after the first day of each month,  
10 beginning January 1, 2011, upon certification of the Department  
11 of Revenue, the Comptroller shall order transferred, and the  
12 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
13 local sales tax increment, as defined in the STAR Bonds  
14 Financing Act, collected under this Section during the second  
15 preceding calendar month for sales within a STAR bond district.

16 After the monthly transfer to the STAR Bonds Revenue Fund,  
17 on ~~or~~ or before the 25th day of each calendar month, the  
18 Department shall prepare and certify to the Comptroller the  
19 disbursement of stated sums of money to named counties, the  
20 counties to be those from which suppliers and servicemen have  
21 paid taxes or penalties hereunder to the Department during the  
22 second preceding calendar month. The amount to be paid to each  
23 county shall be the amount (not including credit memoranda)  
24 collected hereunder during the second preceding calendar month  
25 by the Department, and not including an amount equal to the  
26 amount of refunds made during the second preceding calendar

1 month by the Department on behalf of such county, and not  
2 including any amounts that are transferred to the STAR Bonds  
3 Revenue Fund. Within 10 days after receipt, by the Comptroller,  
4 of the disbursement certification to the counties provided for  
5 in this Section to be given to the Comptroller by the  
6 Department, the Comptroller shall cause the orders to be drawn  
7 for the respective amounts in accordance with the directions  
8 contained in such certification.

9 In addition to the disbursement required by the preceding  
10 paragraph, an allocation shall be made in each year to each  
11 county which received more than \$500,000 in disbursements under  
12 the preceding paragraph in the preceding calendar year. The  
13 allocation shall be in an amount equal to the average monthly  
14 distribution made to each such county under the preceding  
15 paragraph during the preceding calendar year (excluding the 2  
16 months of highest receipts). The distribution made in March of  
17 each year subsequent to the year in which an allocation was  
18 made pursuant to this paragraph and the preceding paragraph  
19 shall be reduced by the amount allocated and disbursed under  
20 this paragraph in the preceding calendar year. The Department  
21 shall prepare and certify to the Comptroller for disbursement  
22 the allocations made in accordance with this paragraph.

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



1           An ordinance or resolution imposing or discontinuing a tax  
2 hereunder or effecting a change in the rate thereof shall be  
3 adopted and a certified copy thereof filed with the Department  
4 on or before the first day of June, whereupon the Department  
5 shall proceed to administer and enforce this Section as of the  
6 first day of September next following such adoption and filing.  
7 Beginning January 1, 1992, an ordinance or resolution imposing  
8 or discontinuing the tax hereunder or effecting a change in the  
9 rate thereof shall be adopted and a certified copy thereof  
10 filed with the Department on or before the first day of July,  
11 whereupon the Department shall proceed to administer and  
12 enforce this Section as of the first day of October next  
13 following such adoption and filing. Beginning January 1, 1993,  
14 an ordinance or resolution imposing or discontinuing the tax  
15 hereunder or effecting a change in the rate thereof shall be  
16 adopted and a certified copy thereof filed with the Department  
17 on or before the first day of October, whereupon the Department  
18 shall proceed to administer and enforce this Section as of the  
19 first day of January next following such adoption and filing.  
20 Beginning April 1, 1998, an ordinance or resolution imposing or  
21 discontinuing the tax hereunder or effecting a change in the  
22 rate thereof shall either (i) be adopted and a certified copy  
23 thereof filed with the Department on or before the first day of  
24 April, whereupon the Department shall proceed to administer and  
25 enforce this Section as of the first day of July next following  
26 the adoption and filing; or (ii) be adopted and a certified

1 copy thereof filed with the Department on or before the first  
2 day of October, whereupon the Department shall proceed to  
3 administer and enforce this Section as of the first day of  
4 January next following the adoption and filing.

5 This Section shall be known and may be cited as the Home  
6 Rule County Service Occupation Tax Law.

7 (Source: P.A. 90-689, eff. 7-31-98; 91-51, eff. 6-30-99.)

8 Section 70. The Illinois Municipal Code is amended by  
9 changing Sections 8-4-1, 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,  
10 8-11-1.7, 8-11-5, and 11-74.3-6 as follows:

11 (65 ILCS 5/8-4-1) (from Ch. 24, par. 8-4-1)

12 Sec. 8-4-1. No bonds shall be issued by the corporate  
13 authorities of any municipality until the question of  
14 authorizing such bonds has been submitted to the electors of  
15 that municipality provided that notice of the bond referendum,  
16 if held before July 1, 1999, has been given in accordance with  
17 the provisions of Section 12-5 of the Election Code in effect  
18 at the time of the bond referendum, at least 10 and not more  
19 than 45 days before the date of the election, notwithstanding  
20 the time for publication otherwise imposed by Section 12-5, and  
21 approved by a majority of the electors voting upon that  
22 question. Notices required in connection with the submission of  
23 public questions on or after July 1, 1999 shall be as set forth  
24 in Section 12-5 of the Election Code. The clerk shall certify

1 the proposition of the corporate authorities to the proper  
2 election authority who shall submit the question at an election  
3 in accordance with the general election law, subject to the  
4 notice provisions set forth in this Section.

5 Notice of any such election shall contain the amount of the  
6 bond issue, purpose for which issued, and maximum rate of  
7 interest.

8 However, without the submission of the question of issuing  
9 bonds to the electors, the corporate authorities of any  
10 municipality may authorize the issuance of any of the following  
11 bonds:

12 (1) Bonds to refund any existing bonded indebtedness;

13 (2) Bonds to fund or refund any existing judgment  
14 indebtedness;

15 (3) In any municipality of less than 500,000 population,  
16 bonds to anticipate the collection of installments of special  
17 assessments and special taxes against property owned by the  
18 municipality and to anticipate the collection of the amount  
19 apportioned to the municipality as public benefits under  
20 Article 9;

21 (4) Bonds issued by any municipality under Sections 8-4-15  
22 through 8-4-23, 11-23-1 through 11-23-12, 11-25-1 through  
23 11-26-6, 11-71-1 through 11-71-10, 11-74.4-1 through  
24 11-74.4-11, 11-74.5-1 through 11-74.5-15, 11-94-1 through  
25 11-94-7, 11-102-1 through 11-102-10, 11-103-11 through  
26 11-103-15, 11-118-1 through 11-118-6, 11-119-1 through

1 11-119-5, 11-129-1 through 11-129-7, 11-133-1 through  
2 11-133-4, 11-139-1 through 11-139-12, 11-141-1 through  
3 11-141-18 of this Code or 10-801 through 10-808 of the Illinois  
4 Highway Code, as amended;

5 (5) Bonds issued by the board of education of any school  
6 district under the provisions of Sections 34-30 through 34-36  
7 of The School Code, as amended;

8 (6) Bonds issued by any municipality under the provisions  
9 of Division 6 of this Article 8; and by any municipality under  
10 the provisions of Division 7 of this Article 8; or under the  
11 provisions of Sections 11-121-4 and 11-121-5;

12 (7) Bonds to pay for the purchase of voting machines by any  
13 municipality that has adopted Article 24 of The Election Code,  
14 approved May 11, 1943, as amended;

15 (8) Bonds issued by any municipality under Sections 15 and  
16 46 of the "Environmental Protection Act", approved June 29,  
17 1970;

18 (9) Bonds issued by the corporate authorities of any  
19 municipality under the provisions of Section 8-4-25 of this  
20 Article 8;

21 (10) Bonds issued under Section 8-4-26 of this Article 8 by  
22 any municipality having a board of election commissioners;

23 (11) Bonds issued under the provisions of "An Act to  
24 provide the manner of levying or imposing taxes for the  
25 provision of special services to areas within the boundaries of  
26 home rule units and nonhome rule municipalities and counties",

1 approved September 21, 1973;

2 (12) Bonds issued under Section 8-5-16 of this Code;

3 (13) Bonds to finance the cost of the acquisition,  
4 construction or improvement of water or wastewater treatment  
5 facilities mandated by an enforceable compliance schedule  
6 developed in connection with the federal Clean Water Act or a  
7 compliance order issued by the United States Environmental  
8 Protection Agency or the Illinois Pollution Control Board;  
9 provided that such bonds are authorized by an ordinance adopted  
10 by a three-fifths majority of the corporate authorities of the  
11 municipality issuing the bonds which ordinance shall specify  
12 that the construction or improvement of such facilities is  
13 necessary to alleviate an emergency condition in such  
14 municipality;

15 (14) Bonds issued by any municipality pursuant to Section  
16 11-113.1-1;

17 (15) Bonds issued under Sections 11-74.6-1 through  
18 11-74.6-45, the Industrial Jobs Recovery Law of this Code.

19 (16) Bonds issued under the STAR Bond Financing Act, except  
20 as may be required by Section 35 of that Act.

21 (Source: P.A. 90-706, eff. 8-7-98; 90-812, eff. 1-26-99; 91-57,  
22 eff. 6-30-99.)

23 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

24 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax  
25 Act. The corporate authorities of a home rule municipality may

1 impose a tax upon all persons engaged in the business of  
2 selling tangible personal property, other than an item of  
3 tangible personal property titled or registered with an agency  
4 of this State's government, at retail in the municipality on  
5 the gross receipts from these sales made in the course of such  
6 business. If imposed, the tax shall only be imposed in 1/4%  
7 increments. On and after September 1, 1991, this additional tax  
8 may not be imposed on the sales of food for human consumption  
9 that is to be consumed off the premises where it is sold (other  
10 than alcoholic beverages, soft drinks and food that has been  
11 prepared for immediate consumption) and prescription and  
12 nonprescription medicines, drugs, medical appliances and  
13 insulin, urine testing materials, syringes and needles used by  
14 diabetics. The tax imposed by a home rule municipality under  
15 this Section and all civil penalties that may be assessed as an  
16 incident of the tax shall be collected and enforced by the  
17 State Department of Revenue. The certificate of registration  
18 that is issued by the Department to a retailer under the  
19 Retailers' Occupation Tax Act shall permit the retailer to  
20 engage in a business that is taxable under any ordinance or  
21 resolution enacted pursuant to this Section without  
22 registering separately with the Department under such  
23 ordinance or resolution or under this Section. The Department  
24 shall have full power to administer and enforce this Section;  
25 to collect all taxes and penalties due hereunder; to dispose of  
26 taxes and penalties so collected in the manner hereinafter

1 provided; and to determine all rights to credit memoranda  
2 arising on account of the erroneous payment of tax or penalty  
3 hereunder. In the administration of, and compliance with, this  
4 Section the Department and persons who are subject to this  
5 Section shall have the same rights, remedies, privileges,  
6 immunities, powers and duties, and be subject to the same  
7 conditions, restrictions, limitations, penalties and  
8 definitions of terms, and employ the same modes of procedure,  
9 as are prescribed in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k,  
10 1m, 1n, 2 through 2-65 (in respect to all provisions therein  
11 other than the State rate of tax), 2c, 3 (except as to the  
12 disposition of taxes and penalties collected), 4, 5, 5a, 5b,  
13 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9,  
14 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and  
15 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
16 as if those provisions were set forth herein.

17 No tax may be imposed by a home rule municipality under  
18 this Section unless the municipality also imposes a tax at the  
19 same rate under Section 8-11-5 of this Act.

20 Persons subject to any tax imposed under the authority  
21 granted in this Section may reimburse themselves for their  
22 seller's tax liability hereunder by separately stating that tax  
23 as an additional charge, which charge may be stated in  
24 combination, in a single amount, with State tax which sellers  
25 are required to collect under the Use Tax Act, pursuant to such  
26 bracket schedules as the Department may prescribe.

1           Whenever the Department determines that a refund should be  
2 made under this Section to a claimant instead of issuing a  
3 credit memorandum, the Department shall notify the State  
4 Comptroller, who shall cause the order to be drawn for the  
5 amount specified and to the person named in the notification  
6 from the Department. The refund shall be paid by the State  
7 Treasurer out of the home rule municipal retailers' occupation  
8 tax fund.

9           The Department shall immediately pay over to the State  
10 Treasurer, ex officio, as trustee, all taxes and penalties  
11 collected hereunder.

12           As soon as possible after the first day of each month,  
13 beginning January 1, 2011, upon certification of the Department  
14 of Revenue, the Comptroller shall order transferred, and the  
15 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
16 local sales tax increment, as defined in the STAR Bonds  
17 Financing Act, collected under this Section during the second  
18 preceding calendar month for sales within a STAR bond district.

19           After the monthly transfer to the STAR Bonds Revenue Fund,  
20 on ~~On~~ or before the 25th day of each calendar month, the  
21 Department shall prepare and certify to the Comptroller the  
22 disbursement of stated sums of money to named municipalities,  
23 the municipalities to be those from which retailers have paid  
24 taxes or penalties hereunder to the Department during the  
25 second preceding calendar month. The amount to be paid to each  
26 municipality shall be the amount (not including credit



1 memoranda) collected hereunder during the second preceding  
2 calendar month by the Department plus an amount the Department  
3 determines is necessary to offset any amounts that were  
4 erroneously paid to a different taxing body, and not including  
5 an amount equal to the amount of refunds made during the second  
6 preceding calendar month by the Department on behalf of such  
7 municipality, and not including any amount that the Department  
8 determines is necessary to offset any amounts that were payable  
9 to a different taxing body but were erroneously paid to the  
10 municipality, and not including any amounts that are  
11 transferred to the STAR Bonds Revenue Fund. Within 10 days  
12 after receipt by the Comptroller of the disbursement  
13 certification to the municipalities provided for in this  
14 Section to be given to the Comptroller by the Department, the  
15 Comptroller shall cause the orders to be drawn for the  
16 respective amounts in accordance with the directions contained  
17 in the certification.

18 In addition to the disbursement required by the preceding  
19 paragraph and in order to mitigate delays caused by  
20 distribution procedures, an allocation shall, if requested, be  
21 made within 10 days after January 14, 1991, and in November of  
22 1991 and each year thereafter, to each municipality that  
23 received more than \$500,000 during the preceding fiscal year,  
24 (July 1 through June 30) whether collected by the municipality  
25 or disbursed by the Department as required by this Section.  
26 Within 10 days after January 14, 1991, participating

1 municipalities shall notify the Department in writing of their  
2 intent to participate. In addition, for the initial  
3 distribution, participating municipalities shall certify to  
4 the Department the amounts collected by the municipality for  
5 each month under its home rule occupation and service  
6 occupation tax during the period July 1, 1989 through June 30,  
7 1990. The allocation within 10 days after January 14, 1991,  
8 shall be in an amount equal to the monthly average of these  
9 amounts, excluding the 2 months of highest receipts. The  
10 monthly average for the period of July 1, 1990 through June 30,  
11 1991 will be determined as follows: the amounts collected by  
12 the municipality under its home rule occupation and service  
13 occupation tax during the period of July 1, 1990 through  
14 September 30, 1990, plus amounts collected by the Department  
15 and paid to such municipality through June 30, 1991, excluding  
16 the 2 months of highest receipts. The monthly average for each  
17 subsequent period of July 1 through June 30 shall be an amount  
18 equal to the monthly distribution made to each such  
19 municipality under the preceding paragraph during this period,  
20 excluding the 2 months of highest receipts. The distribution  
21 made in November 1991 and each year thereafter under this  
22 paragraph and the preceding paragraph shall be reduced by the  
23 amount allocated and disbursed under this paragraph in the  
24 preceding period of July 1 through June 30. The Department  
25 shall prepare and certify to the Comptroller for disbursement  
26 the allocations made in accordance with this paragraph.

1           For the purpose of determining the local governmental unit  
2 whose tax is applicable, a retail sale by a producer of coal or  
3 other mineral mined in Illinois is a sale at retail at the  
4 place where the coal or other mineral mined in Illinois is  
5 extracted from the earth. This paragraph does not apply to coal  
6 or other mineral when it is delivered or shipped by the seller  
7 to the purchaser at a point outside Illinois so that the sale  
8 is exempt under the United States Constitution as a sale in  
9 interstate or foreign commerce.

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

14           An ordinance or resolution imposing or discontinuing a tax  
15 hereunder or effecting a change in the rate thereof shall be  
16 adopted and a certified copy thereof filed with the Department  
17 on or before the first day of June, whereupon the Department  
18 shall proceed to administer and enforce this Section as of the  
19 first day of September next following the adoption and filing.  
20 Beginning January 1, 1992, an ordinance or resolution imposing  
21 or discontinuing the tax hereunder or effecting a change in the  
22 rate thereof shall be adopted and a certified copy thereof  
23 filed with the Department on or before the first day of July,  
24 whereupon the Department shall proceed to administer and  
25 enforce this Section as of the first day of October next  
26 following such adoption and filing. Beginning January 1, 1993,

1 an ordinance or resolution imposing or discontinuing the tax  
2 hereunder or effecting a change in the rate thereof shall be  
3 adopted and a certified copy thereof filed with the Department  
4 on or before the first day of October, whereupon the Department  
5 shall proceed to administer and enforce this Section as of the  
6 first day of January next following the adoption and filing.  
7 However, a municipality located in a county with a population  
8 in excess of 3,000,000 that elected to become a home rule unit  
9 at the general primary election in 1994 may adopt an ordinance  
10 or resolution imposing the tax under this Section and file a  
11 certified copy of the ordinance or resolution with the  
12 Department on or before July 1, 1994. The Department shall then  
13 proceed to administer and enforce this Section as of October 1,  
14 1994. Beginning April 1, 1998, an ordinance or resolution  
15 imposing or discontinuing the tax hereunder or effecting a  
16 change in the rate thereof shall either (i) be adopted and a  
17 certified copy thereof filed with the Department on or before  
18 the first day of April, whereupon the Department shall proceed  
19 to administer and enforce this Section as of the first day of  
20 July next following the adoption and filing; or (ii) be adopted  
21 and a certified copy thereof filed with the Department on or  
22 before the first day of October, whereupon the Department shall  
23 proceed to administer and enforce this Section as of the first  
24 day of January next following the adoption and filing.

25 When certifying the amount of a monthly disbursement to a  
26 municipality under this Section, the Department shall increase

1 or decrease the amount by an amount necessary to offset any  
2 misallocation of previous disbursements. The offset amount  
3 shall be the amount erroneously disbursed within the previous 6  
4 months from the time a misallocation is discovered.

5 Any unobligated balance remaining in the Municipal  
6 Retailers' Occupation Tax Fund on December 31, 1989, which fund  
7 was abolished by Public Act 85-1135, and all receipts of  
8 municipal tax as a result of audits of liability periods prior  
9 to January 1, 1990, shall be paid into the Local Government Tax  
10 Fund for distribution as provided by this Section prior to the  
11 enactment of Public Act 85-1135. All receipts of municipal tax  
12 as a result of an assessment not arising from an audit, for  
13 liability periods prior to January 1, 1990, shall be paid into  
14 the Local Government Tax Fund for distribution before July 1,  
15 1990, as provided by this Section prior to the enactment of  
16 Public Act 85-1135; and on and after July 1, 1990, all such  
17 receipts shall be distributed as provided in Section 6z-18 of  
18 the State Finance Act.

19 As used in this Section, "municipal" and "municipality"  
20 means a city, village or incorporated town, including an  
21 incorporated town that has superseded a civil township.

22 This Section shall be known and may be cited as the Home  
23 Rule Municipal Retailers' Occupation Tax Act.

24 (Source: P.A. 90-689, eff. 7-31-98; 91-51, eff. 6-30-99.)

1           Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'  
2 Occupation Tax Act. The corporate authorities of a non-home  
3 rule municipality may impose a tax upon all persons engaged in  
4 the business of selling tangible personal property, other than  
5 on an item of tangible personal property which is titled and  
6 registered by an agency of this State's Government, at retail  
7 in the municipality for expenditure on public infrastructure or  
8 for property tax relief or both as defined in Section 8-11-1.2  
9 if approved by referendum as provided in Section 8-11-1.1, of  
10 the gross receipts from such sales made in the course of such  
11 business. The tax imposed may not be more than 1% and may be  
12 imposed only in 1/4% increments. The tax may not be imposed on  
13 the sale of food for human consumption that is to be consumed  
14 off the premises where it is sold (other than alcoholic  
15 beverages, soft drinks, and food that has been prepared for  
16 immediate consumption) and prescription and nonprescription  
17 medicines, drugs, medical appliances, and insulin, urine  
18 testing materials, syringes, and needles used by diabetics. The  
19 tax imposed by a municipality pursuant to this Section and all  
20 civil penalties that may be assessed as an incident thereof  
21 shall be collected and enforced by the State Department of  
22 Revenue. The certificate of registration which is issued by the  
23 Department to a retailer under the Retailers' Occupation Tax  
24 Act shall permit such retailer to engage in a business which is  
25 taxable under any ordinance or resolution enacted pursuant to  
26 this Section without registering separately with the

1 Department under such ordinance or resolution or under this  
2 Section. The Department shall have full power to administer and  
3 enforce this Section; to collect all taxes and penalties due  
4 hereunder; to dispose of taxes and penalties so collected in  
5 the manner hereinafter provided, and to determine all rights to  
6 credit memoranda, arising on account of the erroneous payment  
7 of tax or penalty hereunder. In the administration of, and  
8 compliance with, this Section, the Department and persons who  
9 are subject to this Section shall have the same rights,  
10 remedies, privileges, immunities, powers and duties, and be  
11 subject to the same conditions, restrictions, limitations,  
12 penalties and definitions of terms, and employ the same modes  
13 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,  
14 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
15 therein other than the State rate of tax), 2c, 3 (except as to  
16 the disposition of taxes and penalties collected), 4, 5, 5a,  
17 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,  
18 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and  
19 Section 3-7 of the Uniform Penalty and Interest Act as fully as  
20 if those provisions were set forth herein.

21 No municipality may impose a tax under this Section unless  
22 the municipality also imposes a tax at the same rate under  
23 Section 8-11-1.4 of this Code.

24 Persons subject to any tax imposed pursuant to the  
25 authority granted in this Section may reimburse themselves for  
26 their seller's tax liability hereunder by separately stating

1 such tax as an additional charge, which charge may be stated in  
2 combination, in a single amount, with State tax which sellers  
3 are required to collect under the Use Tax Act, pursuant to such  
4 bracket schedules as the Department may prescribe.

5 Whenever the Department determines that a refund should be  
6 made under this Section to a claimant instead of issuing a  
7 credit memorandum, the Department shall notify the State  
8 Comptroller, who shall cause the order to be drawn for the  
9 amount specified, and to the person named, in such notification  
10 from the Department. Such refund shall be paid by the State  
11 Treasurer out of the non-home rule municipal retailers'  
12 occupation tax fund.

13 The Department shall forthwith pay over to the State  
14 Treasurer, ex officio, as trustee, all taxes and penalties  
15 collected hereunder.

16 As soon as possible after the first day of each month,  
17 beginning January 1, 2011, upon certification of the Department  
18 of Revenue, the Comptroller shall order transferred, and the  
19 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
20 local sales tax increment, as defined in the STAR Bonds  
21 Financing Act, collected under this Section during the second  
22 preceding calendar month for sales within a STAR bond district.

23 After the monthly transfer to the STAR Bonds Revenue Fund,  
24 on ~~on~~ or before the 25th day of each calendar month, the  
25 Department shall prepare and certify to the Comptroller the  
26 disbursement of stated sums of money to named municipalities,



1 the municipalities to be those from which retailers have paid  
2 taxes or penalties hereunder to the Department during the  
3 second preceding calendar month. The amount to be paid to each  
4 municipality shall be the amount (not including credit  
5 memoranda) collected hereunder during the second preceding  
6 calendar month by the Department plus an amount the Department  
7 determines is necessary to offset any amounts which were  
8 erroneously paid to a different taxing body, and not including  
9 an amount equal to the amount of refunds made during the second  
10 preceding calendar month by the Department on behalf of such  
11 municipality, and not including any amount which the Department  
12 determines is necessary to offset any amounts which were  
13 payable to a different taxing body but were erroneously paid to  
14 the municipality, and not including any amounts that are  
15 transferred to the STAR Bonds Revenue Fund. Within 10 days  
16 after receipt, by the Comptroller, of the disbursement  
17 certification to the municipalities, provided for in this  
18 Section to be given to the Comptroller by the Department, the  
19 Comptroller shall cause the orders to be drawn for the  
20 respective amounts in accordance with the directions contained  
21 in such certification.

22 For the purpose of determining the local governmental unit  
23 whose tax is applicable, a retail sale, by a producer of coal  
24 or other mineral mined in Illinois, is a sale at retail at the  
25 place where the coal or other mineral mined in Illinois is  
26 extracted from the earth. This paragraph does not apply to coal

1 or other mineral when it is delivered or shipped by the seller  
2 to the purchaser at a point outside Illinois so that the sale  
3 is exempt under the Federal Constitution as a sale in  
4 interstate or foreign commerce.

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

9 When certifying the amount of a monthly disbursement to a  
10 municipality under this Section, the Department shall increase  
11 or decrease such amount by an amount necessary to offset any  
12 misallocation of previous disbursements. The offset amount  
13 shall be the amount erroneously disbursed within the previous 6  
14 months from the time a misallocation is discovered.

15 The Department of Revenue shall implement this amendatory  
16 Act of the 91st General Assembly so as to collect the tax on  
17 and after January 1, 2002.

18 As used in this Section, "municipal" and "municipality"  
19 means a city, village or incorporated town, including an  
20 incorporated town which has superseded a civil township.

21 This Section shall be known and may be cited as the  
22 "Non-Home Rule Municipal Retailers' Occupation Tax Act".

23 (Source: P.A. 94-679, eff. 1-1-06.)

24 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

25 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation

1 Tax Act. The corporate authorities of a non-home rule  
2 municipality may impose a tax upon all persons engaged, in such  
3 municipality, in the business of making sales of service for  
4 expenditure on public infrastructure or for property tax relief  
5 or both as defined in Section 8-11-1.2 if approved by  
6 referendum as provided in Section 8-11-1.1, of the selling  
7 price of all tangible personal property transferred by such  
8 servicemen either in the form of tangible personal property or  
9 in the form of real estate as an incident to a sale of service.  
10 The tax imposed may not be more than 1% and may be imposed only  
11 in 1/4% increments. The tax may not be imposed on the sale of  
12 food for human consumption that is to be consumed off the  
13 premises where it is sold (other than alcoholic beverages, soft  
14 drinks, and food that has been prepared for immediate  
15 consumption) and prescription and nonprescription medicines,  
16 drugs, medical appliances, and insulin, urine testing  
17 materials, syringes, and needles used by diabetics. The tax  
18 imposed by a municipality pursuant to this Section and all  
19 civil penalties that may be assessed as an incident thereof  
20 shall be collected and enforced by the State Department of  
21 Revenue. The certificate of registration which is issued by the  
22 Department to a retailer under the Retailers' Occupation Tax  
23 Act or under the Service Occupation Tax Act shall permit such  
24 registrant to engage in a business which is taxable under any  
25 ordinance or resolution enacted pursuant to this Section  
26 without registering separately with the Department under such

1 ordinance or resolution or under this Section. The Department  
2 shall have full power to administer and enforce this Section;  
3 to collect all taxes and penalties due hereunder; to dispose of  
4 taxes and penalties so collected in the manner hereinafter  
5 provided, and to determine all rights to credit memoranda  
6 arising on account of the erroneous payment of tax or penalty  
7 hereunder. In the administration of, and compliance with, this  
8 Section the Department and persons who are subject to this  
9 Section shall have the same rights, remedies, privileges,  
10 immunities, powers and duties, and be subject to the same  
11 conditions, restrictions, limitations, penalties and  
12 definitions of terms, and employ the same modes of procedure,  
13 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
14 respect to all provisions therein other than the State rate of  
15 tax), 4 (except that the reference to the State shall be to the  
16 taxing municipality), 5, 7, 8 (except that the jurisdiction to  
17 which the tax shall be a debt to the extent indicated in that  
18 Section 8 shall be the taxing municipality), 9 (except as to  
19 the disposition of taxes and penalties collected, and except  
20 that the returned merchandise credit for this municipal tax may  
21 not be taken against any State tax), 10, 11, 12 (except the  
22 reference therein to Section 2b of the Retailers' Occupation  
23 Tax Act), 13 (except that any reference to the State shall mean  
24 the taxing municipality), the first paragraph of Section 15,  
25 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and  
26 Section 3-7 of the Uniform Penalty and Interest Act, as fully

1 as if those provisions were set forth herein.

2 No municipality may impose a tax under this Section unless  
3 the municipality also imposes a tax at the same rate under  
4 Section 8-11-1.3 of this Code.

5 Persons subject to any tax imposed pursuant to the  
6 authority granted in this Section may reimburse themselves for  
7 their serviceman's tax liability hereunder by separately  
8 stating such tax as an additional charge, which charge may be  
9 stated in combination, in a single amount, with State tax which  
10 servicemen are authorized to collect under the Service Use Tax  
11 Act, pursuant to such bracket schedules as the Department may  
12 prescribe.

13 Whenever the Department determines that a refund should be  
14 made under this Section to a claimant instead of issuing credit  
15 memorandum, the Department shall notify the State Comptroller,  
16 who shall cause the order to be drawn for the amount specified,  
17 and to the person named, in such notification from the  
18 Department. Such refund shall be paid by the State Treasurer  
19 out of the municipal retailers' occupation tax fund.

20 The Department shall forthwith pay over to the State  
21 Treasurer, ex officio, as trustee, all taxes and penalties  
22 collected hereunder.

23 As soon as possible after the first day of each month,  
24 beginning January 1, 2011, upon certification of the Department  
25 of Revenue, the Comptroller shall order transferred, and the  
26 Treasurer shall transfer, to the STAR Bonds Revenue Fund the

1 local sales tax increment, as defined in the STAR Bonds  
2 Financing Act, collected under this Section during the second  
3 preceding calendar month for sales within a STAR bond district.

4 After the monthly transfer to the STAR Bonds Revenue Fund,  
5 on ~~On~~ or before the 25th day of each calendar month, the  
6 Department shall prepare and certify to the Comptroller the  
7 disbursement of stated sums of money to named municipalities,  
8 the municipalities to be those from which suppliers and  
9 servicemen have paid taxes or penalties hereunder to the  
10 Department during the second preceding calendar month. The  
11 amount to be paid to each municipality shall be the amount (not  
12 including credit memoranda) collected hereunder during the  
13 second preceding calendar month by the Department, and not  
14 including an amount equal to the amount of refunds made during  
15 the second preceding calendar month by the Department on behalf  
16 of such municipality, and not including any amounts that are  
17 transferred to the STAR Bonds Revenue Fund. Within 10 days  
18 after receipt, by the Comptroller, of the disbursement  
19 certification to the municipalities and the General Revenue  
20 Fund, provided for in this Section to be given to the  
21 Comptroller by the Department, the Comptroller shall cause the  
22 orders to be drawn for the respective amounts in accordance  
23 with the directions contained in such certification.

24 The Department of Revenue shall implement this amendatory  
25 Act of the 91st General Assembly so as to collect the tax on  
26 and after January 1, 2002.

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

5           As used in this Section, "municipal" or "municipality"  
6 means or refers to a city, village or incorporated town,  
7 including an incorporated town which has superseded a civil  
8 township.

9           This Section shall be known and may be cited as the  
10 "Non-Home Rule Municipal Service Occupation Tax Act".

11 (Source: P.A. 94-679, eff. 1-1-06.)

12           (65 ILCS 5/8-11-1.6)

13           Sec. 8-11-1.6. Non-home rule municipal retailers  
14 occupation tax; municipalities between 20,000 and 25,000. The  
15 corporate authorities of a non-home rule municipality with a  
16 population of more than 20,000 but less than 25,000 that has,  
17 prior to January 1, 1987, established a Redevelopment Project  
18 Area that has been certified as a State Sales Tax Boundary and  
19 has issued bonds or otherwise incurred indebtedness to pay for  
20 costs in excess of \$5,000,000, which is secured in part by a  
21 tax increment allocation fund, in accordance with the  
22 provisions of Division 11-74.4 of this Code may, by passage of  
23 an ordinance, impose a tax upon all persons engaged in the  
24 business of selling tangible personal property, other than on  
25 an item of tangible personal property that is titled and

1 registered by an agency of this State's Government, at retail  
2 in the municipality. This tax may not be imposed on the sales  
3 of food for human consumption that is to be consumed off the  
4 premises where it is sold (other than alcoholic beverages, soft  
5 drinks, and food that has been prepared for immediate  
6 consumption) and prescription and nonprescription medicines,  
7 drugs, medical appliances and insulin, urine testing  
8 materials, syringes, and needles used by diabetics. If imposed,  
9 the tax shall only be imposed in .25% increments of the gross  
10 receipts from such sales made in the course of business. Any  
11 tax imposed by a municipality under this Sec. and all civil  
12 penalties that may be assessed as an incident thereof shall be  
13 collected and enforced by the State Department of Revenue. An  
14 ordinance imposing a tax hereunder or effecting a change in the  
15 rate thereof shall be adopted and a certified copy thereof  
16 filed with the Department on or before the first day of  
17 October, whereupon the Department shall proceed to administer  
18 and enforce this Section as of the first day of January next  
19 following such adoption and filing. The certificate of  
20 registration that is issued by the Department to a retailer  
21 under the Retailers' Occupation Tax Act shall permit the  
22 retailer to engage in a business that is taxable under any  
23 ordinance or resolution enacted under this Section without  
24 registering separately with the Department under the ordinance  
25 or resolution or under this Section. The Department shall have  
26 full power to administer and enforce this Section, to collect



1 all taxes and penalties due hereunder, to dispose of taxes and  
2 penalties so collected in the manner hereinafter provided, and  
3 to determine all rights to credit memoranda, arising on account  
4 of the erroneous payment of tax or penalty hereunder. In the  
5 administration of, and compliance with this Section, the  
6 Department and persons who are subject to this Section shall  
7 have the same rights, remedies, privileges, immunities,  
8 powers, and duties, and be subject to the same conditions,  
9 restrictions, limitations, penalties, and definitions of  
10 terms, and employ the same modes of procedure, as are  
11 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2  
12 through 2-65 (in respect to all provisions therein other than  
13 the State rate of tax), 2c, 3 (except as to the disposition of  
14 taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,  
15 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and  
16 13 of the Retailers' Occupation Tax Act and Section 3-7 of the  
17 Uniform Penalty and Interest Act as fully as if those  
18 provisions were set forth herein.

19 A tax may not be imposed by a municipality under this  
20 Section unless the municipality also imposes a tax at the same  
21 rate under Section 8-11-1.7 of this Act.

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

1 are required to collect under the Use Tax Act, pursuant to such  
2 bracket schedules as the Department may prescribe.

3 Whenever the Department determines that a refund should be  
4 made under this Section to a claimant, instead of issuing a  
5 credit memorandum, the Department shall notify the State  
6 Comptroller, who shall cause the order to be drawn for the  
7 amount specified, and to the person named in the notification  
8 from the Department. The refund shall be paid by the State  
9 Treasurer out of the Non-Home Rule Municipal Retailers'  
10 Occupation Tax Fund, which is hereby created.

11 The Department shall forthwith pay over to the State  
12 Treasurer, ex officio, as trustee, all taxes and penalties  
13 collected hereunder.

14 As soon as possible after the first day of each month,  
15 beginning January 1, 2011, upon certification of the Department  
16 of Revenue, the Comptroller shall order transferred, and the  
17 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
18 local sales tax increment, as defined in the STAR Bonds  
19 Financing Act, collected under this Section during the second  
20 preceding calendar month for sales within a STAR bond district.

21 After the monthly transfer to the STAR Bonds Revenue Fund,  
22 on ~~on~~ or before the 25th day of each calendar month, the  
23 Department shall prepare and certify to the Comptroller the  
24 disbursement of stated sums of money to named municipalities,  
25 the municipalities to be those from which retailers have paid  
26 taxes or penalties hereunder to the Department during the

1 second preceding calendar month. The amount to be paid to each  
2 municipality shall be the amount (not including credit  
3 memoranda) collected hereunder during the second preceding  
4 calendar month by the Department plus an amount the Department  
5 determines is necessary to offset any amounts that were  
6 erroneously paid to a different taxing body, and not including  
7 an amount equal to the amount of refunds made during the second  
8 preceding calendar month by the Department on behalf of the  
9 municipality, and not including any amount that the Department  
10 determines is necessary to offset any amounts that were payable  
11 to a different taxing body but were erroneously paid to the  
12 municipality, and not including any amounts that are  
13 transferred to the STAR Bonds Revenue Fund. Within 10 days  
14 after receipt by the Comptroller of the disbursement  
15 certification to the municipalities provided for in this  
16 Section to be given to the Comptroller by the Department, the  
17 Comptroller shall cause the orders to be drawn for the  
18 respective amounts in accordance with the directions contained  
19 in the certification.

20 For the purpose of determining the local governmental unit  
21 whose tax is applicable, a retail sale by a producer of coal or  
22 other mineral mined in Illinois is a sale at retail at the  
23 place where the coal or other mineral mined in Illinois is  
24 extracted from the earth. This paragraph does not apply to coal  
25 or other mineral when it is delivered or shipped by the seller  
26 to the purchaser at a point outside Illinois so that the sale

1 is exempt under the federal Constitution as a sale in  
2 interstate or foreign commerce.

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

7 When certifying the amount of a monthly disbursement to a  
8 municipality under this Section, the Department shall increase  
9 or decrease the amount by an amount necessary to offset any  
10 misallocation of previous disbursements. The offset amount  
11 shall be the amount erroneously disbursed within the previous 6  
12 months from the time a misallocation is discovered.

13 As used in this Section, "municipal" and "municipality"  
14 means a city, village, or incorporated town, including an  
15 incorporated town that has superseded a civil township.

16 (Source: P.A. 88-334; 89-399, eff. 8-20-95.)

17 (65 ILCS 5/8-11-1.7)

18 Sec. 8-11-1.7. Non-home rule municipal service occupation  
19 tax; municipalities between 20,000 and 25,000. The corporate  
20 authorities of a non-home rule municipality with a population  
21 of more than 20,000 but less than 25,000 as determined by the  
22 last preceding decennial census that has, prior to January 1,  
23 1987, established a Redevelopment Project Area that has been  
24 certified as a State Sales Tax Boundary and has issued bonds or  
25 otherwise incurred indebtedness to pay for costs in excess of

1 \$5,000,000, which is secured in part by a tax increment  
2 allocation fund, in accordance with the provisions of Division  
3 11-74.7 of this Code may, by passage of an ordinance, impose a  
4 tax upon all persons engaged in the municipality in the  
5 business of making sales of service. If imposed, the tax shall  
6 only be imposed in .25% increments of the selling price of all  
7 tangible personal property transferred by such servicemen  
8 either in the form of tangible personal property or in the form  
9 of real estate as an incident to a sale of service. This tax  
10 may not be imposed on the sales of food for human consumption  
11 that is to be consumed off the premises where it is sold (other  
12 than alcoholic beverages, soft drinks, and food that has been  
13 prepared for immediate consumption) and prescription and  
14 nonprescription medicines, drugs, medical appliances and  
15 insulin, urine testing materials, syringes, and needles used by  
16 diabetics. The tax imposed by a municipality under this Sec.  
17 and all civil penalties that may be assessed as an incident  
18 thereof shall be collected and enforced by the State Department  
19 of Revenue. An ordinance imposing a tax hereunder or effecting  
20 a change in the rate thereof shall be adopted and a certified  
21 copy thereof filed with the Department on or before the first  
22 day of October, whereupon the Department shall proceed to  
23 administer and enforce this Section as of the first day of  
24 January next following such adoption and filing. The  
25 certificate of registration that is issued by the Department to  
26 a retailer under the Retailers' Occupation Tax Act or under the

1 Service Occupation Tax Act shall permit the registrant to  
2 engage in a business that is taxable under any ordinance or  
3 resolution enacted under this Section without registering  
4 separately with the Department under the ordinance or  
5 resolution or under this Section. The Department shall have  
6 full power to administer and enforce this Section, to collect  
7 all taxes and penalties due hereunder, to dispose of taxes and  
8 penalties so collected in a manner hereinafter provided, and to  
9 determine all rights to credit memoranda arising on account of  
10 the erroneous payment of tax or penalty hereunder. In the  
11 administration of and compliance with this Section, the  
12 Department and persons who are subject to this Section shall  
13 have the same rights, remedies, privileges, immunities,  
14 powers, and duties, and be subject to the same conditions,  
15 restrictions, limitations, penalties and definitions of terms,  
16 and employ the same modes of procedure, as are prescribed in  
17 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all  
18 provisions therein other than the State rate of tax), 4 (except  
19 that the reference to the State shall be to the taxing  
20 municipality), 5, 7, 8 (except that the jurisdiction to which  
21 the tax shall be a debt to the extent indicated in that Section  
22 8 shall be the taxing municipality), 9 (except as to the  
23 disposition of taxes and penalties collected, and except that  
24 the returned merchandise credit for this municipal tax may not  
25 be taken against any State tax), 10, 11, 12, (except the  
26 reference therein to Section 2b of the Retailers' Occupation

1 Tax Act), 13 (except that any reference to the State shall mean  
2 the taxing municipality), the first paragraph of Sections 15,  
3 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and  
4 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
5 as if those provisions were set forth herein.

6 A tax may not be imposed by a municipality under this  
7 Section unless the municipality also imposes a tax at the same  
8 rate under Section 8-11-1.6 of this Act.

9 Person subject to any tax imposed under the authority  
10 granted in this Section may reimburse themselves for their  
11 servicemen's tax liability hereunder by separately stating the  
12 tax as an additional charge, which charge may be stated in  
13 combination, in a single amount, with State tax that servicemen  
14 are authorized to collect under the Service Use Tax Act, under  
15 such bracket schedules as the Department may prescribe.

16 Whenever the Department determines that a refund should be  
17 made under this Section to a claimant instead of issuing credit  
18 memorandum, the Department shall notify the State Comptroller,  
19 who shall cause the order to be drawn for the amount specified,  
20 and to the person named, in such notification from the  
21 Department. The refund shall be paid by the State Treasurer out  
22 of the Non-Home Rule Municipal Retailers' Occupation Tax Fund.

23 The Department shall forthwith pay over to the State  
24 Treasurer, ex officio, as trustee, all taxes and penalties  
25 collected hereunder.

26 As soon as possible after the first day of each month,

1 beginning January 1, 2011, upon certification of the Department  
2 of Revenue, the Comptroller shall order transferred, and the  
3 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
4 local sales tax increment, as defined in the STAR Bonds  
5 Financing Act, collected under this Section during the second  
6 preceding calendar month for sales within a STAR bond district.

7 After the monthly transfer to the STAR Bonds Revenue Fund,  
8 on ~~on~~ or before the 25th day of each calendar month, the  
9 Department shall prepare and certify to the Comptroller the  
10 disbursement of stated sums of money to named municipalities,  
11 the municipalities to be those from which suppliers and  
12 servicemen have paid taxes or penalties hereunder to the  
13 Department during the second preceding calendar month. The  
14 amount to be paid to each municipality shall be the amount (not  
15 including credit memoranda) collected hereunder during the  
16 second preceding calendar month by the Department, and not  
17 including an amount equal to the amount of refunds made during  
18 the second preceding calendar month by the Department on behalf  
19 of such municipality, and not including any amounts that are  
20 transferred to the STAR Bonds Revenue Fund. Within 10 days  
21 after receipt by the Comptroller of the disbursement  
22 certification to the municipalities and the General Revenue  
23 Fund, provided for in this Section to be given to the  
24 Comptroller by the Department, the Comptroller shall cause the  
25 orders to be drawn for the respective amounts in accordance  
26 with the directions contained in the certification.



1           When certifying the amount of a monthly disbursement to a  
2 municipality under this Section, the Department shall increase  
3 or decrease the amount by an amount necessary to offset any  
4 misallocation of previous disbursements. The offset amount  
5 shall be the amount erroneously disbursed within the previous 6  
6 months from the time a misallocation is discovered.

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

11       (Source: P.A. 88-334; 89-399, eff. 8-20-95.)

12           (65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)

13           Sec. 8-11-5. Home Rule Municipal Service Occupation Tax  
14 Act. The corporate authorities of a home rule municipality may  
15 impose a tax upon all persons engaged, in such municipality, in  
16 the business of making sales of service at the same rate of tax  
17 imposed pursuant to Section 8-11-1, of the selling price of all  
18 tangible personal property transferred by such servicemen  
19 either in the form of tangible personal property or in the form  
20 of real estate as an incident to a sale of service. If imposed,  
21 such tax shall only be imposed in 1/4% increments. On and after  
22 September 1, 1991, this additional tax may not be imposed on  
23 the sales of food for human consumption which is to be consumed  
24 off the premises where it is sold (other than alcoholic  
25 beverages, soft drinks and food which has been prepared for

1 immediate consumption) and prescription and nonprescription  
2 medicines, drugs, medical appliances and insulin, urine  
3 testing materials, syringes and needles used by diabetics. The  
4 tax imposed by a home rule municipality pursuant to this  
5 Section and all civil penalties that may be assessed as an  
6 incident thereof shall be collected and enforced by the State  
7 Department of Revenue. The certificate of registration which is  
8 issued by the Department to a retailer under the Retailers'  
9 Occupation Tax Act or under the Service Occupation Tax Act  
10 shall permit such registrant to engage in a business which is  
11 taxable under any ordinance or resolution enacted pursuant to  
12 this Section without registering separately with the  
13 Department under such ordinance or resolution or under this  
14 Section. The Department shall have full power to administer and  
15 enforce this Section; to collect all taxes and penalties due  
16 hereunder; to dispose of taxes and penalties so collected in  
17 the manner hereinafter provided, and to determine all rights to  
18 credit memoranda arising on account of the erroneous payment of  
19 tax or penalty hereunder. In the administration of, and  
20 compliance with, this Section the Department and persons who  
21 are subject to this Section shall have the same rights,  
22 remedies, privileges, immunities, powers and duties, and be  
23 subject to the same conditions, restrictions, limitations,  
24 penalties and definitions of terms, and employ the same modes  
25 of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3  
26 through 3-50 (in respect to all provisions therein other than

1 the State rate of tax), 4 (except that the reference to the  
2 State shall be to the taxing municipality), 5, 7, 8 (except  
3 that the jurisdiction to which the tax shall be a debt to the  
4 extent indicated in that Section 8 shall be the taxing  
5 municipality), 9 (except as to the disposition of taxes and  
6 penalties collected, and except that the returned merchandise  
7 credit for this municipal tax may not be taken against any  
8 State tax), 10, 11, 12 (except the reference therein to Section  
9 2b of the Retailers' Occupation Tax Act), 13 (except that any  
10 reference to the State shall mean the taxing municipality), the  
11 first paragraph of Section 15, 16, 17 (except that credit  
12 memoranda issued hereunder may not be used to discharge any  
13 State tax liability), 18, 19 and 20 of the Service Occupation  
14 Tax Act and Section 3-7 of the Uniform Penalty and Interest  
15 Act, as fully as if those provisions were set forth herein.

16 No tax may be imposed by a home rule municipality pursuant  
17 to this Section unless such municipality also imposes a tax at  
18 the same rate pursuant to Section 8-11-1 of this Act.

19 Persons subject to any tax imposed pursuant to the  
20 authority granted in this Section may reimburse themselves for  
21 their serviceman's tax liability hereunder by separately  
22 stating such tax as an additional charge, which charge may be  
23 stated in combination, in a single amount, with State tax which  
24 servicemen are authorized to collect under the Service Use Tax  
25 Act, pursuant to such bracket schedules as the Department may  
26 prescribe.

1           Whenever the Department determines that a refund should be  
2 made under this Section to a claimant instead of issuing credit  
3 memorandum, the Department shall notify the State Comptroller,  
4 who shall cause the order to be drawn for the amount specified,  
5 and to the person named, in such notification from the  
6 Department. Such refund shall be paid by the State Treasurer  
7 out of the home rule municipal retailers' occupation tax fund.

8           The Department shall forthwith pay over to the State  
9 Treasurer, ex-officio, as trustee, all taxes and penalties  
10 collected hereunder.

11           As soon as possible after the first day of each month,  
12 beginning January 1, 2011, upon certification of the Department  
13 of Revenue, the Comptroller shall order transferred, and the  
14 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
15 local sales tax increment, as defined in the STAR Bonds  
16 Financing Act, collected under this Section during the second  
17 preceding calendar month for sales within a STAR bond district.

18           After the monthly transfer to the STAR Bonds Revenue Fund,  
19 on ~~or~~ or before the 25th day of each calendar month, the  
20 Department shall prepare and certify to the Comptroller the  
21 disbursement of stated sums of money to named municipalities,  
22 the municipalities to be those from which suppliers and  
23 servicemen have paid taxes or penalties hereunder to the  
24 Department during the second preceding calendar month. The  
25 amount to be paid to each municipality shall be the amount (not  
26 including credit memoranda) collected hereunder during the

1 second preceding calendar month by the Department, and not  
2 including an amount equal to the amount of refunds made during  
3 the second preceding calendar month by the Department on behalf  
4 of such municipality, and not including any amounts that are  
5 transferred to the STAR Bonds Revenue Fund. Within 10 days  
6 after receipt, by the Comptroller, of the disbursement  
7 certification to the municipalities, provided for in this  
8 Section to be given to the Comptroller by the Department, the  
9 Comptroller shall cause the orders to be drawn for the  
10 respective amounts in accordance with the directions contained  
11 in such certification.

12 In addition to the disbursement required by the preceding  
13 paragraph and in order to mitigate delays caused by  
14 distribution procedures, an allocation shall, if requested, be  
15 made within 10 days after January 14, 1991, and in November of  
16 1991 and each year thereafter, to each municipality that  
17 received more than \$500,000 during the preceding fiscal year,  
18 (July 1 through June 30) whether collected by the municipality  
19 or disbursed by the Department as required by this Section.  
20 Within 10 days after January 14, 1991, participating  
21 municipalities shall notify the Department in writing of their  
22 intent to participate. In addition, for the initial  
23 distribution, participating municipalities shall certify to  
24 the Department the amounts collected by the municipality for  
25 each month under its home rule occupation and service  
26 occupation tax during the period July 1, 1989 through June 30,

1 1990. The allocation within 10 days after January 14, 1991,  
2 shall be in an amount equal to the monthly average of these  
3 amounts, excluding the 2 months of highest receipts. Monthly  
4 average for the period of July 1, 1990 through June 30, 1991  
5 will be determined as follows: the amounts collected by the  
6 municipality under its home rule occupation and service  
7 occupation tax during the period of July 1, 1990 through  
8 September 30, 1990, plus amounts collected by the Department  
9 and paid to such municipality through June 30, 1991, excluding  
10 the 2 months of highest receipts. The monthly average for each  
11 subsequent period of July 1 through June 30 shall be an amount  
12 equal to the monthly distribution made to each such  
13 municipality under the preceding paragraph during this period,  
14 excluding the 2 months of highest receipts. The distribution  
15 made in November 1991 and each year thereafter under this  
16 paragraph and the preceding paragraph shall be reduced by the  
17 amount allocated and disbursed under this paragraph in the  
18 preceding period of July 1 through June 30. The Department  
19 shall prepare and certify to the Comptroller for disbursement  
20 the allocations made in accordance with this paragraph.

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

25 An ordinance or resolution imposing or discontinuing a tax  
26 hereunder or effecting a change in the rate thereof shall be

1 adopted and a certified copy thereof filed with the Department  
2 on or before the first day of June, whereupon the Department  
3 shall proceed to administer and enforce this Section as of the  
4 first day of September next following such adoption and filing.  
5 Beginning January 1, 1992, an ordinance or resolution imposing  
6 or discontinuing the tax hereunder or effecting a change in the  
7 rate thereof shall be adopted and a certified copy thereof  
8 filed with the Department on or before the first day of July,  
9 whereupon the Department shall proceed to administer and  
10 enforce this Section as of the first day of October next  
11 following such adoption and filing. Beginning January 1, 1993,  
12 an ordinance or resolution imposing or discontinuing the tax  
13 hereunder or effecting a change in the rate thereof shall be  
14 adopted and a certified copy thereof filed with the Department  
15 on or before the first day of October, whereupon the Department  
16 shall proceed to administer and enforce this Section as of the  
17 first day of January next following such adoption and filing.  
18 However, a municipality located in a county with a population  
19 in excess of 3,000,000 that elected to become a home rule unit  
20 at the general primary election in 1994 may adopt an ordinance  
21 or resolution imposing the tax under this Section and file a  
22 certified copy of the ordinance or resolution with the  
23 Department on or before July 1, 1994. The Department shall then  
24 proceed to administer and enforce this Section as of October 1,  
25 1994. Beginning April 1, 1998, an ordinance or resolution  
26 imposing or discontinuing the tax hereunder or effecting a

1 change in the rate thereof shall either (i) be adopted and a  
2 certified copy thereof filed with the Department on or before  
3 the first day of April, whereupon the Department shall proceed  
4 to administer and enforce this Section as of the first day of  
5 July next following the adoption and filing; or (ii) be adopted  
6 and a certified copy thereof filed with the Department on or  
7 before the first day of October, whereupon the Department shall  
8 proceed to administer and enforce this Section as of the first  
9 day of January next following the adoption and filing.

10 Any unobligated balance remaining in the Municipal  
11 Retailers' Occupation Tax Fund on December 31, 1989, which fund  
12 was abolished by Public Act 85-1135, and all receipts of  
13 municipal tax as a result of audits of liability periods prior  
14 to January 1, 1990, shall be paid into the Local Government Tax  
15 Fund, for distribution as provided by this Section prior to the  
16 enactment of Public Act 85-1135. All receipts of municipal tax  
17 as a result of an assessment not arising from an audit, for  
18 liability periods prior to January 1, 1990, shall be paid into  
19 the Local Government Tax Fund for distribution before July 1,  
20 1990, as provided by this Section prior to the enactment of  
21 Public Act 85-1135, and on and after July 1, 1990, all such  
22 receipts shall be distributed as provided in Section 6z-18 of  
23 the State Finance Act.

24 As used in this Section, "municipal" and "municipality"  
25 means a city, village or incorporated town, including an  
26 incorporated town which has superseded a civil township.



1           This Section shall be known and may be cited as the Home  
2 Rule Municipal Service Occupation Tax Act.

3           (Source: P.A. 90-689, eff. 7-31-98; 91-51, eff. 6-30-99.)

4           (65 ILCS 5/11-74.3-6)

5           Sec. 11-74.3-6. Business district revenue and obligations.

6           (a) If the corporate authorities of a municipality have  
7 approved a business district development or redevelopment plan  
8 and have elected to impose a tax by ordinance pursuant to  
9 subsections (b), (c), or (d) of this Section, each year after  
10 the date of the approval of the ordinance and until all  
11 business district project costs and all municipal obligations  
12 financing the business district project costs, if any, have  
13 been paid in accordance with the business district development  
14 or redevelopment plan, but in no event longer than 23 years  
15 after the date of adoption of the ordinance approving the  
16 business district development or redevelopment plan, all  
17 amounts generated by the retailers' occupation tax and service  
18 occupation tax shall be collected and the tax shall be enforced  
19 by the Department of Revenue in the same manner as all  
20 retailers' occupation taxes and service occupation taxes  
21 imposed in the municipality imposing the tax and all amounts  
22 generated by the hotel operators' occupation tax shall be  
23 collected and the tax shall be enforced by the municipality in  
24 the same manner as all hotel operators' occupation taxes  
25 imposed in the municipality imposing the tax. The corporate

1 authorities of the municipality shall deposit the proceeds of  
2 the taxes imposed under subsections (b), (c), and (d) into a  
3 special fund held by the corporate authorities of the  
4 municipality called the Business District Tax Allocation Fund  
5 for the purpose of paying business district project costs and  
6 obligations incurred in the payment of those costs.

7 (b) The corporate authorities of a municipality that has  
8 established a business district under this Division 74.3 may,  
9 by ordinance or resolution, impose a Business District  
10 Retailers' Occupation Tax upon all persons engaged in the  
11 business of selling tangible personal property, other than an  
12 item of tangible personal property titled or registered with an  
13 agency of this State's government, at retail in the business  
14 district at a rate not to exceed 1% of the gross receipts from  
15 the sales made in the course of such business, to be imposed  
16 only in 0.25% increments. The tax may not be imposed on food  
17 for human consumption that is to be consumed off the premises  
18 where it is sold (other than alcoholic beverages, soft drinks,  
19 and food that has been prepared for immediate consumption),  
20 prescription and nonprescription medicines, drugs, medical  
21 appliances, modifications to a motor vehicle for the purpose of  
22 rendering it usable by a disabled person, and insulin, urine  
23 testing materials, syringes, and needles used by diabetics, for  
24 human use.

25 The tax imposed under this subsection and all civil  
26 penalties that may be assessed as an incident thereof shall be

1 collected and enforced by the Department of Revenue. The  
2 certificate of registration that is issued by the Department to  
3 a retailer under the Retailers' Occupation Tax Act shall permit  
4 the retailer to engage in a business that is taxable under any  
5 ordinance or resolution enacted pursuant to this subsection  
6 without registering separately with the Department under such  
7 ordinance or resolution or under this subsection. The  
8 Department of Revenue shall have full power to administer and  
9 enforce this subsection; to collect all taxes and penalties due  
10 under this subsection in the manner hereinafter provided; and  
11 to determine all rights to credit memoranda arising on account  
12 of the erroneous payment of tax or penalty under this  
13 subsection. In the administration of, and compliance with, this  
14 subsection, the Department and persons who are subject to this  
15 subsection shall have the same rights, remedies, privileges,  
16 immunities, powers and duties, and be subject to the same  
17 conditions, restrictions, limitations, penalties, exclusions,  
18 exemptions, and definitions of terms and employ the same modes  
19 of procedure, as are prescribed in Sections 1, 1a through 1o, 2  
20 through 2-65 (in respect to all provisions therein other than  
21 the State rate of tax), 2c through 2h, 3 (except as to the  
22 disposition of taxes and penalties collected), 4, 5, 5a, 5c,  
23 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11,  
24 12, 13, and 14 of the Retailers' Occupation Tax Act and all  
25 provisions of the Uniform Penalty and Interest Act, as fully as  
26 if those provisions were set forth herein.

1           Persons subject to any tax imposed under this subsection  
2 may reimburse themselves for their seller's tax liability under  
3 this subsection by separately stating the tax as an additional  
4 charge, which charge may be stated in combination, in a single  
5 amount, with State taxes that sellers are required to collect  
6 under the Use Tax Act, in accordance with such bracket  
7 schedules as the Department may prescribe.

8           Whenever the Department determines that a refund should be  
9 made under this subsection to a claimant instead of issuing a  
10 credit memorandum, the Department shall notify the State  
11 Comptroller, who shall cause the order to be drawn for the  
12 amount specified and to the person named in the notification  
13 from the Department. The refund shall be paid by the State  
14 Treasurer out of the business district retailers' occupation  
15 tax fund.

16           The Department shall immediately pay over to the State  
17 Treasurer, ex officio, as trustee, all taxes, penalties, and  
18 interest collected under this subsection for deposit into the  
19 business district retailers' occupation tax fund.

20           As soon as possible after the first day of each month,  
21 beginning January 1, 2011, upon certification of the Department  
22 of Revenue, the Comptroller shall order transferred, and the  
23 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
24 local sales tax increment, as defined in the STAR Bonds  
25 Financing Act, collected under this subsection during the  
26 second preceding calendar month for sales within a STAR bond

1 district.

2 After the monthly transfer to the STAR Bonds Revenue Fund,  
3 on ~~On~~ or before the 25th day of each calendar month, the  
4 Department shall prepare and certify to the Comptroller the  
5 disbursement of stated sums of money to named municipalities  
6 from the business district retailers' occupation tax fund, the  
7 municipalities to be those from which retailers have paid taxes  
8 or penalties under this subsection to the Department during the  
9 second preceding calendar month. The amount to be paid to each  
10 municipality shall be the amount (not including credit  
11 memoranda) collected under this subsection during the second  
12 preceding calendar month by the Department plus an amount the  
13 Department determines is necessary to offset any amounts that  
14 were erroneously paid to a different taxing body, and not  
15 including an amount equal to the amount of refunds made during  
16 the second preceding calendar month by the Department, less 2%  
17 of that amount, which shall be deposited into the Tax  
18 Compliance and Administration Fund and shall be used by the  
19 Department, subject to appropriation, to cover the costs of the  
20 Department in administering and enforcing the provisions of  
21 this subsection, on behalf of such municipality, and not  
22 including any amount that the Department determines is  
23 necessary to offset any amounts that were payable to a  
24 different taxing body but were erroneously paid to the  
25 municipality, and not including any amounts that are  
26 transferred to the STAR Bonds Revenue Fund. Within 10 days

1 after receipt by the Comptroller of the disbursement  
2 certification to the municipalities provided for in this  
3 subsection to be given to the Comptroller by the Department,  
4 the Comptroller shall cause the orders to be drawn for the  
5 respective amounts in accordance with the directions contained  
6 in the certification. The proceeds of the tax paid to  
7 municipalities under this subsection shall be deposited into  
8 the Business District Tax Allocation Fund by the municipality.

9 An ordinance or resolution imposing or discontinuing the  
10 tax under this subsection or effecting a change in the rate  
11 thereof shall either (i) be adopted and a certified copy  
12 thereof filed with the Department on or before the first day of  
13 April, whereupon the Department, if all other requirements of  
14 this subsection are met, shall proceed to administer and  
15 enforce this subsection as of the first day of July next  
16 following the adoption and filing; or (ii) be adopted and a  
17 certified copy thereof filed with the Department on or before  
18 the first day of October, whereupon, if all other requirements  
19 of this subsection are met, the Department shall proceed to  
20 administer and enforce this subsection as of the first day of  
21 January next following the adoption and filing.

22 The Department of Revenue shall not administer or enforce  
23 an ordinance imposing, discontinuing, or changing the rate of  
24 the tax under this subsection, until the municipality also  
25 provides, in the manner prescribed by the Department, the  
26 boundaries of the business district in such a way that the

1 Department can determine by its address whether a business is  
2 located in the business district. The municipality must provide  
3 this boundary information to the Department on or before April  
4 1 for administration and enforcement of the tax under this  
5 subsection by the Department beginning on the following July 1  
6 and on or before October 1 for administration and enforcement  
7 of the tax under this subsection by the Department beginning on  
8 the following January 1. The Department of Revenue shall not  
9 administer or enforce any change made to the boundaries of a  
10 business district until the municipality reports the boundary  
11 change to the Department in the manner prescribed by the  
12 Department. The municipality must provide this boundary change  
13 information to the Department on or before April 1 for  
14 administration and enforcement by the Department of the change  
15 beginning on the following July 1 and on or before October 1  
16 for administration and enforcement by the Department of the  
17 change beginning on the following January 1. The retailers in  
18 the business district shall be responsible for charging the tax  
19 imposed under this subsection. If a retailer is incorrectly  
20 included or excluded from the list of those required to collect  
21 the tax under this subsection, both the Department of Revenue  
22 and the retailer shall be held harmless if they reasonably  
23 relied on information provided by the municipality.

24 A municipality that imposes the tax under this subsection  
25 must submit to the Department of Revenue any other information  
26 as the Department may require for the administration and

1 enforcement of the tax.

2 When certifying the amount of a monthly disbursement to a  
3 municipality under this subsection, the Department shall  
4 increase or decrease the amount by an amount necessary to  
5 offset any misallocation of previous disbursements. The offset  
6 amount shall be the amount erroneously disbursed within the  
7 previous 6 months from the time a misallocation is discovered.

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

12 If a tax is imposed under this subsection (b), a tax shall  
13 also be imposed under subsection (c) of this Section.

14 (c) If a tax has been imposed under subsection (b), a  
15 Business District Service Occupation Tax shall also be imposed  
16 upon all persons engaged, in the business district, in the  
17 business of making sales of service, who, as an incident to  
18 making those sales of service, transfer tangible personal  
19 property within the business district, either in the form of  
20 tangible personal property or in the form of real estate as an  
21 incident to a sale of service. The tax shall be imposed at the  
22 same rate as the tax imposed in subsection (b) and shall not  
23 exceed 1% of the selling price of tangible personal property so  
24 transferred within the business district, to be imposed only in  
25 0.25% increments. The tax may not be imposed on food for human  
26 consumption that is to be consumed off the premises where it is



1 sold (other than alcoholic beverages, soft drinks, and food  
2 that has been prepared for immediate consumption),  
3 prescription and nonprescription medicines, drugs, medical  
4 appliances, modifications to a motor vehicle for the purpose of  
5 rendering it usable by a disabled person, and insulin, urine  
6 testing materials, syringes, and needles used by diabetics, for  
7 human use.

8 The tax imposed under this subsection and all civil  
9 penalties that may be assessed as an incident thereof shall be  
10 collected and enforced by the Department of Revenue. The  
11 certificate of registration which is issued by the Department  
12 to a retailer under the Retailers' Occupation Tax Act or under  
13 the Service Occupation Tax Act shall permit such registrant to  
14 engage in a business which is taxable under any ordinance or  
15 resolution enacted pursuant to this subsection without  
16 registering separately with the Department under such  
17 ordinance or resolution or under this subsection. The  
18 Department of Revenue shall have full power to administer and  
19 enforce this subsection; to collect all taxes and penalties due  
20 under this subsection; to dispose of taxes and penalties so  
21 collected in the manner hereinafter provided; and to determine  
22 all rights to credit memoranda arising on account of the  
23 erroneous payment of tax or penalty under this subsection. In  
24 the administration of, and compliance with this subsection, the  
25 Department and persons who are subject to this subsection shall  
26 have the same rights, remedies, privileges, immunities, powers

1 and duties, and be subject to the same conditions,  
2 restrictions, limitations, penalties, exclusions, exemptions,  
3 and definitions of terms and employ the same modes of procedure  
4 as are prescribed in Sections 2, 2a through 2d, 3 through 3-50  
5 (in respect to all provisions therein other than the State rate  
6 of tax), 4 (except that the reference to the State shall be to  
7 the business district), 5, 7, 8 (except that the jurisdiction  
8 to which the tax shall be a debt to the extent indicated in  
9 that Section 8 shall be the municipality), 9 (except as to the  
10 disposition of taxes and penalties collected, and except that  
11 the returned merchandise credit for this tax may not be taken  
12 against any State tax), 10, 11, 12 (except the reference  
13 therein to Section 2b of the Retailers' Occupation Tax Act), 13  
14 (except that any reference to the State shall mean the  
15 municipality), the first paragraph of Section 15, and Sections  
16 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all  
17 provisions of the Uniform Penalty and Interest Act, as fully as  
18 if those provisions were set forth herein.

19 Persons subject to any tax imposed under the authority  
20 granted in this subsection may reimburse themselves for their  
21 serviceman's tax liability hereunder by separately stating the  
22 tax as an additional charge, which charge may be stated in  
23 combination, in a single amount, with State tax that servicemen  
24 are authorized to collect under the Service Use Tax Act, in  
25 accordance with such bracket schedules as the Department may  
26 prescribe.

1           Whenever the Department determines that a refund should be  
2 made under this subsection to a claimant instead of issuing  
3 credit memorandum, the Department shall notify the State  
4 Comptroller, who shall cause the order to be drawn for the  
5 amount specified, and to the person named, in such notification  
6 from the Department. Such refund shall be paid by the State  
7 Treasurer out of the business district retailers' occupation  
8 tax fund.

9           The Department shall forthwith pay over to the State  
10 Treasurer, ex-officio, as trustee, all taxes, penalties, and  
11 interest collected under this subsection for deposit into the  
12 business district retailers' occupation tax fund.

13           As soon as possible after the first day of each month,  
14 beginning January 1, 2011, upon certification of the Department  
15 of Revenue, the Comptroller shall order transferred, and the  
16 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
17 local sales tax increment, as defined in the STAR Bonds  
18 Financing Act, collected under this subsection during the  
19 second preceding calendar month for sales within a STAR bond  
20 district.

21           After the monthly transfer to the STAR Bonds Revenue Fund,  
22 on ~~on~~ or before the 25th day of each calendar month, the  
23 Department shall prepare and certify to the Comptroller the  
24 disbursement of stated sums of money to named municipalities  
25 from the business district retailers' occupation tax fund, the  
26 municipalities to be those from which suppliers and servicemen

1 have paid taxes or penalties under this subsection to the  
2 Department during the second preceding calendar month. The  
3 amount to be paid to each municipality shall be the amount (not  
4 including credit memoranda) collected under this subsection  
5 during the second preceding calendar month by the Department,  
6 less 2% of that amount, which shall be deposited into the Tax  
7 Compliance and Administration Fund and shall be used by the  
8 Department, subject to appropriation, to cover the costs of the  
9 Department in administering and enforcing the provisions of  
10 this subsection, and not including an amount equal to the  
11 amount of refunds made during the second preceding calendar  
12 month by the Department on behalf of such municipality, and not  
13 including any amounts that are transferred to the STAR Bonds  
14 Revenue Fund. Within 10 days after receipt, by the Comptroller,  
15 of the disbursement certification to the municipalities,  
16 provided for in this subsection to be given to the Comptroller  
17 by the Department, the Comptroller shall cause the orders to be  
18 drawn for the respective amounts in accordance with the  
19 directions contained in such certification. The proceeds of the  
20 tax paid to municipalities under this subsection shall be  
21 deposited into the Business District Tax Allocation Fund by the  
22 municipality.

23 An ordinance or resolution imposing or discontinuing the  
24 tax under this subsection or effecting a change in the rate  
25 thereof shall either (i) be adopted and a certified copy  
26 thereof filed with the Department on or before the first day of

1 April, whereupon the Department, if all other requirements of  
2 this subsection are met, shall proceed to administer and  
3 enforce this subsection as of the first day of July next  
4 following the adoption and filing; or (ii) be adopted and a  
5 certified copy thereof filed with the Department on or before  
6 the first day of October, whereupon, if all other conditions of  
7 this subsection are met, the Department shall proceed to  
8 administer and enforce this subsection as of the first day of  
9 January next following the adoption and filing.

10 The Department of Revenue shall not administer or enforce  
11 an ordinance imposing, discontinuing, or changing the rate of  
12 the tax under this subsection, until the municipality also  
13 provides, in the manner prescribed by the Department, the  
14 boundaries of the business district in such a way that the  
15 Department can determine by its address whether a business is  
16 located in the business district. The municipality must provide  
17 this boundary information to the Department on or before April  
18 1 for administration and enforcement of the tax under this  
19 subsection by the Department beginning on the following July 1  
20 and on or before October 1 for administration and enforcement  
21 of the tax under this subsection by the Department beginning on  
22 the following January 1. The Department of Revenue shall not  
23 administer or enforce any change made to the boundaries of a  
24 business district until the municipality reports the boundary  
25 change to the Department in the manner prescribed by the  
26 Department. The municipality must provide this boundary change

1 information to the Department on or before April 1 for  
2 administration and enforcement by the Department of the change  
3 beginning on the following July 1 and on or before October 1  
4 for administration and enforcement by the Department of the  
5 change beginning on the following January 1. The retailers in  
6 the business district shall be responsible for charging the tax  
7 imposed under this subsection. If a retailer is incorrectly  
8 included or excluded from the list of those required to collect  
9 the tax under this subsection, both the Department of Revenue  
10 and the retailer shall be held harmless if they reasonably  
11 relied on information provided by the municipality.

12 A municipality that imposes the tax under this subsection  
13 must submit to the Department of Revenue any other information  
14 as the Department may require for the administration and  
15 enforcement of the tax.

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

20 If a tax is imposed under this subsection (c), a tax shall  
21 also be imposed under subsection (b) of this Section.

22 (d) By ordinance, a municipality that has established a  
23 business district under this Division 74.3 may impose an  
24 occupation tax upon all persons engaged in the business  
25 district in the business of renting, leasing, or letting rooms  
26 in a hotel, as defined in the Hotel Operators' Occupation Tax

1 Act, at a rate not to exceed 1% of the gross rental receipts  
2 from the renting, leasing, or letting of hotel rooms within the  
3 business district, to be imposed only in 0.25% increments,  
4 excluding, however, from gross rental receipts the proceeds of  
5 renting, leasing, or letting to permanent residents of a hotel,  
6 as defined in the Hotel Operators' Occupation Tax Act, and  
7 proceeds from the tax imposed under subsection (c) of Section  
8 13 of the Metropolitan Pier and Exposition Authority Act.

9 The tax imposed by the municipality under this subsection  
10 and all civil penalties that may be assessed as an incident to  
11 that tax shall be collected and enforced by the municipality  
12 imposing the tax. The municipality shall have full power to  
13 administer and enforce this subsection, to collect all taxes  
14 and penalties due under this subsection, to dispose of taxes  
15 and penalties so collected in the manner provided in this  
16 subsection, and to determine all rights to credit memoranda  
17 arising on account of the erroneous payment of tax or penalty  
18 under this subsection. In the administration of and compliance  
19 with this subsection, the municipality and persons who are  
20 subject to this subsection shall have the same rights,  
21 remedies, privileges, immunities, powers, and duties, shall be  
22 subject to the same conditions, restrictions, limitations,  
23 penalties, and definitions of terms, and shall employ the same  
24 modes of procedure as are employed with respect to a tax  
25 adopted by the municipality under Section 8-3-14 of this Code.

26 Persons subject to any tax imposed under the authority

1 granted in this subsection may reimburse themselves for their  
2 tax liability for that tax by separately stating that tax as an  
3 additional charge, which charge may be stated in combination,  
4 in a single amount, with State taxes imposed under the Hotel  
5 Operators' Occupation Tax Act, and with any other tax.

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

10 The proceeds of the tax imposed under this subsection shall  
11 be deposited into the Business District Tax Allocation Fund.

12 (e) Obligations issued pursuant to subsection (14) of  
13 Section 11-74.3-3 shall be retired in the manner provided in  
14 the ordinance authorizing the issuance of those obligations by  
15 the receipts of taxes levied as authorized in subsections (12)  
16 and (13) of Section 11-74.3-3. The ordinance shall pledge all  
17 of the amounts in and to be deposited in the Business District  
18 Tax Allocation Fund to the payment of business district project  
19 costs and obligations. Obligations issued pursuant to  
20 subsection (14) of Section 11-74.3-3 may be sold at public or  
21 private sale at a price determined by the corporate authorities  
22 of the municipality and no referendum approval of the electors  
23 shall be required as a condition to the issuance of those  
24 obligations. The ordinance authorizing the obligations may  
25 require that the obligations contain a recital that they are  
26 issued pursuant to subsection (14) of Section 11-74.3-3 and



1 this recital shall be conclusive evidence of their validity and  
2 of the regularity of their issuance. The corporate authorities  
3 of the municipality may also issue its obligations to refund,  
4 in whole or in part, obligations previously issued by the  
5 municipality under the authority of this Code, whether at or  
6 prior to maturity. All obligations issued pursuant to  
7 subsection (14) of Section 11-74.3-3 shall not be regarded as  
8 indebtedness of the municipality issuing the obligations for  
9 the purpose of any limitation imposed by law.

10 (f) When business district costs, including, without  
11 limitation, all municipal obligations financing business  
12 district project costs incurred under Section 11-74.3-3 have  
13 been paid, any surplus funds then remaining in the Business  
14 District Tax Allocation Fund shall be distributed to the  
15 municipal treasurer for deposit into the municipal general  
16 corporate fund. Upon payment of all business district project  
17 costs and retirement of obligations, but in no event more than  
18 23 years after the date of adoption of the ordinance approving  
19 the business district development or redevelopment plan, the  
20 municipality shall adopt an ordinance immediately rescinding  
21 the taxes imposed pursuant to subsections (12) and (13) of  
22 Section 11-74.3-3.

23 (Source: P.A. 93-1053, eff. 1-1-05; 93-1089, eff. 3-7-05.)

24 Section 75. The Metropolitan Pier and Exposition Authority  
25 Act is amended by changing Section 13 as follows:

1 (70 ILCS 210/13) (from Ch. 85, par. 1233)

2 Sec. 13. (a) The Authority shall not have power to levy  
3 taxes for any purpose, except as provided in subsections (b),  
4 (c), (d), (e), and (f).

5 (b) By ordinance the Authority shall, as soon as  
6 practicable after the effective date of this amendatory Act of  
7 1991, impose a Metropolitan Pier and Exposition Authority  
8 Retailers' Occupation Tax upon all persons engaged in the  
9 business of selling tangible personal property at retail within  
10 the territory described in this subsection at the rate of 1.0%  
11 of the gross receipts (i) from the sale of food, alcoholic  
12 beverages, and soft drinks sold for consumption on the premises  
13 where sold and (ii) from the sale of food, alcoholic beverages,  
14 and soft drinks sold for consumption off the premises where  
15 sold by a retailer whose principal source of gross receipts is  
16 from the sale of food, alcoholic beverages, and soft drinks  
17 prepared for immediate consumption.

18 The tax imposed under this subsection and all civil  
19 penalties that may be assessed as an incident to that tax shall  
20 be collected and enforced by the Illinois Department of  
21 Revenue. The Department shall have full power to administer and  
22 enforce this subsection, to collect all taxes and penalties so  
23 collected in the manner provided in this subsection, and to  
24 determine all rights to credit memoranda arising on account of  
25 the erroneous payment of tax or penalty under this subsection.

1 In the administration of and compliance with this subsection,  
2 the Department and persons who are subject to this subsection  
3 shall have the same rights, remedies, privileges, immunities,  
4 powers, and duties, shall be subject to the same conditions,  
5 restrictions, limitations, penalties, exclusions, exemptions,  
6 and definitions of terms, and shall employ the same modes of  
7 procedure applicable to this Retailers' Occupation Tax as are  
8 prescribed in Sections 1, 2 through 2-65 (in respect to all  
9 provisions of those Sections other than the State rate of  
10 taxes), 2c, 2h, 2i, 3 (except as to the disposition of taxes  
11 and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i,  
12 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13 and, and until  
13 January 1, 1994, 13.5 of the Retailers' Occupation Tax Act,  
14 and, on and after January 1, 1994, all applicable provisions of  
15 the Uniform Penalty and Interest Act that are not inconsistent  
16 with this Act, as fully as if provisions contained in those  
17 Sections of the Retailers' Occupation Tax Act were set forth in  
18 this subsection.

19 Persons subject to any tax imposed under the authority  
20 granted in this subsection may reimburse themselves for their  
21 seller's tax liability under this subsection by separately  
22 stating that tax as an additional charge, which charge may be  
23 stated in combination, in a single amount, with State taxes  
24 that sellers are required to collect under the Use Tax Act,  
25 pursuant to bracket schedules as the Department may prescribe.  
26 The retailer filing the return shall, at the time of filing the

1 return, pay to the Department the amount of tax imposed under  
2 this subsection, less a discount of 1.75%, which is allowed to  
3 reimburse the retailer for the expenses incurred in keeping  
4 records, preparing and filing returns, remitting the tax, and  
5 supplying data to the Department on request.

6 Whenever the Department determines that a refund should be  
7 made under this subsection to a claimant instead of issuing a  
8 credit memorandum, the Department shall notify the State  
9 Comptroller, who shall cause a warrant 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 Metropolitan Pier and Exposition Authority  
13 trust fund held by the State Treasurer as trustee for the  
14 Authority.

15 Nothing in this subsection authorizes the Authority to  
16 impose a tax upon the privilege of engaging in any business  
17 that under the Constitution of the United States may not be  
18 made the subject of taxation by this State.

19 The Department shall forthwith pay over to the State  
20 Treasurer, ex officio, as trustee for the Authority, all taxes  
21 and penalties collected under this subsection for deposit into  
22 a trust fund held outside of the State Treasury.

23 As soon as possible after the first day of each month,  
24 beginning January 1, 2011, upon certification of the Department  
25 of Revenue, the Comptroller shall order transferred, and the  
26 Treasurer shall transfer, to the STAR Bonds Revenue Fund the

1 local sales tax increment, as defined in the STAR Bonds  
2 Financing Act, collected under this subsection during the  
3 second preceding calendar month for sales within a STAR bond  
4 district.

5 After the monthly transfer to the STAR Bonds Revenue Fund,  
6 on or before the 25th day of each calendar month, the  
7 Department shall prepare and certify to the Comptroller the  
8 amounts to be paid under subsection (g) of this Section, which  
9 shall be the amounts, not including credit memoranda, collected  
10 under this subsection during the second preceding calendar  
11 month by the Department, less any amounts determined by the  
12 Department to be necessary for the payment of refunds, ~~and~~ less  
13 2% of such balance, which sum shall be deposited by the State  
14 Treasurer into the Tax Compliance and Administration Fund in  
15 the State Treasury from which it shall be appropriated to the  
16 Department to cover the costs of the Department in  
17 administering and enforcing the provisions of this subsection, and  
18 less any amounts that are transferred to the STAR Bonds  
19 Revenue Fund. Within 10 days after receipt by the Comptroller  
20 of the certification, the Comptroller shall cause the orders to  
21 be drawn for the remaining amounts, and the Treasurer shall  
22 administer those amounts as required in subsection (g).

23 A certificate of registration issued by the Illinois  
24 Department of Revenue to a retailer under the Retailers'  
25 Occupation Tax Act shall permit the registrant to engage in a  
26 business that is taxed under the tax imposed under this

1 subsection, and no additional registration shall be required  
2 under the ordinance imposing the tax or under this subsection.

3 A certified copy of any ordinance imposing or discontinuing  
4 any tax under this subsection or effecting a change in the rate  
5 of that tax shall be filed with the Department, whereupon the  
6 Department shall proceed to administer and enforce this  
7 subsection on behalf of the Authority as of the first day of  
8 the third calendar month following the date of filing.

9 The tax authorized to be levied under this subsection may  
10 be levied within all or any part of the following described  
11 portions of the metropolitan area:

12 (1) that portion of the City of Chicago located within  
13 the following area: Beginning at the point of intersection  
14 of the Cook County - DuPage County line and York Road, then  
15 North along York Road to its intersection with Touhy  
16 Avenue, then east along Touhy Avenue to its intersection  
17 with the Northwest Tollway, then southeast along the  
18 Northwest Tollway to its intersection with Lee Street, then  
19 south along Lee Street to Higgins Road, then south and east  
20 along Higgins Road to its intersection with Mannheim Road,  
21 then south along Mannheim Road to its intersection with  
22 Irving Park Road, then west along Irving Park Road to its  
23 intersection with the Cook County - DuPage County line,  
24 then north and west along the county line to the point of  
25 beginning; and

26 (2) that portion of the City of Chicago located within

1 the following area: Beginning at the intersection of West  
2 55th Street with Central Avenue, then east along West 55th  
3 Street to its intersection with South Cicero Avenue, then  
4 south along South Cicero Avenue to its intersection with  
5 West 63rd Street, then west along West 63rd Street to its  
6 intersection with South Central Avenue, then north along  
7 South Central Avenue to the point of beginning; and

8 (3) that portion of the City of Chicago located within  
9 the following area: Beginning at the point 150 feet west of  
10 the intersection of the west line of North Ashland Avenue  
11 and the north line of West Diversey Avenue, then north 150  
12 feet, then east along a line 150 feet north of the north  
13 line of West Diversey Avenue extended to the shoreline of  
14 Lake Michigan, then following the shoreline of Lake  
15 Michigan (including Navy Pier and all other improvements  
16 fixed to land, docks, or piers) to the point where the  
17 shoreline of Lake Michigan and the Adlai E. Stevenson  
18 Expressway extended east to that shoreline intersect, then  
19 west along the Adlai E. Stevenson Expressway to a point 150  
20 feet west of the west line of South Ashland Avenue, then  
21 north along a line 150 feet west of the west line of South  
22 and North Ashland Avenue to the point of beginning.

23 The tax authorized to be levied under this subsection may  
24 also be levied on food, alcoholic beverages, and soft drinks  
25 sold on boats and other watercraft departing from and returning  
26 to the shoreline of Lake Michigan (including Navy Pier and all

1 other improvements fixed to land, docks, or piers) described in  
2 item (3).

3 (c) By ordinance the Authority shall, as soon as  
4 practicable after the effective date of this amendatory Act of  
5 1991, impose an occupation tax upon all persons engaged in the  
6 corporate limits of the City of Chicago in the business of  
7 renting, leasing, or letting rooms in a hotel, as defined in  
8 the Hotel Operators' Occupation Tax Act, at a rate of 2.5% of  
9 the gross rental receipts from the renting, leasing, or letting  
10 of hotel rooms within the City of Chicago, excluding, however,  
11 from gross rental receipts the proceeds of renting, leasing, or  
12 letting to permanent residents of a hotel, as defined in that  
13 Act. Gross rental receipts shall not include charges that are  
14 added on account of the liability arising from any tax imposed  
15 by the State or any governmental agency on the occupation of  
16 renting, leasing, or letting rooms in a hotel.

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



1 subsection, to collect all taxes and penalties due under this  
2 subsection, to dispose of taxes and penalties so collected in  
3 the manner provided in this subsection, and to determine all  
4 rights to credit memoranda arising on account of the erroneous  
5 payment of tax or penalty under this subsection. In the  
6 administration of and compliance with this subsection, the  
7 Department and persons who are subject to this subsection shall  
8 have the same rights, remedies, privileges, immunities,  
9 powers, and duties, shall be subject to the same conditions,  
10 restrictions, limitations, penalties, and definitions of  
11 terms, and shall employ the same modes of procedure as are  
12 prescribed in the Hotel Operators' Occupation Tax Act (except  
13 where that Act is inconsistent with this subsection), as fully  
14 as if the provisions contained in the Hotel Operators'  
15 Occupation Tax Act were set out in this subsection.

16 Whenever the Department determines that a refund should be  
17 made under this subsection to a claimant instead of issuing a  
18 credit memorandum, the Department shall notify the State  
19 Comptroller, who shall cause a warrant to be drawn for the  
20 amount specified and to the person named in the notification  
21 from the Department. The refund shall be paid by the State  
22 Treasurer out of the Metropolitan Pier and Exposition Authority  
23 trust fund held by the State Treasurer as trustee for the  
24 Authority.

25 Persons subject to any tax imposed under the authority  
26 granted in this subsection may reimburse themselves for their

1 tax liability for that tax by separately stating that tax as an  
2 additional charge, which charge may be stated in combination,  
3 in a single amount, with State taxes imposed under the Hotel  
4 Operators' Occupation Tax Act, the municipal tax imposed under  
5 Section 8-3-13 of the Illinois Municipal Code, and the tax  
6 imposed under Section 19 of the Illinois Sports Facilities  
7 Authority Act.

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

15 The Department shall forthwith pay over to the State  
16 Treasurer, ex officio, as trustee for the Authority, all taxes  
17 and penalties collected under this subsection for deposit into  
18 a trust fund held outside the State Treasury. On or before the  
19 25th day of each calendar month, the Department shall certify  
20 to the Comptroller the amounts to be paid under subsection (g)  
21 of this Section, which shall be the amounts (not including  
22 credit memoranda) collected under this subsection during the  
23 second preceding calendar month by the Department, less any  
24 amounts determined by the Department to be necessary for  
25 payment of refunds. Within 10 days after receipt by the  
26 Comptroller of the Department's certification, the Comptroller

1 shall cause the orders to be drawn for such amounts, and the  
2 Treasurer shall administer those amounts as required in  
3 subsection (g).

4 A certified copy of any ordinance imposing or discontinuing  
5 a tax under this subsection or effecting a change in the rate  
6 of that tax shall be filed with the Illinois Department of  
7 Revenue, whereupon the Department shall proceed to administer  
8 and enforce this subsection on behalf of the Authority as of  
9 the first day of the third calendar month following the date of  
10 filing.

11 (d) By ordinance the Authority shall, as soon as  
12 practicable after the effective date of this amendatory Act of  
13 1991, impose a tax upon all persons engaged in the business of  
14 renting automobiles in the metropolitan area at the rate of 6%  
15 of the gross receipts from that business, except that no tax  
16 shall be imposed on the business of renting automobiles for use  
17 as taxicabs or in livery service. The tax imposed under this  
18 subsection and all civil penalties that may be assessed as an  
19 incident to that tax shall be collected and enforced by the  
20 Illinois Department of Revenue. The certificate of  
21 registration issued by the Department to a retailer under the  
22 Retailers' Occupation Tax Act or under the Automobile Renting  
23 Occupation and Use Tax Act shall permit that person to engage  
24 in a business that is taxable under any ordinance enacted under  
25 this subsection without registering separately with the  
26 Department under that ordinance or under this subsection. The

1 Department shall have full power to administer and enforce this  
2 subsection, to collect all taxes and penalties due under this  
3 subsection, to dispose of taxes and penalties so collected in  
4 the manner provided in this subsection, and to determine all  
5 rights to credit memoranda arising on account of the erroneous  
6 payment of tax or penalty under this subsection. In the  
7 administration of and compliance with this subsection, the  
8 Department and persons who are subject to this subsection shall  
9 have the same rights, remedies, privileges, immunities,  
10 powers, and duties, be subject to the same conditions,  
11 restrictions, limitations, penalties, and definitions of  
12 terms, and employ the same modes of procedure as are prescribed  
13 in Sections 2 and 3 (in respect to all provisions of those  
14 Sections other than the State rate of tax; and in respect to  
15 the provisions of the Retailers' Occupation Tax Act referred to  
16 in those Sections, except as to the disposition of taxes and  
17 penalties collected, except for the provision allowing  
18 retailers a deduction from the tax to cover certain costs, and  
19 except that credit memoranda issued under this subsection may  
20 not be used to discharge any State tax liability) of the  
21 Automobile Renting Occupation and Use Tax Act, as fully as if  
22 provisions contained in those Sections of that Act were set  
23 forth in this subsection.

24 Persons subject to any tax imposed under the authority  
25 granted in this subsection may reimburse themselves for their  
26 tax liability under this subsection by separately stating that

1 tax as an additional charge, which charge may be stated in  
2 combination, in a single amount, with State tax that sellers  
3 are required to collect under the Automobile Renting Occupation  
4 and Use Tax Act, pursuant to bracket schedules as the  
5 Department may prescribe.

6 Whenever the Department determines that a refund should be  
7 made under this subsection to a claimant instead of issuing a  
8 credit memorandum, the Department shall notify the State  
9 Comptroller, who shall cause a warrant 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 Metropolitan Pier and Exposition Authority  
13 trust fund held by the State Treasurer as trustee for the  
14 Authority.

15 The Department shall forthwith pay over to the State  
16 Treasurer, ex officio, as trustee, all taxes and penalties  
17 collected under this subsection for deposit into a trust fund  
18 held outside the State Treasury. On or before the 25th day of  
19 each calendar month, the Department shall certify to the  
20 Comptroller the amounts to be paid under subsection (g) of this  
21 Section (not including credit memoranda) collected under this  
22 subsection during the second preceding calendar month by the  
23 Department, less any amount determined by the Department to be  
24 necessary for payment of refunds. Within 10 days after receipt  
25 by the Comptroller of the Department's certification, the  
26 Comptroller shall cause the orders to be drawn for such

1 amounts, and the Treasurer shall administer those amounts as  
2 required in subsection (g).

3 Nothing in this subsection authorizes the Authority to  
4 impose a tax upon the privilege of engaging in any business  
5 that under the Constitution of the United States may not be  
6 made the subject of taxation by this State.

7 A certified copy of any ordinance imposing or discontinuing  
8 a tax under this subsection or effecting a change in the rate  
9 of that tax shall be filed with the Illinois Department of  
10 Revenue, whereupon the Department shall proceed to administer  
11 and enforce this subsection on behalf of the Authority as of  
12 the first day of the third calendar month following the date of  
13 filing.

14 (e) By ordinance the Authority shall, as soon as  
15 practicable after the effective date of this amendatory Act of  
16 1991, impose a tax upon the privilege of using in the  
17 metropolitan area an automobile that is rented from a rentor  
18 outside Illinois and is titled or registered with an agency of  
19 this State's government at a rate of 6% of the rental price of  
20 that automobile, except that no tax shall be imposed on the  
21 privilege of using automobiles rented for use as taxicabs or in  
22 livery service. The tax shall be collected from persons whose  
23 Illinois address for titling or registration purposes is given  
24 as being in the metropolitan area. The tax shall be collected  
25 by the Department of Revenue for the Authority. The tax must be  
26 paid to the State or an exemption determination must be

1 obtained from the Department of Revenue before the title or  
2 certificate of registration for the property may be issued. The  
3 tax or proof of exemption may be transmitted to the Department  
4 by way of the State agency with which or State officer with  
5 whom the tangible personal property must be titled or  
6 registered if the Department and that agency or State officer  
7 determine that this procedure will expedite the processing of  
8 applications for title or registration.

9 The Department shall have full power to administer and  
10 enforce this subsection, to collect all taxes, penalties, and  
11 interest due under this subsection, to dispose of taxes,  
12 penalties, and interest so collected in the manner provided in  
13 this subsection, and to determine all rights to credit  
14 memoranda or refunds arising on account of the erroneous  
15 payment of tax, penalty, or interest under this subsection. In  
16 the administration of and compliance with this subsection, the  
17 Department and persons who are subject to this subsection shall  
18 have the same rights, remedies, privileges, immunities,  
19 powers, and duties, be subject to the same conditions,  
20 restrictions, limitations, penalties, and definitions of  
21 terms, and employ the same modes of procedure as are prescribed  
22 in Sections 2 and 4 (except provisions pertaining to the State  
23 rate of tax; and in respect to the provisions of the Use Tax  
24 Act referred to in that Section, except provisions concerning  
25 collection or refunding of the tax by retailers, except the  
26 provisions of Section 19 pertaining to claims by retailers,

1 except the last paragraph concerning refunds, and except that  
2 credit memoranda issued under this subsection may not be used  
3 to discharge any State tax liability) of the Automobile Renting  
4 Occupation and Use Tax Act, as fully as if provisions contained  
5 in those Sections of that Act were set forth in this  
6 subsection.

7 Whenever the Department determines that a refund should be  
8 made under this subsection to a claimant instead of issuing a  
9 credit memorandum, the Department shall notify the State  
10 Comptroller, who shall cause a warrant to be drawn for the  
11 amount specified and to the person named in the notification  
12 from the Department. The refund shall be paid by the State  
13 Treasurer out of the Metropolitan Pier and Exposition Authority  
14 trust fund held by the State Treasurer as trustee for the  
15 Authority.

16 The Department shall forthwith pay over to the State  
17 Treasurer, ex officio, as trustee, all taxes, penalties, and  
18 interest collected under this subsection for deposit into a  
19 trust fund held outside the State Treasury. On or before the  
20 25th day of each calendar month, the Department shall certify  
21 to the State Comptroller the amounts to be paid under  
22 subsection (g) of this Section, which shall be the amounts (not  
23 including credit memoranda) collected under this subsection  
24 during the second preceding calendar month by the Department,  
25 less any amounts determined by the Department to be necessary  
26 for payment of refunds. Within 10 days after receipt by the



1 State Comptroller of the Department's certification, the  
2 Comptroller shall cause the orders to be drawn for such  
3 amounts, and the Treasurer shall administer those amounts as  
4 required in subsection (g).

5 A certified copy of any ordinance imposing or discontinuing  
6 a tax or effecting a change in the rate of that tax shall be  
7 filed with the Illinois Department of Revenue, whereupon the  
8 Department shall proceed to administer and enforce this  
9 subsection on behalf of the Authority as of the first day of  
10 the third calendar month following the date of filing.

11 (f) By ordinance the Authority shall, as soon as  
12 practicable after the effective date of this amendatory Act of  
13 1991, impose an occupation tax on all persons, other than a  
14 governmental agency, engaged in the business of providing  
15 ground transportation for hire to passengers in the  
16 metropolitan area at a rate of (i) \$2 per taxi or livery  
17 vehicle departure with passengers for hire from commercial  
18 service airports in the metropolitan area, (ii) for each  
19 departure with passengers for hire from a commercial service  
20 airport in the metropolitan area in a bus or van operated by a  
21 person other than a person described in item (iii): \$9 per bus  
22 or van with a capacity of 1-12 passengers, \$18 per bus or van  
23 with a capacity of 13-24 passengers, and \$27 per bus or van  
24 with a capacity of over 24 passengers, and (iii) for each  
25 departure with passengers for hire from a commercial service  
26 airport in the metropolitan area in a bus or van operated by a

1 person regulated by the Interstate Commerce Commission or  
2 Illinois Commerce Commission, operating scheduled service from  
3 the airport, and charging fares on a per passenger basis: \$1  
4 per passenger for hire in each bus or van. The term "commercial  
5 service airports" means those airports receiving scheduled  
6 passenger service and enplaning more than 100,000 passengers  
7 per year.

8 In the ordinance imposing the tax, the Authority may  
9 provide for the administration and enforcement of the tax and  
10 the collection of the tax from persons subject to the tax as  
11 the Authority determines to be necessary or practicable for the  
12 effective administration of the tax. The Authority may enter  
13 into agreements as it deems appropriate with any governmental  
14 agency providing for that agency to act as the Authority's  
15 agent to collect the tax.

16 In the ordinance imposing the tax, the Authority may  
17 designate a method or methods for persons subject to the tax to  
18 reimburse themselves for the tax liability arising under the  
19 ordinance (i) by separately stating the full amount of the tax  
20 liability as an additional charge to passengers departing the  
21 airports, (ii) by separately stating one-half of the tax  
22 liability as an additional charge to both passengers departing  
23 from and to passengers arriving at the airports, or (iii) by  
24 some other method determined by the Authority.

25 All taxes, penalties, and interest collected under any  
26 ordinance adopted under this subsection, less any amounts

1 determined to be necessary for the payment of refunds, shall be  
2 paid forthwith to the State Treasurer, ex officio, for deposit  
3 into a trust fund held outside the State Treasury and shall be  
4 administered by the State Treasurer as provided in subsection  
5 (g) of this Section.

6 (g) Amounts deposited from the proceeds of taxes imposed by  
7 the Authority under subsections (b), (c), (d), (e), and (f) of  
8 this Section and amounts deposited under Section 19 of the  
9 Illinois Sports Facilities Authority Act shall be held in a  
10 trust fund outside the State Treasury and shall be administered  
11 by the Treasurer as follows: first, an amount necessary for the  
12 payment of refunds shall be retained in the trust fund; second,  
13 the balance of the proceeds deposited in the trust fund during  
14 fiscal year 1993 shall be retained in the trust fund during  
15 that year and thereafter shall be administered as a reserve to  
16 fund the deposits required in item "third"; third, beginning  
17 July 20, 1993, and continuing each month thereafter, provided  
18 that the amount requested in the certificate of the Chairman of  
19 the Authority filed under Section 8.25f of the State Finance  
20 Act has been appropriated for payment to the Authority, 1/8 of  
21 the annual amount requested in that certificate together with  
22 any cumulative deficiencies shall be transferred from the trust  
23 fund into the McCormick Place Expansion Project Fund in the  
24 State Treasury until 100% of the amount requested in that  
25 certificate plus any cumulative deficiencies in the amounts  
26 transferred into the McCormick Place Expansion Project Fund

1 under this item "third", have been so transferred; fourth, the  
2 balance shall be maintained in the trust fund; fifth, on July  
3 20, 1994, and on July 20 of each year thereafter the Treasurer  
4 shall calculate for the previous fiscal year the surplus  
5 revenues in the trust fund and pay that amount to the  
6 Authority. "Surplus revenues" shall mean the difference  
7 between the amount in the trust fund on June 30 of the fiscal  
8 year previous to the current fiscal year (excluding amounts  
9 retained for refunds under item "first") minus the amount  
10 deposited in the trust fund during fiscal year 1993 under item  
11 "second". Moneys received by the Authority under item "fifth"  
12 may be used solely for the purposes of paying debt service on  
13 the bonds and notes issued by the Authority, including early  
14 redemption of those bonds or notes, and for the purposes of  
15 repair, replacement, and improvement of the grounds,  
16 buildings, and facilities of the Authority; provided that any  
17 moneys in excess of \$50,000,000 held by the Authority as of  
18 June 30 in any fiscal year and received by the Authority under  
19 item "fifth" shall be used solely for paying the debt service  
20 on or early redemption of the Authority's bonds or notes. When  
21 bonds and notes issued under Section 13.2, or bonds or notes  
22 issued to refund those bonds and notes, are no longer  
23 outstanding, the balance in the trust fund shall be paid to the  
24 Authority.

25 (h) The ordinances imposing the taxes authorized by this  
26 Section shall be repealed when bonds and notes issued under

1 Section 13.2 or bonds and notes issued to refund those bonds  
2 and notes are no longer outstanding.

3 (Source: P.A. 90-612, eff. 7-8-98.)

4 Section 80. The Flood Prevention District Act is amended by  
5 changing Section 25 as follows:

6 (70 ILCS 750/25)

7 Sec. 25. Flood prevention retailers' and service  
8 occupation taxes.

9 (a) If the Board of Commissioners of a flood prevention  
10 district determines that an emergency situation exists  
11 regarding levee repair or flood prevention, and upon an  
12 ordinance confirming the determination adopted by the  
13 affirmative vote of a majority of the members of the county  
14 board of the county in which the district is situated, the  
15 county may impose a flood prevention retailers' occupation tax  
16 upon all persons engaged in the business of selling tangible  
17 personal property at retail within the territory of the  
18 district to provide revenue to pay the costs of providing  
19 emergency levee repair and flood prevention and to secure the  
20 payment of bonds, notes, and other evidences of indebtedness  
21 issued under this Act for a period not to exceed 25 years or as  
22 required to repay the bonds, notes, and other evidences of  
23 indebtedness issued under this Act. The tax rate shall be 0.25%  
24 of the gross receipts from all taxable sales made in the course

1 of that business. The tax imposed under this Section and all  
2 civil penalties that may be assessed as an incident thereof  
3 shall be collected and enforced by the State Department of  
4 Revenue. The Department shall have full power to administer and  
5 enforce this Section; to collect all taxes and penalties so  
6 collected in the manner hereinafter provided; and to determine  
7 all rights to credit memoranda arising on account of the  
8 erroneous payment of tax or penalty hereunder.

9 In the administration of and compliance with this  
10 subsection, the Department and persons who are subject to this  
11 subsection (i) have the same rights, remedies, privileges,  
12 immunities, powers, and duties, (ii) are subject to the same  
13 conditions, restrictions, limitations, penalties, and  
14 definitions of terms, and (iii) shall employ the same modes of  
15 procedure as are set forth in Sections 1 through 1o, 2 through  
16 2-70 (in respect to all provisions contained in those Sections  
17 other than the State rate of tax), 2a through 2h, 3 (except as  
18 to the disposition of taxes and penalties collected), 4, 5, 5a,  
19 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10,  
20 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and  
21 all provisions of the Uniform Penalty and Interest Act as if  
22 those provisions were set forth in this subsection.

23 Persons subject to any tax imposed under this Section may  
24 reimburse themselves for their seller's tax liability  
25 hereunder by separately stating the tax as an additional  
26 charge, which charge may be stated in combination in a single

1 amount with State taxes that sellers are required to collect  
2 under the Use Tax Act, under any bracket schedules the  
3 Department may prescribe.

4 If a tax is imposed under this subsection (a), a tax shall  
5 also be imposed under subsection (b) of this Section.

6 (b) If a tax has been imposed under subsection (a), a flood  
7 prevention service occupation tax shall also be imposed upon  
8 all persons engaged within the territory of the district in the  
9 business of making sales of service, who, as an incident to  
10 making the sales of service, transfer tangible personal  
11 property, either in the form of tangible personal property or  
12 in the form of real estate as an incident to a sale of service  
13 to provide revenue to pay the costs of providing emergency  
14 levee repair and flood prevention and to secure the payment of  
15 bonds, notes, and other evidences of indebtedness issued under  
16 this Act for a period not to exceed 25 years or as required to  
17 repay the bonds, notes, and other evidences of indebtedness.  
18 The tax rate shall be 0.25% of the selling price of all  
19 tangible personal property transferred.

20 The tax imposed under this subsection and all civil  
21 penalties that may be assessed as an incident thereof shall be  
22 collected and enforced by the State Department of Revenue. The  
23 Department shall have full power to administer and enforce this  
24 subsection; to collect all taxes and penalties due hereunder;  
25 to dispose of taxes and penalties collected in the manner  
26 hereinafter provided; and to determine all rights to credit

1 memoranda arising on account of the erroneous payment of tax or  
2 penalty hereunder.

3 In the administration of and compliance with this  
4 subsection, the Department and persons who are subject to this  
5 subsection shall (i) have the same rights, remedies,  
6 privileges, immunities, powers, and duties, (ii) be subject to  
7 the same conditions, restrictions, limitations, penalties, and  
8 definitions of terms, and (iii) employ the same modes of  
9 procedure as are set forth in Sections 2 (except that the  
10 reference to State in the definition of supplier maintaining a  
11 place of business in this State means the district), 2a through  
12 2d, 3 through 3-50 (in respect to all provisions contained in  
13 those Sections other than the State rate of tax), 4 (except  
14 that the reference to the State shall be to the district), 5,  
15 7, 8 (except that the jurisdiction to which the tax is a debt  
16 to the extent indicated in that Section 8 is the district), 9  
17 (except as to the disposition of taxes and penalties  
18 collected), 10, 11, 12 (except the reference therein to Section  
19 2b of the Retailers' Occupation Tax Act), 13 (except that any  
20 reference to the State means the district), Section 15, 16, 17,  
21 18, 19, and 20 of the Service Occupation Tax Act and all  
22 provisions of the Uniform Penalty and Interest Act, as fully as  
23 if those provisions were set forth herein.

24 Persons subject to any tax imposed under the authority  
25 granted in this subsection may reimburse themselves for their  
26 serviceman's tax liability hereunder by separately stating the



1 tax as an additional charge, that charge may be stated in  
2 combination in a single amount with State tax that servicemen  
3 are authorized to collect under the Service Use Tax Act, under  
4 any bracket schedules the Department may prescribe.

5 (c) The taxes imposed in subsections (a) and (b) may not be  
6 imposed on personal property titled or registered with an  
7 agency of the State; food for human consumption that is to be  
8 consumed off the premises where it is sold (other than  
9 alcoholic beverages, soft drinks, and food that has been  
10 prepared for immediate consumption); prescription and  
11 non-prescription medicines, drugs, and medical appliances;  
12 modifications to a motor vehicle for the purpose of rendering  
13 it usable by a disabled person; or insulin, urine testing  
14 materials, and syringes and needles used by diabetics.

15 (d) Nothing in this Section shall be construed to authorize  
16 the district to impose a tax upon the privilege of engaging in  
17 any business that under the Constitution of the United States  
18 may not be made the subject of taxation by the State.

19 (e) The certificate of registration that is issued by the  
20 Department to a retailer under the Retailers' Occupation Tax  
21 Act or a serviceman under the Service Occupation Tax Act  
22 permits the retailer or serviceman to engage in a business that  
23 is taxable without registering separately with the Department  
24 under an ordinance or resolution under this Section.

25 (f) The Department shall immediately pay over to the State  
26 Treasurer, ex officio, as trustee, all taxes and penalties

1 collected under this Section to be deposited into the Flood  
2 Prevention Occupation Tax Fund, which shall be an  
3 unappropriated trust fund held outside the State treasury.

4 As soon as possible after the first day of each month,  
5 beginning January 1, 2011, upon certification of the Department  
6 of Revenue, the Comptroller shall order transferred, and the  
7 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
8 local sales tax increment, as defined in the STAR Bonds  
9 Financing Act, collected under this Section during the second  
10 preceding calendar month for sales within a STAR bond district.  
11 The Department shall make this certification only if the flood  
12 prevention district imposes a tax on real property as provided  
13 in the definition of "local sales taxes" under the STAR Bonds  
14 Financing Act.

15 After the monthly transfer to the STAR Bonds Revenue Fund,  
16 on ~~on~~ or before the 25th day of each calendar month, the  
17 Department shall prepare and certify to the Comptroller the  
18 disbursement of stated sums of money to the counties from which  
19 retailers or servicemen have paid taxes or penalties to the  
20 Department during the second preceding calendar month. The  
21 amount to be paid to each county is equal to the amount (not  
22 including credit memoranda) collected from the county under  
23 this Section during the second preceding calendar month by the  
24 Department, (i) less 2% of that amount, which shall be  
25 deposited into the Tax Compliance and Administration Fund and  
26 shall be used by the Department in administering and enforcing

1 the provisions of this Section on behalf of the county, (ii)  
2 plus an amount that the Department determines is necessary to  
3 offset any amounts that were erroneously paid to a different  
4 taxing body; (iii) less an amount equal to the amount of  
5 refunds made during the second preceding calendar month by the  
6 Department on behalf of the county; ~~and~~ (iv) less any amount  
7 that the Department determines is necessary to offset any  
8 amounts that were payable to a different taxing body but were  
9 erroneously paid to the county; and (v) less any amounts that  
10 are transferred to the STAR Bonds Revenue Fund. When certifying  
11 the amount of a monthly disbursement to a county under this  
12 Section, the Department shall increase or decrease the amounts  
13 by an amount necessary to offset any miscalculation of previous  
14 disbursements within the previous 6 months from the time a  
15 miscalculation is discovered.

16 Within 10 days after receipt by the Comptroller from the  
17 Department of the disbursement certification to the counties  
18 provided for in this Section, the Comptroller shall cause the  
19 orders to be drawn for the respective amounts in accordance  
20 with directions contained in the certification.

21 If the Department determines that a refund should be made  
22 under this Section to a claimant instead of issuing a credit  
23 memorandum, then the Department shall notify the Comptroller,  
24 who shall cause the order to be drawn for the amount specified  
25 and to the person named in the notification from the  
26 Department. The refund shall be paid by the Treasurer out of

1 the Flood Prevention Occupation Tax Fund.

2 (g) If a county imposes a tax under this Section, then the  
3 county board shall, by ordinance, discontinue the tax upon the  
4 payment of all indebtedness of the flood prevention district.  
5 The tax shall not be discontinued until all indebtedness of the  
6 District has been paid.

7 (h) Any ordinance imposing the tax under this Section, or  
8 any ordinance that discontinues the tax, must be certified by  
9 the county clerk and filed with the Illinois Department of  
10 Revenue either (i) on or before the first day of April,  
11 whereupon the Department shall proceed to administer and  
12 enforce the tax or change in the rate as of the first day of  
13 July next following the filing; or (ii) on or before the first  
14 day of October, whereupon the Department shall proceed to  
15 administer and enforce the tax or change in the rate as of the  
16 first day of January next following the filing.

17 (j) County Flood Prevention Occupation Tax Fund. All  
18 proceeds received by a county from a tax distribution under  
19 this Section must be maintained in a special fund known as the  
20 [name of county] flood prevention occupation tax fund. The  
21 county shall, at the direction of the flood prevention  
22 district, use moneys in the fund to pay the costs of providing  
23 emergency levee repair and flood prevention and to pay bonds,  
24 notes, and other evidences of indebtedness issued under this  
25 Act.

26 (k) This Section may be cited as the Flood Prevention

1 Occupation Tax Law.

2 (Source: P.A. 95-719, eff. 5-21-08; 95-723, eff. 6-23-08.)

3 Section 85. The Metro-East Park and Recreation District Act  
4 is amended by changing Section 30 as follows:

5 (70 ILCS 1605/30)

6 Sec. 30. Taxes.

7 (a) The board shall impose a tax upon all persons engaged  
8 in the business of selling tangible personal property, other  
9 than personal property titled or registered with an agency of  
10 this State's government, at retail in the District on the gross  
11 receipts from the sales made in the course of business. This  
12 tax shall be imposed only at the rate of one-tenth of one per  
13 cent.

14 This additional tax may not be imposed on the sales of food  
15 for human consumption that is to be consumed off the premises  
16 where it is sold (other than alcoholic beverages, soft drinks,  
17 and food which has been prepared for immediate consumption) and  
18 prescription and non-prescription medicines, drugs, medical  
19 appliances, and insulin, urine testing materials, syringes,  
20 and needles used by diabetics. The tax imposed by the Board  
21 under this Section and all civil penalties that may be assessed  
22 as an incident of the tax shall be collected and enforced by  
23 the Department of Revenue. The certificate of registration that  
24 is issued by the Department to a retailer under the Retailers'

1 Occupation Tax Act shall permit the retailer to engage in a  
2 business that is taxable without registering separately with  
3 the Department under an ordinance or resolution under this  
4 Section. The Department has full power to administer and  
5 enforce this Section, to collect all taxes and penalties due  
6 under this Section, to dispose of taxes and penalties so  
7 collected in the manner provided in this Section, and to  
8 determine all rights to credit memoranda arising on account of  
9 the erroneous payment of a tax or penalty under this Section.  
10 In the administration of and compliance with this Section, the  
11 Department and persons who are subject to this Section shall  
12 (i) have the same rights, remedies, privileges, immunities,  
13 powers, and duties, (ii) be subject to the same conditions,  
14 restrictions, limitations, penalties, and definitions of  
15 terms, and (iii) employ the same modes of procedure as are  
16 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,  
17 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions contained  
18 in those Sections other than the State rate of tax), 2-15  
19 through 2-70, 2a, 2b, 2c, 3 (except provisions relating to  
20 transaction returns and quarter monthly payments), 4, 5, 5a,  
21 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,  
22 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act  
23 and the Uniform Penalty and Interest Act as if those provisions  
24 were set forth in this Section.

25 Persons subject to any tax imposed under the authority  
26 granted in this Section may reimburse themselves for their

1 sellers' tax liability by separately stating the tax as an  
2 additional charge, which charge may be stated in combination,  
3 in a single amount, with State tax which sellers are required  
4 to collect under the Use Tax Act, pursuant to such bracketed  
5 schedules as the Department may prescribe.

6 Whenever the Department determines that a refund should be  
7 made under this Section to a claimant instead of issuing a  
8 credit memorandum, 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 State Metro-East Park and Recreation  
13 District Fund.

14 (b) If a tax has been imposed under subsection (a), a  
15 service occupation tax shall also be imposed at the same rate  
16 upon all persons engaged, in the District, in the business of  
17 making sales of service, who, as an incident to making those  
18 sales of service, transfer tangible personal property within  
19 the District as an incident to a sale of service. This tax may  
20 not be imposed on sales of food for human consumption that is  
21 to be consumed off the premises where it is sold (other than  
22 alcoholic beverages, soft drinks, and food prepared for  
23 immediate consumption) and prescription and non-prescription  
24 medicines, drugs, medical appliances, and insulin, urine  
25 testing materials, syringes, and needles used by diabetics. The  
26 tax imposed under this subsection and all civil penalties that

1 may be assessed as an incident thereof shall be collected and  
2 enforced by the Department of Revenue. The Department has full  
3 power to administer and enforce this subsection; to collect all  
4 taxes and penalties due hereunder; to dispose of taxes and  
5 penalties so collected in the manner hereinafter provided; and  
6 to determine all rights to credit memoranda arising on account  
7 of the erroneous payment of tax or penalty hereunder. In the  
8 administration of, and compliance with this subsection, the  
9 Department and persons who are subject to this paragraph shall  
10 (i) have the same rights, remedies, privileges, immunities,  
11 powers, and duties, (ii) be subject to the same conditions,  
12 restrictions, limitations, penalties, exclusions, exemptions,  
13 and definitions of terms, and (iii) employ the same modes of  
14 procedure as are prescribed in Sections 2 (except that the  
15 reference to State in the definition of supplier maintaining a  
16 place of business in this State shall mean the District), 2a,  
17 2b, 2c, 3 through 3-50 (in respect to all provisions therein  
18 other than the State rate of tax), 4 (except that the reference  
19 to the State shall be to the District), 5, 7, 8 (except that  
20 the jurisdiction to which the tax shall be a debt to the extent  
21 indicated in that Section 8 shall be the District), 9 (except  
22 as to the disposition of taxes and penalties collected), 10,  
23 11, 12 (except the reference therein to Section 2b of the  
24 Retailers' Occupation Tax Act), 13 (except that any reference  
25 to the State shall mean the District), Sections 15, 16, 17, 18,  
26 19 and 20 of the Service Occupation Tax Act and the Uniform



1 Penalty and Interest Act, as fully as if those provisions were  
2 set forth herein.

3 Persons subject to any tax imposed under the authority  
4 granted in this subsection may reimburse themselves for their  
5 serviceman's tax liability by separately stating the tax as an  
6 additional charge, which charge may be stated in combination,  
7 in a single amount, with State tax that servicemen are  
8 authorized to collect under the Service Use Tax Act, in  
9 accordance with such bracket schedules as the Department may  
10 prescribe.

11 Whenever the Department determines that a refund should be  
12 made under this subsection 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 State Metro-East Park and Recreation  
18 District Fund.

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

23 (c) The Department shall immediately pay over to the State  
24 Treasurer, ex officio, as trustee, all taxes and penalties  
25 collected under this Section to be deposited into the State  
26 Metro-East Park and Recreation District Fund, which shall be an

1 unappropriated trust fund held outside of the State treasury.

2 As soon as possible after the first day of each month,  
3 beginning January 1, 2011, upon certification of the Department  
4 of Revenue, the Comptroller shall order transferred, and the  
5 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
6 local sales tax increment, as defined in the STAR Bonds  
7 Financing Act, collected under this Section during the second  
8 preceding calendar month for sales within a STAR bond district.  
9 The Department shall make this certification only if the Metro  
10 East Park and Recreation District imposes a tax on real  
11 property as provided in the definition of "local sales taxes"  
12 under the STAR Bonds Financing Act.

13 After the monthly transfer to the STAR Bonds Revenue Fund,  
14 on ~~on~~ or before the 25th day of each calendar month, the  
15 Department shall prepare and certify to the Comptroller the  
16 disbursement of stated sums of money pursuant to Section 35 of  
17 this Act to the District from which retailers have paid taxes  
18 or penalties to the Department during the second preceding  
19 calendar month. The amount to be paid to the District shall be  
20 the amount (not including credit memoranda) collected under  
21 this Section during the second preceding calendar month by the  
22 Department plus an amount the Department determines is  
23 necessary to offset any amounts that were erroneously paid to a  
24 different taxing body, and not including (i) an amount equal to  
25 the amount of refunds made during the second preceding calendar  
26 month by the Department on behalf of the District, ~~and~~ (ii) any

1 amount that the Department determines is necessary to offset  
2 any amounts that were payable to a different taxing body but  
3 were erroneously paid to the District, and (iii) any amounts  
4 that are transferred to the STAR Bonds Revenue Fund. Within 10  
5 days after receipt by the Comptroller of the disbursement  
6 certification to the District provided for in this Section to  
7 be given to the Comptroller by the Department, the Comptroller  
8 shall cause the orders to be drawn for the respective amounts  
9 in accordance with directions contained in the certification.

10 (d) For the purpose of determining whether a tax authorized  
11 under this Section is applicable, a retail sale by a producer  
12 of coal or another mineral mined in Illinois is a sale at  
13 retail at the place where the coal or other mineral mined in  
14 Illinois is extracted from the earth. This paragraph does not  
15 apply to coal or another mineral when it is delivered or  
16 shipped by the seller to the purchaser at a point outside  
17 Illinois so that the sale is exempt under the United States  
18 Constitution as a sale in interstate or foreign commerce.

19 (e) Nothing in this Section shall be construed to authorize  
20 the board to impose a tax upon the privilege of engaging in any  
21 business that under the Constitution of the United States may  
22 not be made the subject of taxation by this State.

23 (f) An ordinance imposing a tax under this Section or an  
24 ordinance extending the imposition of a tax to an additional  
25 county or counties shall be certified by the board and filed  
26 with the Department of Revenue either (i) on or before the

1 first day of April, whereupon the Department shall proceed to  
2 administer and enforce the tax as of the first day of July next  
3 following the filing; or (ii) on or before the first day of  
4 October, whereupon the Department shall proceed to administer  
5 and enforce the tax as of the first day of January next  
6 following the filing.

7 (g) When certifying the amount of a monthly disbursement to  
8 the District under this Section, the Department shall increase  
9 or decrease the amounts by an amount necessary to offset any  
10 misallocation of previous disbursements. The offset amount  
11 shall be the amount erroneously disbursed within the previous 6  
12 months from the time a misallocation is discovered.

13 (Source: P.A. 91-103, eff. 7-13-99.)

14 Section 90. The Local Mass Transit District Act is amended  
15 by changing Section 5.01 as follows:

16 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

17 Sec. 5.01. Metro East Mass Transit District; use and  
18 occupation taxes.

19 (a) The Board of Trustees of any Metro East Mass Transit  
20 District may, by ordinance adopted with the concurrence of  
21 two-thirds of the then trustees, impose throughout the District  
22 any or all of the taxes and fees provided in this Section. All  
23 taxes and fees imposed under this Section shall be used only  
24 for public mass transportation systems, and the amount used to

1 provide mass transit service to unserved areas of the District  
2 shall be in the same proportion to the total proceeds as the  
3 number of persons residing in the unserved areas is to the  
4 total population of the District. Except as otherwise provided  
5 in this Act, taxes imposed under this Section and civil  
6 penalties imposed incident thereto shall be collected and  
7 enforced by the State Department of Revenue. The Department  
8 shall have the power to administer and enforce the taxes and to  
9 determine all rights for refunds for erroneous payments of the  
10 taxes.

11 (b) The Board may impose a Metro East Mass Transit District  
12 Retailers' Occupation Tax upon all persons engaged in the  
13 business of selling tangible personal property at retail in the  
14 district at a rate of 1/4 of 1%, or as authorized under  
15 subsection (d-5) of this Section, of the gross receipts from  
16 the sales made in the course of such business within the  
17 district. The tax imposed under this Section and all civil  
18 penalties that may be assessed as an incident thereof shall be  
19 collected and enforced by the State Department of Revenue. The  
20 Department shall have full power to administer and enforce this  
21 Section; to collect all taxes and penalties so collected in the  
22 manner hereinafter provided; and to determine all rights to  
23 credit memoranda arising on account of the erroneous payment of  
24 tax or penalty hereunder. In the administration of, and  
25 compliance with, this Section, the Department and persons who  
26 are subject to this Section shall have the same rights,

1 remedies, privileges, immunities, powers and duties, and be  
2 subject to the same conditions, restrictions, limitations,  
3 penalties, exclusions, exemptions and definitions of terms and  
4 employ the same modes of procedure, as are prescribed in  
5 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65  
6 (in respect to all provisions therein other than the State rate  
7 of tax), 2c, 3 (except as to the disposition of taxes and  
8 penalties collected), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,  
9 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the  
10 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
11 Penalty and Interest Act, as fully as if those provisions were  
12 set forth herein.

13 Persons subject to any tax imposed under the Section may  
14 reimburse themselves for their seller's tax liability  
15 hereunder by separately stating the tax as an additional  
16 charge, which charge may be stated in combination, in a single  
17 amount, with State taxes that sellers are required to collect  
18 under the Use Tax Act, in accordance with such bracket  
19 schedules as the Department may prescribe.

20 Whenever the Department determines that a refund should be  
21 made under this Section to a claimant instead of issuing a  
22 credit memorandum, the Department shall notify the State  
23 Comptroller, who shall cause the warrant to be drawn for the  
24 amount specified, and to the person named, in the notification  
25 from the Department. The refund shall be paid by the State  
26 Treasurer out of the Metro East Mass Transit District tax fund

1 established under paragraph (h) of this Section.

2 If a tax is imposed under this subsection (b), a tax shall  
3 also be imposed under subsections (c) and (d) of this Section.

4 For the purpose of determining whether a tax authorized  
5 under this Section is applicable, a retail sale, by a producer  
6 of coal or other mineral mined in Illinois, is a sale at retail  
7 at the place where the coal or other mineral mined in Illinois  
8 is extracted from the earth. This paragraph does not apply to  
9 coal or other mineral when it is delivered or shipped by the  
10 seller to the purchaser at a point outside Illinois so that the  
11 sale is exempt under the Federal Constitution as a sale in  
12 interstate or foreign commerce.

13 No tax shall be imposed or collected under this subsection  
14 on the sale of a motor vehicle in this State to a resident of  
15 another state if that motor vehicle will not be titled in this  
16 State.

17 Nothing in this Section shall be construed to authorize the  
18 Metro East Mass Transit District to impose a tax upon the  
19 privilege of engaging in any business which under the  
20 Constitution of the United States may not be made the subject  
21 of taxation by this State.

22 (c) If a tax has been imposed under subsection (b), a Metro  
23 East Mass Transit District Service Occupation Tax shall also be  
24 imposed upon all persons engaged, in the district, in the  
25 business of making sales of service, who, as an incident to  
26 making those sales of service, transfer tangible personal

1 property within the District, either in the form of tangible  
2 personal property or in the form of real estate as an incident  
3 to a sale of service. The tax rate shall be 1/4%, or as  
4 authorized under subsection (d-5) of this Section, of the  
5 selling price of tangible personal property so transferred  
6 within the district. The tax imposed under this paragraph and  
7 all civil penalties that may be assessed as an incident thereof  
8 shall be collected and enforced by the State Department of  
9 Revenue. The Department shall have full power to administer and  
10 enforce this paragraph; to collect all taxes and penalties due  
11 hereunder; to dispose of taxes and penalties so collected in  
12 the manner hereinafter provided; and to determine all rights to  
13 credit memoranda arising on account of the erroneous payment of  
14 tax or penalty hereunder. In the administration of, and  
15 compliance with this paragraph, the Department and persons who  
16 are subject to this paragraph shall have the same rights,  
17 remedies, privileges, immunities, powers and duties, and be  
18 subject to the same conditions, restrictions, limitations,  
19 penalties, exclusions, exemptions and definitions of terms and  
20 employ the same modes of procedure as are prescribed in  
21 Sections 1a-1, 2 (except that the reference to State in the  
22 definition of supplier maintaining a place of business in this  
23 State shall mean the Authority), 2a, 3 through 3-50 (in respect  
24 to all provisions therein other than the State rate of tax), 4  
25 (except that the reference to the State shall be to the  
26 Authority), 5, 7, 8 (except that the jurisdiction to which the



1 tax shall be a debt to the extent indicated in that Section 8  
2 shall be the District), 9 (except as to the disposition of  
3 taxes and penalties collected, and except that the returned  
4 merchandise credit for this tax may not be taken against any  
5 State tax), 10, 11, 12 (except the reference therein to Section  
6 2b of the Retailers' Occupation Tax Act), 13 (except that any  
7 reference to the State shall mean the District), the first  
8 paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service  
9 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
10 Interest Act, as fully as if those provisions were set forth  
11 herein.

12 Persons subject to any tax imposed under the authority  
13 granted in this paragraph may reimburse themselves for their  
14 serviceman's tax liability hereunder by separately stating the  
15 tax as an additional charge, which charge may be stated in  
16 combination, in a single amount, with State tax that servicemen  
17 are authorized to collect under the Service Use Tax Act, in  
18 accordance with such bracket schedules as the Department may  
19 prescribe.

20 Whenever the Department determines that a refund should be  
21 made under this paragraph to a claimant instead of issuing a  
22 credit memorandum, the Department shall notify the State  
23 Comptroller, who shall cause the warrant to be drawn for the  
24 amount specified, and to the person named, in the notification  
25 from the Department. The refund shall be paid by the State  
26 Treasurer out of the Metro East Mass Transit District tax fund

1 established under paragraph (h) of this Section.

2 Nothing in this paragraph shall be construed to authorize  
3 the District to impose a tax upon the privilege of engaging in  
4 any business which under the Constitution of the United States  
5 may not be made the subject of taxation by the State.

6 (d) If a tax has been imposed under subsection (b), a Metro  
7 East Mass Transit District Use Tax shall also be imposed upon  
8 the privilege of using, in the district, any item of tangible  
9 personal property that is purchased outside the district at  
10 retail from a retailer, and that is titled or registered with  
11 an agency of this State's government, at a rate of 1/4%, or as  
12 authorized under subsection (d-5) of this Section, of the  
13 selling price of the tangible personal property within the  
14 District, as "selling price" is defined in the Use Tax Act. The  
15 tax shall be collected from persons whose Illinois address for  
16 titling or registration purposes is given as being in the  
17 District. The tax shall be collected by the Department of  
18 Revenue for the Metro East Mass Transit District. The tax must  
19 be paid to the State, or an exemption determination must be  
20 obtained from the Department of Revenue, before the title or  
21 certificate of registration for the property may be issued. The  
22 tax or proof of exemption may be transmitted to the Department  
23 by way of the State agency with which, or the State officer  
24 with whom, the tangible personal property must be titled or  
25 registered if the Department and the State agency or State  
26 officer determine that this procedure will expedite the

1 processing of applications for title or registration.

2 The Department shall have full power to administer and  
3 enforce this paragraph; to collect all taxes, penalties and  
4 interest due hereunder; to dispose of taxes, penalties and  
5 interest so collected in the manner hereinafter provided; and  
6 to determine all rights to credit memoranda or refunds arising  
7 on account of the erroneous payment of tax, penalty or interest  
8 hereunder. In the administration of, and compliance with, this  
9 paragraph, the Department and persons who are subject to this  
10 paragraph shall have the same rights, remedies, privileges,  
11 immunities, powers and duties, and be subject to the same  
12 conditions, restrictions, limitations, penalties, exclusions,  
13 exemptions and definitions of terms and employ the same modes  
14 of procedure, as are prescribed in Sections 2 (except the  
15 definition of "retailer maintaining a place of business in this  
16 State"), 3 through 3-80 (except provisions pertaining to the  
17 State rate of tax, and except provisions concerning collection  
18 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,  
19 19 (except the portions pertaining to claims by retailers and  
20 except the last paragraph concerning refunds), 20, 21 and 22 of  
21 the Use Tax Act and Section 3-7 of the Uniform Penalty and  
22 Interest Act, that are not inconsistent with this paragraph, as  
23 fully as if those provisions were set forth herein.

24 Whenever the Department determines that a refund should be  
25 made under this paragraph to a claimant instead of issuing a  
26 credit memorandum, the Department shall notify the State

1 Comptroller, who shall cause the order to be drawn for the  
2 amount specified, and to the person named, in the notification  
3 from the Department. The refund shall be paid by the State  
4 Treasurer out of the Metro East Mass Transit District tax fund  
5 established under paragraph (h) of this Section.

6 (d-5) (A) The county board of any county participating in  
7 the Metro East Mass Transit District may authorize, by  
8 ordinance, a referendum on the question of whether the tax  
9 rates for the Metro East Mass Transit District Retailers'  
10 Occupation Tax, the Metro East Mass Transit District Service  
11 Occupation Tax, and the Metro East Mass Transit District Use  
12 Tax for the District should be increased from 0.25% to 0.75%.  
13 Upon adopting the ordinance, the county board shall certify the  
14 proposition to the proper election officials who shall submit  
15 the proposition to the voters of the District at the next  
16 election, in accordance with the general election law.

17 The proposition shall be in substantially the following  
18 form:

19 Shall the tax rates for the Metro East Mass Transit  
20 District Retailers' Occupation Tax, the Metro East Mass  
21 Transit District Service Occupation Tax, and the Metro East  
22 Mass Transit District Use Tax be increased from 0.25% to  
23 0.75%?

24 (B) Two thousand five hundred electors of any Metro East  
25 Mass Transit District may petition the Chief Judge of the  
26 Circuit Court, or any judge of that Circuit designated by the

1 Chief Judge, in which that District is located to cause to be  
2 submitted to a vote of the electors the question whether the  
3 tax rates for the Metro East Mass Transit District Retailers'  
4 Occupation Tax, the Metro East Mass Transit District Service  
5 Occupation Tax, and the Metro East Mass Transit District Use  
6 Tax for the District should be increased from 0.25% to 0.75%.

7 Upon submission of such petition the court shall set a date  
8 not less than 10 nor more than 30 days thereafter for a hearing  
9 on the sufficiency thereof. Notice of the filing of such  
10 petition and of such date shall be given in writing to the  
11 District and the County Clerk at least 7 days before the date  
12 of such hearing.

13 If such petition is found sufficient, the court shall enter  
14 an order to submit that proposition at the next election, in  
15 accordance with general election law.

16 The form of the petition shall be in substantially the  
17 following form: To the Circuit Court of the County of (name of  
18 county):

19 We, the undersigned electors of the (name of transit  
20 district), respectfully petition your honor to submit to a  
21 vote of the electors of (name of transit district) the  
22 following proposition:

23 Shall the tax rates for the Metro East Mass Transit  
24 District Retailers' Occupation Tax, the Metro East Mass  
25 Transit District Service Occupation Tax, and the Metro East  
26 Mass Transit District Use Tax be increased from 0.25% to

1 0.75%?

2 Name Address, with Street and Number.

3 .....

4 .....

5 (C) The votes shall be recorded as "YES" or "NO". If a  
6 majority of all votes cast on the proposition are for the  
7 increase in the tax rates, the Metro East Mass Transit District  
8 shall begin imposing the increased rates in the District, and  
9 the Department of Revenue shall begin collecting the increased  
10 amounts, as provided under this Section. An ordinance imposing  
11 or discontinuing a tax hereunder or effecting a change in the  
12 rate thereof shall be adopted and a certified copy thereof  
13 filed with the Department on or before the first day of  
14 October, whereupon the Department shall proceed to administer  
15 and enforce this Section as of the first day of January next  
16 following the adoption and filing, or on or before the first  
17 day of April, whereupon the Department shall proceed to  
18 administer and enforce this Section as of the first day of July  
19 next following the adoption and filing.

20 (D) If the voters have approved a referendum under this  
21 subsection, before November 1, 1994, to increase the tax rate  
22 under this subsection, the Metro East Mass Transit District  
23 Board of Trustees may adopt by a majority vote an ordinance at  
24 any time before January 1, 1995 that excludes from the rate  
25 increase tangible personal property that is titled or  
26 registered with an agency of this State's government. The

1 ordinance excluding titled or registered tangible personal  
2 property from the rate increase must be filed with the  
3 Department at least 15 days before its effective date. At any  
4 time after adopting an ordinance excluding from the rate  
5 increase tangible personal property that is titled or  
6 registered with an agency of this State's government, the Metro  
7 East Mass Transit District Board of Trustees may adopt an  
8 ordinance applying the rate increase to that tangible personal  
9 property. The ordinance shall be adopted, and a certified copy  
10 of that ordinance shall be filed with the Department, on or  
11 before October 1, whereupon the Department shall proceed to  
12 administer and enforce the rate increase against tangible  
13 personal property titled or registered with an agency of this  
14 State's government as of the following January 1. After  
15 December 31, 1995, any reimposed rate increase in effect under  
16 this subsection shall no longer apply to tangible personal  
17 property titled or registered with an agency of this State's  
18 government. Beginning January 1, 1996, the Board of Trustees of  
19 any Metro East Mass Transit District may never reimpose a  
20 previously excluded tax rate increase on tangible personal  
21 property titled or registered with an agency of this State's  
22 government. After July 1, 2004, if the voters have approved a  
23 referendum under this subsection to increase the tax rate under  
24 this subsection, the Metro East Mass Transit District Board of  
25 Trustees may adopt by a majority vote an ordinance that  
26 excludes from the rate increase tangible personal property that

1 is titled or registered with an agency of this State's  
2 government. The ordinance excluding titled or registered  
3 tangible personal property from the rate increase shall be  
4 adopted, and a certified copy of that ordinance shall be filed  
5 with the Department on or before October 1, whereupon the  
6 Department shall administer and enforce this exclusion from the  
7 rate increase as of the following January 1, or on or before  
8 April 1, whereupon the Department shall administer and enforce  
9 this exclusion from the rate increase as of the following July  
10 1. The Board of Trustees of any Metro East Mass Transit  
11 District may never reimpose a previously excluded tax rate  
12 increase on tangible personal property titled or registered  
13 with an agency of this State's government.

14 (d-6) If the Board of Trustees of any Metro East Mass  
15 Transit District has imposed a rate increase under subsection  
16 (d-5) and filed an ordinance with the Department of Revenue  
17 excluding titled property from the higher rate, then that Board  
18 may, by ordinance adopted with the concurrence of two-thirds of  
19 the then trustees, impose throughout the District a fee. The  
20 fee on the excluded property shall not exceed \$20 per retail  
21 transaction or an amount equal to the amount of tax excluded,  
22 whichever is less, on tangible personal property that is titled  
23 or registered with an agency of this State's government.  
24 Beginning July 1, 2004, the fee shall apply only to titled  
25 property that is subject to either the Metro East Mass Transit  
26 District Retailers' Occupation Tax or the Metro East Mass



1 Transit District Service Occupation Tax. No fee shall be  
2 imposed or collected under this subsection on the sale of a  
3 motor vehicle in this State to a resident of another state if  
4 that motor vehicle will not be titled in this State.

5 (d-7) Until June 30, 2004, if a fee has been imposed under  
6 subsection (d-6), a fee shall also be imposed upon the  
7 privilege of using, in the district, any item of tangible  
8 personal property that is titled or registered with any agency  
9 of this State's government, in an amount equal to the amount of  
10 the fee imposed under subsection (d-6).

11 (d-7.1) Beginning July 1, 2004, any fee imposed by the  
12 Board of Trustees of any Metro East Mass Transit District under  
13 subsection (d-6) and all civil penalties that may be assessed  
14 as an incident of the fees shall be collected and enforced by  
15 the State Department of Revenue. Reference to "taxes" in this  
16 Section shall be construed to apply to the administration,  
17 payment, and remittance of all fees under this Section. For  
18 purposes of any fee imposed under subsection (d-6), 4% of the  
19 fee, penalty, and interest received by the Department in the  
20 first 12 months that the fee is collected and enforced by the  
21 Department and 2% of the fee, penalty, and interest following  
22 the first 12 months shall be deposited into the Tax Compliance  
23 and Administration Fund and shall be used by the Department,  
24 subject to appropriation, to cover the costs of the Department.  
25 No retailers' discount shall apply to any fee imposed under  
26 subsection (d-6).

1 (d-8) No item of titled property shall be subject to both  
2 the higher rate approved by referendum, as authorized under  
3 subsection (d-5), and any fee imposed under subsection (d-6) or  
4 (d-7).

5 (d-9) (Blank).

6 (d-10) (Blank).

7 (e) A certificate of registration issued by the State  
8 Department of Revenue to a retailer under the Retailers'  
9 Occupation Tax Act or under the Service Occupation Tax Act  
10 shall permit the registrant to engage in a business that is  
11 taxed under the tax imposed under paragraphs (b), (c) or (d) of  
12 this Section and no additional registration shall be required  
13 under the tax. A certificate issued under the Use Tax Act or  
14 the Service Use Tax Act shall be applicable with regard to any  
15 tax imposed under paragraph (c) of this Section.

16 (f) (Blank).

17 (g) Any ordinance imposing or discontinuing any tax under  
18 this Section shall be adopted and a certified copy thereof  
19 filed with the Department on or before June 1, whereupon the  
20 Department of Revenue shall proceed to administer and enforce  
21 this Section on behalf of the Metro East Mass Transit District  
22 as of September 1 next following such adoption and filing.  
23 Beginning January 1, 1992, an ordinance or resolution imposing  
24 or discontinuing the tax hereunder shall be adopted and a  
25 certified copy thereof filed with the Department on or before  
26 the first day of July, whereupon the Department shall proceed

1 to administer and enforce this Section as of the first day of  
2 October next following such adoption and filing. Beginning  
3 January 1, 1993, except as provided in subsection (d-5) of this  
4 Section, an ordinance or resolution imposing or discontinuing  
5 the tax hereunder shall be adopted and a certified copy thereof  
6 filed with the Department on or before the first day of  
7 October, whereupon the Department shall proceed to administer  
8 and enforce this Section as of the first day of January next  
9 following such adoption and filing, or, beginning January 1,  
10 2004, on or before the first day of April, whereupon the  
11 Department shall proceed to administer and enforce this Section  
12 as of the first day of July next following the adoption and  
13 filing.

14 (h) Except as provided in subsection (d-7.1), the State  
15 Department of Revenue shall, upon collecting any taxes as  
16 provided in this Section, pay the taxes over to the State  
17 Treasurer as trustee for the District. The taxes shall be held  
18 in a trust fund outside the State Treasury.

19 As soon as possible after the first day of each month,  
20 beginning January 1, 2011, upon certification of the Department  
21 of Revenue, the Comptroller shall order transferred, and the  
22 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
23 local sales tax increment, as defined in the STAR Bonds  
24 Financing Act, collected under this Section during the second  
25 preceding calendar month for sales within a STAR bond district.  
26 The Department shall make this certification only if the local

1 mass transit district imposes a tax on real property as  
2 provided in the definition of "local sales taxes" under the  
3 STAR Bonds Financing Act.

4 After the monthly transfer to the STAR Bonds Revenue Fund,  
5 on ~~On~~ or before the 25th day of each calendar month, the State  
6 Department of Revenue shall prepare and certify to the  
7 Comptroller of the State of Illinois the amount to be paid to  
8 the District, which shall be the then balance in the fund, less  
9 any amount determined by the Department to be necessary for the  
10 payment of refunds, and less any amounts that are transferred  
11 to the STAR Bonds Revenue Fund. Within 10 days after receipt by  
12 the Comptroller of the certification of the amount to be paid  
13 to the District, the Comptroller shall cause an order to be  
14 drawn for payment for the amount in accordance with the  
15 direction in the certification.

16 (Source: P.A. 95-331, eff. 8-21-07; 96-328, eff. 8-11-09.)

17 Section 100. The Regional Transportation Authority Act is  
18 amended by changing Section 4.03 as follows:

19 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

20 (Text of Section before amendment by P.A. 96-339)

21 Sec. 4.03. Taxes.

22 (a) In order to carry out any of the powers or purposes of  
23 the Authority, the Board may by ordinance adopted with the  
24 concurrence of 12 of the then Directors, impose throughout the

1 metropolitan region any or all of the taxes provided in this  
2 Section. Except as otherwise provided in this Act, taxes  
3 imposed under this Section and civil penalties imposed incident  
4 thereto shall be collected and enforced by the State Department  
5 of Revenue. The Department shall have the power to administer  
6 and enforce the taxes and to determine all rights for refunds  
7 for erroneous payments of the taxes. Nothing in this amendatory  
8 Act of the 95th General Assembly is intended to invalidate any  
9 taxes currently imposed by the Authority. The increased vote  
10 requirements to impose a tax shall only apply to actions taken  
11 after the effective date of this amendatory Act of the 95th  
12 General Assembly.

13 (b) The Board may impose a public transportation tax upon  
14 all persons engaged in the metropolitan region in the business  
15 of selling at retail motor fuel for operation of motor vehicles  
16 upon public highways. The tax shall be at a rate not to exceed  
17 5% of the gross receipts from the sales of motor fuel in the  
18 course of the business. As used in this Act, the term "motor  
19 fuel" shall have the same meaning as in the Motor Fuel Tax Law.  
20 The Board may provide for details of the tax. The provisions of  
21 any tax shall conform, as closely as may be practicable, to the  
22 provisions of the Municipal Retailers Occupation Tax Act,  
23 including without limitation, conformity to penalties with  
24 respect to the tax imposed and as to the powers of the State  
25 Department of Revenue to promulgate and enforce rules and  
26 regulations relating to the administration and enforcement of

1 the provisions of the tax imposed, except that reference in the  
2 Act to any municipality shall refer to the Authority and the  
3 tax shall be imposed only with regard to receipts from sales of  
4 motor fuel in the metropolitan region, at rates as limited by  
5 this Section.

6 (c) In connection with the tax imposed under paragraph (b)  
7 of this Section the Board may impose a tax upon the privilege  
8 of using in the metropolitan region motor fuel for the  
9 operation of a motor vehicle upon public highways, the tax to  
10 be at a rate not in excess of the rate of tax imposed under  
11 paragraph (b) of this Section. The Board may provide for  
12 details of the tax.

13 (d) The Board may impose a motor vehicle parking tax upon  
14 the privilege of parking motor vehicles at off-street parking  
15 facilities in the metropolitan region at which a fee is  
16 charged, and may provide for reasonable classifications in and  
17 exemptions to the tax, for administration and enforcement  
18 thereof and for civil penalties and refunds thereunder and may  
19 provide criminal penalties thereunder, the maximum penalties  
20 not to exceed the maximum criminal penalties provided in the  
21 Retailers' Occupation Tax Act. The Authority may collect and  
22 enforce the tax itself or by contract with any unit of local  
23 government. The State Department of Revenue shall have no  
24 responsibility for the collection and enforcement unless the  
25 Department agrees with the Authority to undertake the  
26 collection and enforcement. As used in this paragraph, the term

1 "parking facility" means a parking area or structure having  
2 parking spaces for more than 2 vehicles at which motor vehicles  
3 are permitted to park in return for an hourly, daily, or other  
4 periodic fee, whether publicly or privately owned, but does not  
5 include parking spaces on a public street, the use of which is  
6 regulated by parking meters.

7 (e) The Board may impose a Regional Transportation  
8 Authority Retailers' Occupation Tax upon all persons engaged in  
9 the business of selling tangible personal property at retail in  
10 the metropolitan region. In Cook County the tax rate shall be  
11 1.25% of the gross receipts from sales of food for human  
12 consumption that is to be consumed off the premises where it is  
13 sold (other than alcoholic beverages, soft drinks and food that  
14 has been prepared for immediate consumption) and prescription  
15 and nonprescription medicines, drugs, medical appliances and  
16 insulin, urine testing materials, syringes and needles used by  
17 diabetics, and 1% of the gross receipts from other taxable  
18 sales made in the course of that business. In DuPage, Kane,  
19 Lake, McHenry, and Will Counties, the tax rate shall be 0.75%  
20 of the gross receipts from all taxable sales made in the course  
21 of that business. The tax imposed under this Section and all  
22 civil penalties that may be assessed as an incident thereof  
23 shall be collected and enforced by the State Department of  
24 Revenue. The Department shall have full power to administer and  
25 enforce this Section; to collect all taxes and penalties so  
26 collected in the manner hereinafter provided; and to determine

1 all rights to credit memoranda arising on account of the  
2 erroneous payment of tax or penalty hereunder. In the  
3 administration of, and compliance with this Section, the  
4 Department and persons who are subject to this Section shall  
5 have the same rights, remedies, privileges, immunities, powers  
6 and duties, and be subject to the same conditions,  
7 restrictions, limitations, penalties, exclusions, exemptions  
8 and definitions of terms, and employ the same modes of  
9 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,  
10 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
11 therein other than the State rate of tax), 2c, 3 (except as to  
12 the disposition of taxes and penalties collected), 4, 5, 5a,  
13 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,  
14 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and  
15 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
16 as if those provisions were set forth herein.

17 Persons subject to any tax imposed under the authority  
18 granted in this Section may reimburse themselves for their  
19 seller's tax liability hereunder by separately stating the tax  
20 as an additional charge, which charge may be stated in  
21 combination in a single amount with State taxes that sellers  
22 are required to collect under the Use Tax Act, under any  
23 bracket schedules the Department may prescribe.

24 Whenever the Department determines that a refund should be  
25 made under this Section to a claimant instead of issuing a  
26 credit memorandum, the Department shall notify the State



1 Comptroller, who shall cause the warrant to be drawn for the  
2 amount specified, and to the person named, in the notification  
3 from the Department. The refund shall be paid by the State  
4 Treasurer out of the Regional Transportation Authority tax fund  
5 established under paragraph (n) of this Section.

6 If a tax is imposed under this subsection (e), a tax shall  
7 also be imposed under subsections (f) and (g) of this Section.

8 For the purpose of determining whether a tax authorized  
9 under this Section is applicable, a retail sale by a producer  
10 of coal or other mineral mined in Illinois, is a sale at retail  
11 at the place where the coal or other mineral mined in Illinois  
12 is extracted from the earth. This paragraph does not apply to  
13 coal or other mineral when it is delivered or shipped by the  
14 seller to the purchaser at a point outside Illinois so that the  
15 sale is exempt under the Federal Constitution as a sale in  
16 interstate or foreign commerce.

17 No tax shall be imposed or collected under this subsection  
18 on the sale of a motor vehicle in this State to a resident of  
19 another state if that motor vehicle will not be titled in this  
20 State.

21 Nothing in this Section shall be construed to authorize the  
22 Regional Transportation Authority to impose a tax upon the  
23 privilege of engaging in any business that under the  
24 Constitution of the United States may not be made the subject  
25 of taxation by this State.

26 (f) If a tax has been imposed under paragraph (e), a

1 Regional Transportation Authority Service Occupation Tax shall  
2 also be imposed upon all persons engaged, in the metropolitan  
3 region in the business of making sales of service, who as an  
4 incident to making the sales of service, transfer tangible  
5 personal property within the metropolitan region, either in the  
6 form of tangible personal property or in the form of real  
7 estate as an incident to a sale of service. In Cook County, the  
8 tax rate shall be: (1) 1.25% of the serviceman's cost price of  
9 food prepared for immediate consumption and transferred  
10 incident to a sale of service subject to the service occupation  
11 tax by an entity licensed under the Hospital Licensing Act or  
12 the Nursing Home Care Act that is located in the metropolitan  
13 region; (2) 1.25% of the selling price of food for human  
14 consumption that is to be consumed off the premises where it is  
15 sold (other than alcoholic beverages, soft drinks and food that  
16 has been prepared for immediate consumption) and prescription  
17 and nonprescription medicines, drugs, medical appliances and  
18 insulin, urine testing materials, syringes and needles used by  
19 diabetics; and (3) 1% of the selling price from other taxable  
20 sales of tangible personal property transferred. In DuPage,  
21 Kane, Lake, McHenry and Will Counties the rate shall be 0.75%  
22 of the selling price of all tangible personal property  
23 transferred.

24 The tax imposed under this paragraph and all civil  
25 penalties that may be assessed as an incident thereof shall be  
26 collected and enforced by the State Department of Revenue. The

1 Department shall have full power to administer and enforce this  
2 paragraph; to collect all taxes and penalties due hereunder; to  
3 dispose of taxes and penalties collected in the manner  
4 hereinafter provided; and to determine all rights to credit  
5 memoranda arising on account of the erroneous payment of tax or  
6 penalty hereunder. In the administration of and compliance with  
7 this paragraph, the Department and persons who are subject to  
8 this paragraph shall have the same rights, remedies,  
9 privileges, immunities, powers and duties, and be subject to  
10 the same conditions, restrictions, limitations, penalties,  
11 exclusions, exemptions and definitions of terms, and employ the  
12 same modes of procedure, as are prescribed in Sections 1a-1, 2,  
13 2a, 3 through 3-50 (in respect to all provisions therein other  
14 than the State rate of tax), 4 (except that the reference to  
15 the State shall be to the Authority), 5, 7, 8 (except that the  
16 jurisdiction to which the tax shall be a debt to the extent  
17 indicated in that Section 8 shall be the Authority), 9 (except  
18 as to the disposition of taxes and penalties collected, and  
19 except that the returned merchandise credit for this tax may  
20 not be taken against any State tax), 10, 11, 12 (except the  
21 reference therein to Section 2b of the Retailers' Occupation  
22 Tax Act), 13 (except that any reference to the State shall mean  
23 the Authority), the first paragraph of Section 15, 16, 17, 18,  
24 19 and 20 of the Service Occupation Tax Act and Section 3-7 of  
25 the Uniform Penalty and Interest Act, as fully as if those  
26 provisions were set forth herein.

1           Persons subject to any tax imposed under the authority  
2 granted in this paragraph may reimburse themselves for their  
3 serviceman's tax liability hereunder by separately stating the  
4 tax as an additional charge, that charge may be stated in  
5 combination in a single amount with State tax that servicemen  
6 are authorized to collect under the Service Use Tax Act, under  
7 any bracket schedules the Department may prescribe.

8           Whenever the Department determines that a refund should be  
9 made under this paragraph to a claimant instead of issuing a  
10 credit memorandum, the Department shall notify the State  
11 Comptroller, who shall cause the warrant to be drawn for the  
12 amount specified, and to the person named in the notification  
13 from the Department. The refund shall be paid by the State  
14 Treasurer out of the Regional Transportation Authority tax fund  
15 established under paragraph (n) of this Section.

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

20           (g) If a tax has been imposed under paragraph (e), a tax  
21 shall also be imposed upon the privilege of using in the  
22 metropolitan region, any item of tangible personal property  
23 that is purchased outside the metropolitan region at retail  
24 from a retailer, and that is titled or registered with an  
25 agency of this State's government. In Cook County the tax rate  
26 shall be 1% of the selling price of the tangible personal

1 property, as "selling price" is defined in the Use Tax Act. In  
2 DuPage, Kane, Lake, McHenry and Will counties the tax rate  
3 shall be 0.75% of the selling price of the tangible personal  
4 property, as "selling price" is defined in the Use Tax Act. The  
5 tax shall be collected from persons whose Illinois address for  
6 titling or registration purposes is given as being in the  
7 metropolitan region. The tax shall be collected by the  
8 Department of Revenue for the Regional Transportation  
9 Authority. The tax must be paid to the State, or an exemption  
10 determination must be obtained from the Department of Revenue,  
11 before the title or certificate of registration for the  
12 property may be issued. The tax or proof of exemption may be  
13 transmitted to the Department by way of the State agency with  
14 which, or the State officer with whom, the tangible personal  
15 property must be titled or registered if the Department and the  
16 State agency or State officer determine that this procedure  
17 will expedite the processing of applications for title or  
18 registration.

19 The Department shall have full power to administer and  
20 enforce this paragraph; to collect all taxes, penalties and  
21 interest due hereunder; to dispose of taxes, penalties and  
22 interest collected in the manner hereinafter provided; and to  
23 determine all rights to credit memoranda or refunds arising on  
24 account of the erroneous payment of tax, penalty or interest  
25 hereunder. In the administration of and compliance with this  
26 paragraph, the Department and persons who are subject to this

1 paragraph shall have the same rights, remedies, privileges,  
2 immunities, powers and duties, and be subject to the same  
3 conditions, restrictions, limitations, penalties, exclusions,  
4 exemptions and definitions of terms and employ the same modes  
5 of procedure, as are prescribed in Sections 2 (except the  
6 definition of "retailer maintaining a place of business in this  
7 State"), 3 through 3-80 (except provisions pertaining to the  
8 State rate of tax, and except provisions concerning collection  
9 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,  
10 19 (except the portions pertaining to claims by retailers and  
11 except the last paragraph concerning refunds), 20, 21 and 22 of  
12 the Use Tax Act, and are not inconsistent with this paragraph,  
13 as fully as if those provisions were set forth herein.

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

22 (h) The Authority may impose a replacement vehicle tax of  
23 \$50 on any passenger car as defined in Section 1-157 of the  
24 Illinois Vehicle Code purchased within the metropolitan region  
25 by or on behalf of an insurance company to replace a passenger  
26 car of an insured person in settlement of a total loss claim.

1 The tax imposed may not become effective before the first day  
2 of the month following the passage of the ordinance imposing  
3 the tax and receipt of a certified copy of the ordinance by the  
4 Department of Revenue. The Department of Revenue shall collect  
5 the tax for the Authority in accordance with Sections 3-2002  
6 and 3-2003 of the Illinois Vehicle Code.

7 The Department shall immediately pay over to the State  
8 Treasurer, ex officio, as trustee, all taxes collected  
9 hereunder.

10 As soon as possible after the first day of each month,  
11 beginning January 1, 2011, upon certification of the Department  
12 of Revenue, the Comptroller shall order transferred, and the  
13 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
14 local sales tax increment, as defined in the STAR Bonds  
15 Financing Act, collected under this Section during the second  
16 preceding calendar month for sales within a STAR bond district.

17 After the monthly transfer to the STAR Bonds Revenue Fund,  
18 on ~~or~~ or before the 25th day of each calendar month, the  
19 Department shall prepare and certify to the Comptroller the  
20 disbursement of stated sums of money to the Authority. The  
21 amount to be paid to the Authority shall be the amount  
22 collected hereunder during the second preceding calendar month  
23 by the Department, less any amount determined by the Department  
24 to be necessary for the payment of refunds, and less any  
25 amounts that are transferred to the STAR Bonds Revenue Fund.

26 Within 10 days after receipt by the Comptroller of the

1 disbursement certification to the Authority provided for in  
2 this Section to be given to the Comptroller by the Department,  
3 the Comptroller shall cause the orders to be drawn for that  
4 amount in accordance with the directions contained in the  
5 certification.

6 (i) The Board may not impose any other taxes except as it  
7 may from time to time be authorized by law to impose.

8 (j) A certificate of registration issued by the State  
9 Department of Revenue to a retailer under the Retailers'  
10 Occupation Tax Act or under the Service Occupation Tax Act  
11 shall permit the registrant to engage in a business that is  
12 taxed under the tax imposed under paragraphs (b), (e), (f) or  
13 (g) of this Section and no additional registration shall be  
14 required under the tax. A certificate issued under the Use Tax  
15 Act or the Service Use Tax Act shall be applicable with regard  
16 to any tax imposed under paragraph (c) of this Section.

17 (k) The provisions of any tax imposed under paragraph (c)  
18 of this Section shall conform as closely as may be practicable  
19 to the provisions of the Use Tax Act, including without  
20 limitation conformity as to penalties with respect to the tax  
21 imposed and as to the powers of the State Department of Revenue  
22 to promulgate and enforce rules and regulations relating to the  
23 administration and enforcement of the provisions of the tax  
24 imposed. The taxes shall be imposed only on use within the  
25 metropolitan region and at rates as provided in the paragraph.

26 (l) The Board in imposing any tax as provided in paragraphs



1 (b) and (c) of this Section, shall, after seeking the advice of  
2 the State Department of Revenue, provide means for retailers,  
3 users or purchasers of motor fuel for purposes other than those  
4 with regard to which the taxes may be imposed as provided in  
5 those paragraphs to receive refunds of taxes improperly paid,  
6 which provisions may be at variance with the refund provisions  
7 as applicable under the Municipal Retailers Occupation Tax Act.  
8 The State Department of Revenue may provide for certificates of  
9 registration for users or purchasers of motor fuel for purposes  
10 other than those with regard to which taxes may be imposed as  
11 provided in paragraphs (b) and (c) of this Section to  
12 facilitate the reporting and nontaxability of the exempt sales  
13 or uses.

14 (m) Any ordinance imposing or discontinuing any tax under  
15 this Section shall be adopted and a certified copy thereof  
16 filed with the Department on or before June 1, whereupon the  
17 Department of Revenue shall proceed to administer and enforce  
18 this Section on behalf of the Regional Transportation Authority  
19 as of September 1 next following such adoption and filing.  
20 Beginning January 1, 1992, an ordinance or resolution imposing  
21 or discontinuing the tax hereunder shall be adopted and a  
22 certified copy thereof filed with the Department on or before  
23 the first day of July, whereupon the Department shall proceed  
24 to administer and enforce this Section as of the first day of  
25 October next following such adoption and filing. Beginning  
26 January 1, 1993, an ordinance or resolution imposing,

1 increasing, decreasing, or discontinuing the tax hereunder  
2 shall be adopted and a certified copy thereof filed with the  
3 Department, whereupon the Department shall proceed to  
4 administer and enforce this Section as of the first day of the  
5 first month to occur not less than 60 days following such  
6 adoption and filing. Any ordinance or resolution of the  
7 Authority imposing a tax under this Section and in effect on  
8 August 1, 2007 shall remain in full force and effect and shall  
9 be administered by the Department of Revenue under the terms  
10 and conditions and rates of tax established by such ordinance  
11 or resolution until the Department begins administering and  
12 enforcing an increased tax under this Section as authorized by  
13 this amendatory Act of the 95th General Assembly. The tax rates  
14 authorized by this amendatory Act of the 95th General Assembly  
15 are effective only if imposed by ordinance of the Authority.

16 (n) The State Department of Revenue shall, upon collecting  
17 any taxes as provided in this Section, pay the taxes over to  
18 the State Treasurer as trustee for the Authority. The taxes  
19 shall be held in a trust fund outside the State Treasury. On or  
20 before the 25th day of each calendar month, the State  
21 Department of Revenue shall prepare and certify to the  
22 Comptroller of the State of Illinois and to the Authority (i)  
23 the amount of taxes collected in each County other than Cook  
24 County in the metropolitan region, (ii) the amount of taxes  
25 collected within the City of Chicago, and (iii) the amount  
26 collected in that portion of Cook County outside of Chicago,

1 each amount less the amount necessary for the payment of  
2 refunds to taxpayers located in those areas described in items  
3 (i), (ii), and (iii). Within 10 days after receipt by the  
4 Comptroller of the certification of the amounts, the  
5 Comptroller shall cause an order to be drawn for the payment of  
6 two-thirds of the amounts certified in item (i) of this  
7 subsection to the Authority and one-third of the amounts  
8 certified in item (i) of this subsection to the respective  
9 counties other than Cook County and the amount certified in  
10 items (ii) and (iii) of this subsection to the Authority.

11 In addition to the disbursement required by the preceding  
12 paragraph, an allocation shall be made in July 1991 and each  
13 year thereafter to the Regional Transportation Authority. The  
14 allocation shall be made in an amount equal to the average  
15 monthly distribution during the preceding calendar year  
16 (excluding the 2 months of lowest receipts) and the allocation  
17 shall include the amount of average monthly distribution from  
18 the Regional Transportation Authority Occupation and Use Tax  
19 Replacement Fund. The distribution made in July 1992 and each  
20 year thereafter under this paragraph and the preceding  
21 paragraph shall be reduced by the amount allocated and  
22 disbursed under this paragraph in the preceding calendar year.  
23 The Department of Revenue shall prepare and certify to the  
24 Comptroller for disbursement the allocations made in  
25 accordance with this paragraph.

26 (o) Failure to adopt a budget ordinance or otherwise to

1 comply with Section 4.01 of this Act or to adopt a Five-year  
2 Capital Program or otherwise to comply with paragraph (b) of  
3 Section 2.01 of this Act shall not affect the validity of any  
4 tax imposed by the Authority otherwise in conformity with law.

5 (p) At no time shall a public transportation tax or motor  
6 vehicle parking tax authorized under paragraphs (b), (c) and  
7 (d) of this Section be in effect at the same time as any  
8 retailers' occupation, use or service occupation tax  
9 authorized under paragraphs (e), (f) and (g) of this Section is  
10 in effect.

11 Any taxes imposed under the authority provided in  
12 paragraphs (b), (c) and (d) shall remain in effect only until  
13 the time as any tax authorized by paragraphs (e), (f) or (g) of  
14 this Section are imposed and becomes effective. Once any tax  
15 authorized by paragraphs (e), (f) or (g) is imposed the Board  
16 may not reimpose taxes as authorized in paragraphs (b), (c) and  
17 (d) of the Section unless any tax authorized by paragraphs (e),  
18 (f) or (g) of this Section becomes ineffective by means other  
19 than an ordinance of the Board.

20 (q) Any existing rights, remedies and obligations  
21 (including enforcement by the Regional Transportation  
22 Authority) arising under any tax imposed under paragraphs (b),  
23 (c) or (d) of this Section shall not be affected by the  
24 imposition of a tax under paragraphs (e), (f) or (g) of this  
25 Section.

26 (Source: P.A. 95-708, eff. 1-18-08.)

1 (Text of Section after amendment by P.A. 96-339)

2 Sec. 4.03. Taxes.

3 (a) In order to carry out any of the powers or purposes of  
4 the Authority, the Board may by ordinance adopted with the  
5 concurrence of 12 of the then Directors, impose throughout the  
6 metropolitan region any or all of the taxes provided in this  
7 Section. Except as otherwise provided in this Act, taxes  
8 imposed under this Section and civil penalties imposed incident  
9 thereto shall be collected and enforced by the State Department  
10 of Revenue. The Department shall have the power to administer  
11 and enforce the taxes and to determine all rights for refunds  
12 for erroneous payments of the taxes. Nothing in this amendatory  
13 Act of the 95th General Assembly is intended to invalidate any  
14 taxes currently imposed by the Authority. The increased vote  
15 requirements to impose a tax shall only apply to actions taken  
16 after the effective date of this amendatory Act of the 95th  
17 General Assembly.

18 (b) The Board may impose a public transportation tax upon  
19 all persons engaged in the metropolitan region in the business  
20 of selling at retail motor fuel for operation of motor vehicles  
21 upon public highways. The tax shall be at a rate not to exceed  
22 5% of the gross receipts from the sales of motor fuel in the  
23 course of the business. As used in this Act, the term "motor  
24 fuel" shall have the same meaning as in the Motor Fuel Tax Law.  
25 The Board may provide for details of the tax. The provisions of

1 any tax shall conform, as closely as may be practicable, to the  
2 provisions of the Municipal Retailers Occupation Tax Act,  
3 including without limitation, conformity to penalties with  
4 respect to the tax imposed and as to the powers of the State  
5 Department of Revenue to promulgate and enforce rules and  
6 regulations relating to the administration and enforcement of  
7 the provisions of the tax imposed, except that reference in the  
8 Act to any municipality shall refer to the Authority and the  
9 tax shall be imposed only with regard to receipts from sales of  
10 motor fuel in the metropolitan region, at rates as limited by  
11 this Section.

12 (c) In connection with the tax imposed under paragraph (b)  
13 of this Section the Board may impose a tax upon the privilege  
14 of using in the metropolitan region motor fuel for the  
15 operation of a motor vehicle upon public highways, the tax to  
16 be at a rate not in excess of the rate of tax imposed under  
17 paragraph (b) of this Section. The Board may provide for  
18 details of the tax.

19 (d) The Board may impose a motor vehicle parking tax upon  
20 the privilege of parking motor vehicles at off-street parking  
21 facilities in the metropolitan region at which a fee is  
22 charged, and may provide for reasonable classifications in and  
23 exemptions to the tax, for administration and enforcement  
24 thereof and for civil penalties and refunds thereunder and may  
25 provide criminal penalties thereunder, the maximum penalties  
26 not to exceed the maximum criminal penalties provided in the

1 Retailers' Occupation Tax Act. The Authority may collect and  
2 enforce the tax itself or by contract with any unit of local  
3 government. The State Department of Revenue shall have no  
4 responsibility for the collection and enforcement unless the  
5 Department agrees with the Authority to undertake the  
6 collection and enforcement. As used in this paragraph, the term  
7 "parking facility" means a parking area or structure having  
8 parking spaces for more than 2 vehicles at which motor vehicles  
9 are permitted to park in return for an hourly, daily, or other  
10 periodic fee, whether publicly or privately owned, but does not  
11 include parking spaces on a public street, the use of which is  
12 regulated by parking meters.

13 (e) The Board may impose a Regional Transportation  
14 Authority Retailers' Occupation Tax upon all persons engaged in  
15 the business of selling tangible personal property at retail in  
16 the metropolitan region. In Cook County the tax rate shall be  
17 1.25% of the gross receipts from sales of food for human  
18 consumption that is to be consumed off the premises where it is  
19 sold (other than alcoholic beverages, soft drinks and food that  
20 has been prepared for immediate consumption) and prescription  
21 and nonprescription medicines, drugs, medical appliances and  
22 insulin, urine testing materials, syringes and needles used by  
23 diabetics, and 1% of the gross receipts from other taxable  
24 sales made in the course of that business. In DuPage, Kane,  
25 Lake, McHenry, and Will Counties, the tax rate shall be 0.75%  
26 of the gross receipts from all taxable sales made in the course

1 of that business. The tax imposed under this Section and all  
2 civil penalties that may be assessed as an incident thereof  
3 shall be collected and enforced by the State Department of  
4 Revenue. The Department shall have full power to administer and  
5 enforce this Section; to collect all taxes and penalties so  
6 collected in the manner hereinafter provided; and to determine  
7 all rights to credit memoranda arising on account of the  
8 erroneous payment of tax or penalty hereunder. In the  
9 administration of, and compliance with this Section, the  
10 Department and persons who are subject to this Section shall  
11 have the same rights, remedies, privileges, immunities, powers  
12 and duties, and be subject to the same conditions,  
13 restrictions, limitations, penalties, exclusions, exemptions  
14 and definitions of terms, and employ the same modes of  
15 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,  
16 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
17 therein other than the State rate of tax), 2c, 3 (except as to  
18 the disposition of taxes and penalties collected), 4, 5, 5a,  
19 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,  
20 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and  
21 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
22 as if those provisions were set forth herein.

23 Persons subject to any tax imposed under the authority  
24 granted in this Section may reimburse themselves for their  
25 seller's tax liability hereunder by separately stating the tax  
26 as an additional charge, which charge may be stated in



1 combination in a single amount with State taxes that sellers  
2 are required to collect under the Use Tax Act, under any  
3 bracket schedules the Department may prescribe.

4 Whenever the Department determines that a refund should be  
5 made under this Section to a claimant instead of issuing a  
6 credit memorandum, the Department shall notify the State  
7 Comptroller, who shall cause the warrant to be drawn for the  
8 amount specified, and to the person named, in the notification  
9 from the Department. The refund shall be paid by the State  
10 Treasurer out of the Regional Transportation Authority tax fund  
11 established under paragraph (n) of this Section.

12 If a tax is imposed under this subsection (e), a tax shall  
13 also be imposed under subsections (f) and (g) of this Section.

14 For the purpose of determining whether a tax authorized  
15 under this Section is applicable, a retail sale by a producer  
16 of coal or other mineral mined in Illinois, is a sale at retail  
17 at the place where the coal or other mineral mined in Illinois  
18 is extracted from the earth. This paragraph does not apply to  
19 coal or other mineral when it is delivered or shipped by the  
20 seller to the purchaser at a point outside Illinois so that the  
21 sale is exempt under the Federal Constitution as a sale in  
22 interstate or foreign commerce.

23 No tax shall be imposed or collected under this subsection  
24 on the sale of a motor vehicle in this State to a resident of  
25 another state if that motor vehicle will not be titled in this  
26 State.

1           Nothing in this Section shall be construed to authorize the  
2           Regional Transportation Authority to impose a tax upon the  
3           privilege of engaging in any business that under the  
4           Constitution of the United States may not be made the subject  
5           of taxation by this State.

6           (f) If a tax has been imposed under paragraph (e), a  
7           Regional Transportation Authority Service Occupation Tax shall  
8           also be imposed upon all persons engaged, in the metropolitan  
9           region in the business of making sales of service, who as an  
10          incident to making the sales of service, transfer tangible  
11          personal property within the metropolitan region, either in the  
12          form of tangible personal property or in the form of real  
13          estate as an incident to a sale of service. In Cook County, the  
14          tax rate shall be: (1) 1.25% of the serviceman's cost price of  
15          food prepared for immediate consumption and transferred  
16          incident to a sale of service subject to the service occupation  
17          tax by an entity licensed under the Hospital Licensing Act, the  
18          Nursing Home Care Act, or the MR/DD Community Care Act that is  
19          located in the metropolitan region; (2) 1.25% of the selling  
20          price of food for human consumption that is to be consumed off  
21          the premises where it is sold (other than alcoholic beverages,  
22          soft drinks and food that has been prepared for immediate  
23          consumption) and prescription and nonprescription medicines,  
24          drugs, medical appliances and insulin, urine testing  
25          materials, syringes and needles used by diabetics; and (3) 1%  
26          of the selling price from other taxable sales of tangible

1 personal property transferred. In DuPage, Kane, Lake, McHenry  
2 and Will Counties the rate shall be 0.75% of the selling price  
3 of all tangible personal property transferred.

4 The tax imposed under this paragraph and all civil  
5 penalties that may be assessed as an incident thereof shall be  
6 collected and enforced by the State Department of Revenue. The  
7 Department shall have full power to administer and enforce this  
8 paragraph; to collect all taxes and penalties due hereunder; to  
9 dispose of taxes and penalties collected in the manner  
10 hereinafter provided; and to determine all rights to credit  
11 memoranda arising on account of the erroneous payment of tax or  
12 penalty hereunder. In the administration of and compliance with  
13 this paragraph, the Department and persons who are subject to  
14 this paragraph shall have the same rights, remedies,  
15 privileges, immunities, powers and duties, and be subject to  
16 the same conditions, restrictions, limitations, penalties,  
17 exclusions, exemptions and definitions of terms, and employ the  
18 same modes of procedure, as are prescribed in Sections 1a-1, 2,  
19 2a, 3 through 3-50 (in respect to all provisions therein other  
20 than the State rate of tax), 4 (except that the reference to  
21 the State shall be to the Authority), 5, 7, 8 (except that the  
22 jurisdiction to which the tax shall be a debt to the extent  
23 indicated in that Section 8 shall be the Authority), 9 (except  
24 as to the disposition of taxes and penalties collected, and  
25 except that the returned merchandise credit for this tax may  
26 not be taken against any State tax), 10, 11, 12 (except the

1 reference therein to Section 2b of the Retailers' Occupation  
2 Tax Act), 13 (except that any reference to the State shall mean  
3 the Authority), the first paragraph of Section 15, 16, 17, 18,  
4 19 and 20 of the Service Occupation Tax Act and Section 3-7 of  
5 the Uniform Penalty and Interest Act, as fully as if those  
6 provisions were set forth herein.

7 Persons subject to any tax imposed under the authority  
8 granted in this paragraph may reimburse themselves for their  
9 serviceman's tax liability hereunder by separately stating the  
10 tax as an additional charge, that charge may be stated in  
11 combination in a single amount with State tax that servicemen  
12 are authorized to collect under the Service Use Tax Act, under  
13 any bracket schedules the Department may prescribe.

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

22 Nothing in this paragraph shall be construed to authorize  
23 the Authority to impose a tax upon the privilege of engaging in  
24 any business that under the Constitution of the United States  
25 may not be made the subject of taxation by the State.

26 (g) If a tax has been imposed under paragraph (e), a tax

1 shall also be imposed upon the privilege of using in the  
2 metropolitan region, any item of tangible personal property  
3 that is purchased outside the metropolitan region at retail  
4 from a retailer, and that is titled or registered with an  
5 agency of this State's government. In Cook County the tax rate  
6 shall be 1% of the selling price of the tangible personal  
7 property, as "selling price" is defined in the Use Tax Act. In  
8 DuPage, Kane, Lake, McHenry and Will counties the tax rate  
9 shall be 0.75% of the selling price of the tangible personal  
10 property, as "selling price" is defined in the Use Tax Act. The  
11 tax shall be collected from persons whose Illinois address for  
12 titling or registration purposes is given as being in the  
13 metropolitan region. The tax shall be collected by the  
14 Department of Revenue for the Regional Transportation  
15 Authority. The tax must be paid to the State, or an exemption  
16 determination must be obtained from the Department of Revenue,  
17 before the title or certificate of registration for the  
18 property may be issued. The tax or proof of exemption may be  
19 transmitted to the Department by way of the State agency with  
20 which, or the State officer with whom, the tangible personal  
21 property must be titled or registered if the Department and the  
22 State agency or State officer determine that this procedure  
23 will expedite the processing of applications for title or  
24 registration.

25 The Department shall have full power to administer and  
26 enforce this paragraph; to collect all taxes, penalties and

1 interest due hereunder; to dispose of taxes, penalties and  
2 interest collected in the manner hereinafter provided; and to  
3 determine all rights to credit memoranda or refunds arising on  
4 account of the erroneous payment of tax, penalty or interest  
5 hereunder. In the administration of and compliance with this  
6 paragraph, the Department and persons who are subject to this  
7 paragraph shall have the same rights, remedies, privileges,  
8 immunities, powers and duties, and be subject to the same  
9 conditions, restrictions, limitations, penalties, exclusions,  
10 exemptions and definitions of terms and employ the same modes  
11 of procedure, as are prescribed in Sections 2 (except the  
12 definition of "retailer maintaining a place of business in this  
13 State"), 3 through 3-80 (except provisions pertaining to the  
14 State rate of tax, and except provisions concerning collection  
15 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,  
16 19 (except the portions pertaining to claims by retailers and  
17 except the last paragraph concerning refunds), 20, 21 and 22 of  
18 the Use Tax Act, and are not inconsistent with this paragraph,  
19 as fully as if those provisions were set forth herein.

20 Whenever the Department determines that a refund should be  
21 made under this paragraph to a claimant instead of issuing a  
22 credit memorandum, the Department shall notify the State  
23 Comptroller, who shall cause the order to be drawn for the  
24 amount specified, and to the person named in the notification  
25 from the Department. The refund shall be paid by the State  
26 Treasurer out of the Regional Transportation Authority tax fund

1 established under paragraph (n) of this Section.

2 (h) The Authority may impose a replacement vehicle tax of  
3 \$50 on any passenger car as defined in Section 1-157 of the  
4 Illinois Vehicle Code purchased within the metropolitan region  
5 by or on behalf of an insurance company to replace a passenger  
6 car of an insured person in settlement of a total loss claim.  
7 The tax imposed may not become effective before the first day  
8 of the month following the passage of the ordinance imposing  
9 the tax and receipt of a certified copy of the ordinance by the  
10 Department of Revenue. The Department of Revenue shall collect  
11 the tax for the Authority in accordance with Sections 3-2002  
12 and 3-2003 of the Illinois Vehicle Code.

13 The Department shall immediately pay over to the State  
14 Treasurer, ex officio, as trustee, all taxes collected  
15 hereunder.

16 As soon as possible after the first day of each month,  
17 beginning January 1, 2011, upon certification of the Department  
18 of Revenue, the Comptroller shall order transferred, and the  
19 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
20 local sales tax increment, as defined in the STAR Bonds  
21 Financing Act, collected under this Section during the second  
22 preceding calendar month for sales within a STAR bond district.

23 After the monthly transfer to the STAR Bonds Revenue Fund,  
24 on ~~on~~ or before the 25th day of each calendar month, the  
25 Department shall prepare and certify to the Comptroller the  
26 disbursement of stated sums of money to the Authority. The

1 amount to be paid to the Authority shall be the amount  
2 collected hereunder during the second preceding calendar month  
3 by the Department, less any amount determined by the Department  
4 to be necessary for the payment of refunds, and less any  
5 amounts that are transferred to the STAR Bonds Revenue Fund.

6 Within 10 days after receipt by the Comptroller of the  
7 disbursement certification to the Authority provided for in  
8 this Section to be given to the Comptroller by the Department,  
9 the Comptroller shall cause the orders to be drawn for that  
10 amount in accordance with the directions contained in the  
11 certification.

12 (i) The Board may not impose any other taxes except as it  
13 may from time to time be authorized by law to impose.

14 (j) A certificate of registration issued by the State  
15 Department of Revenue to a retailer under the Retailers'  
16 Occupation Tax Act or under the Service Occupation Tax Act  
17 shall permit the registrant to engage in a business that is  
18 taxed under the tax imposed under paragraphs (b), (e), (f) or  
19 (g) of this Section and no additional registration shall be  
20 required under the tax. A certificate issued under the Use Tax  
21 Act or the Service Use Tax Act shall be applicable with regard  
22 to any tax imposed under paragraph (c) of this Section.

23 (k) The provisions of any tax imposed under paragraph (c)  
24 of this Section shall conform as closely as may be practicable  
25 to the provisions of the Use Tax Act, including without  
26 limitation conformity as to penalties with respect to the tax



1 imposed and as to the powers of the State Department of Revenue  
2 to promulgate and enforce rules and regulations relating to the  
3 administration and enforcement of the provisions of the tax  
4 imposed. The taxes shall be imposed only on use within the  
5 metropolitan region and at rates as provided in the paragraph.

6 (l) The Board in imposing any tax as provided in paragraphs  
7 (b) and (c) of this Section, shall, after seeking the advice of  
8 the State Department of Revenue, provide means for retailers,  
9 users or purchasers of motor fuel for purposes other than those  
10 with regard to which the taxes may be imposed as provided in  
11 those paragraphs to receive refunds of taxes improperly paid,  
12 which provisions may be at variance with the refund provisions  
13 as applicable under the Municipal Retailers Occupation Tax Act.  
14 The State Department of Revenue may provide for certificates of  
15 registration for users or purchasers of motor fuel for purposes  
16 other than those with regard to which taxes may be imposed as  
17 provided in paragraphs (b) and (c) of this Section to  
18 facilitate the reporting and nontaxability of the exempt sales  
19 or uses.

20 (m) Any ordinance imposing or discontinuing any tax under  
21 this Section shall be adopted and a certified copy thereof  
22 filed with the Department on or before June 1, whereupon the  
23 Department of Revenue shall proceed to administer and enforce  
24 this Section on behalf of the Regional Transportation Authority  
25 as of September 1 next following such adoption and filing.  
26 Beginning January 1, 1992, an ordinance or resolution imposing

1 or discontinuing the tax hereunder shall be adopted and a  
2 certified copy thereof filed with the Department on or before  
3 the first day of July, whereupon the Department shall proceed  
4 to administer and enforce this Section as of the first day of  
5 October next following such adoption and filing. Beginning  
6 January 1, 1993, an ordinance or resolution imposing,  
7 increasing, decreasing, or discontinuing the tax hereunder  
8 shall be adopted and a certified copy thereof filed with the  
9 Department, whereupon the Department shall proceed to  
10 administer and enforce this Section as of the first day of the  
11 first month to occur not less than 60 days following such  
12 adoption and filing. Any ordinance or resolution of the  
13 Authority imposing a tax under this Section and in effect on  
14 August 1, 2007 shall remain in full force and effect and shall  
15 be administered by the Department of Revenue under the terms  
16 and conditions and rates of tax established by such ordinance  
17 or resolution until the Department begins administering and  
18 enforcing an increased tax under this Section as authorized by  
19 this amendatory Act of the 95th General Assembly. The tax rates  
20 authorized by this amendatory Act of the 95th General Assembly  
21 are effective only if imposed by ordinance of the Authority.

22 (n) The State Department of Revenue shall, upon collecting  
23 any taxes as provided in this Section, pay the taxes over to  
24 the State Treasurer as trustee for the Authority. The taxes  
25 shall be held in a trust fund outside the State Treasury. On or  
26 before the 25th day of each calendar month, the State

1 Department of Revenue shall prepare and certify to the  
2 Comptroller of the State of Illinois and to the Authority (i)  
3 the amount of taxes collected in each County other than Cook  
4 County in the metropolitan region, (ii) the amount of taxes  
5 collected within the City of Chicago, and (iii) the amount  
6 collected in that portion of Cook County outside of Chicago,  
7 each amount less the amount necessary for the payment of  
8 refunds to taxpayers located in those areas described in items  
9 (i), (ii), and (iii). Within 10 days after receipt by the  
10 Comptroller of the certification of the amounts, the  
11 Comptroller shall cause an order to be drawn for the payment of  
12 two-thirds of the amounts certified in item (i) of this  
13 subsection to the Authority and one-third of the amounts  
14 certified in item (i) of this subsection to the respective  
15 counties other than Cook County and the amount certified in  
16 items (ii) and (iii) of this subsection to the Authority.

17 In addition to the disbursement required by the preceding  
18 paragraph, an allocation shall be made in July 1991 and each  
19 year thereafter to the Regional Transportation Authority. The  
20 allocation shall be made in an amount equal to the average  
21 monthly distribution during the preceding calendar year  
22 (excluding the 2 months of lowest receipts) and the allocation  
23 shall include the amount of average monthly distribution from  
24 the Regional Transportation Authority Occupation and Use Tax  
25 Replacement Fund. The distribution made in July 1992 and each  
26 year thereafter under this paragraph and the preceding

1 paragraph shall be reduced by the amount allocated and  
2 disbursed under this paragraph in the preceding calendar year.  
3 The Department of Revenue shall prepare and certify to the  
4 Comptroller for disbursement the allocations made in  
5 accordance with this paragraph.

6 (o) Failure to adopt a budget ordinance or otherwise to  
7 comply with Section 4.01 of this Act or to adopt a Five-year  
8 Capital Program or otherwise to comply with paragraph (b) of  
9 Section 2.01 of this Act shall not affect the validity of any  
10 tax imposed by the Authority otherwise in conformity with law.

11 (p) At no time shall a public transportation tax or motor  
12 vehicle parking tax authorized under paragraphs (b), (c) and  
13 (d) of this Section be in effect at the same time as any  
14 retailers' occupation, use or service occupation tax  
15 authorized under paragraphs (e), (f) and (g) of this Section is  
16 in effect.

17 Any taxes imposed under the authority provided in  
18 paragraphs (b), (c) and (d) shall remain in effect only until  
19 the time as any tax authorized by paragraphs (e), (f) or (g) of  
20 this Section are imposed and becomes effective. Once any tax  
21 authorized by paragraphs (e), (f) or (g) is imposed the Board  
22 may not reimpose taxes as authorized in paragraphs (b), (c) and  
23 (d) of the Section unless any tax authorized by paragraphs (e),  
24 (f) or (g) of this Section becomes ineffective by means other  
25 than an ordinance of the Board.

26 (q) Any existing rights, remedies and obligations

1 (including enforcement by the Regional Transportation  
2 Authority) arising under any tax imposed under paragraphs (b),  
3 (c) or (d) of this Section shall not be affected by the  
4 imposition of a tax under paragraphs (e), (f) or (g) of this  
5 Section.

6 (Source: P.A. 95-708, eff. 1-18-08; 96-339, eff. 7-1-10.)

7 Section 105. The Water Commission Act of 1985 is amended by  
8 changing Section 4 as follows:

9 (70 ILCS 3720/4) (from Ch. 111 2/3, par. 254)

10 Sec. 4. (a) The board of commissioners of any county water  
11 commission may, by ordinance, impose throughout the territory  
12 of the commission any or all of the taxes provided in this  
13 Section for its corporate purposes. However, no county water  
14 commission may impose any such tax unless the commission  
15 certifies the proposition of imposing the tax to the proper  
16 election officials, who shall submit the proposition to the  
17 voters residing in the territory at an election in accordance  
18 with the general election law, and the proposition has been  
19 approved by a majority of those voting on the proposition.

20 The proposition shall be in the form provided in Section 5  
21 or shall be substantially in the following form:

22 -----

23 Shall the (insert corporate  
24 name of county water commission)

YES

1 impose (state type of tax or -----  
 2 taxes to be imposed) at the NO  
 3 rate of 1/4%?

4 -----

5 Taxes imposed under this Section and civil penalties  
 6 imposed incident thereto shall be collected and enforced by the  
 7 State Department of Revenue. The Department shall have the  
 8 power to administer and enforce the taxes and to determine all  
 9 rights for refunds for erroneous payments of the taxes.

10 (b) The board of commissioners may impose a County Water  
 11 Commission Retailers' Occupation Tax upon all persons engaged  
 12 in the business of selling tangible personal property at retail  
 13 in the territory of the commission at a rate of 1/4% of the  
 14 gross receipts from the sales made in the course of such  
 15 business within the territory. The tax imposed under this  
 16 paragraph and all civil penalties that may be assessed as an  
 17 incident thereof shall be collected and enforced by the State  
 18 Department of Revenue. The Department shall have full power to  
 19 administer and enforce this paragraph; to collect all taxes and  
 20 penalties due hereunder; to dispose of taxes and penalties so  
 21 collected in the manner hereinafter provided; and to determine  
 22 all rights to credit memoranda arising on account of the  
 23 erroneous payment of tax or penalty hereunder. In the  
 24 administration of, and compliance with, this paragraph, the  
 25 Department and persons who are subject to this paragraph shall  
 26 have the same rights, remedies, privileges, immunities, powers

1 and duties, and be subject to the same conditions,  
2 restrictions, limitations, penalties, exclusions, exemptions  
3 and definitions of terms, and employ the same modes of  
4 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,  
5 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
6 therein other than the State rate of tax except that food for  
7 human consumption that is to be consumed off the premises where  
8 it is sold (other than alcoholic beverages, soft drinks, and  
9 food that has been prepared for immediate consumption) and  
10 prescription and nonprescription medicine, drugs, medical  
11 appliances and insulin, urine testing materials, syringes, and  
12 needles used by diabetics, for human use, shall not be subject  
13 to tax hereunder), 2c, 3 (except as to the disposition of taxes  
14 and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h,  
15 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the  
16 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
17 Penalty and Interest Act, as fully as if those provisions were  
18 set forth herein.

19 Persons subject to any tax imposed under the authority  
20 granted in this paragraph may reimburse themselves for their  
21 seller's tax liability hereunder by separately stating the tax  
22 as an additional charge, which charge may be stated in  
23 combination, in a single amount, with State taxes that sellers  
24 are required to collect under the Use Tax Act and under  
25 subsection (e) of Section 4.03 of the Regional Transportation  
26 Authority Act, in accordance with such bracket schedules as the

1 Department may prescribe.

2 Whenever the Department determines that a refund should be  
3 made under this paragraph to a claimant instead of issuing a  
4 credit memorandum, the Department shall notify the State  
5 Comptroller, who shall cause the warrant to be drawn for the  
6 amount specified, and to the person named, in the notification  
7 from the Department. The refund shall be paid by the State  
8 Treasurer out of a county water commission tax fund established  
9 under paragraph (g) of this Section.

10 For the purpose of determining whether a tax authorized  
11 under this paragraph is applicable, a retail sale by a producer  
12 of coal or other mineral mined in Illinois is a sale at retail  
13 at the place where the coal or other mineral mined in Illinois  
14 is extracted from the earth. This paragraph does not apply to  
15 coal or other mineral when it is delivered or shipped by the  
16 seller to the purchaser at a point outside Illinois so that the  
17 sale is exempt under the Federal Constitution as a sale in  
18 interstate or foreign commerce.

19 If a tax is imposed under this subsection (b) a tax shall  
20 also be imposed under subsections (c) and (d) of this Section.

21 No tax shall be imposed or collected under this subsection  
22 on the sale of a motor vehicle in this State to a resident of  
23 another state if that motor vehicle will not be titled in this  
24 State.

25 Nothing in this paragraph shall be construed to authorize a  
26 county water commission to impose a tax upon the privilege of



1 engaging in any business which under the Constitution of the  
2 United States may not be made the subject of taxation by this  
3 State.

4 (c) If a tax has been imposed under subsection (b), a  
5 County Water Commission Service Occupation Tax shall also be  
6 imposed upon all persons engaged, in the territory of the  
7 commission, in the business of making sales of service, who, as  
8 an incident to making the sales of service, transfer tangible  
9 personal property within the territory. The tax rate shall be  
10 1/4% of the selling price of tangible personal property so  
11 transferred within the territory. The tax imposed under this  
12 paragraph and all civil penalties that may be assessed as an  
13 incident thereof shall be collected and enforced by the State  
14 Department of Revenue. The Department shall have full power to  
15 administer and enforce this paragraph; to collect all taxes and  
16 penalties due hereunder; to dispose of taxes and penalties so  
17 collected in the manner hereinafter provided; and to determine  
18 all rights to credit memoranda arising on account of the  
19 erroneous payment of tax or penalty hereunder. In the  
20 administration of, and compliance with, this paragraph, the  
21 Department and persons who are subject to this paragraph shall  
22 have the same rights, remedies, privileges, immunities, powers  
23 and duties, and be subject to the same conditions,  
24 restrictions, limitations, penalties, exclusions, exemptions  
25 and definitions of terms, and employ the same modes of  
26 procedure, as are prescribed in Sections 1a-1, 2 (except that

1 the reference to State in the definition of supplier  
2 maintaining a place of business in this State shall mean the  
3 territory of the commission), 2a, 3 through 3-50 (in respect to  
4 all provisions therein other than the State rate of tax except  
5 that food for human consumption that is to be consumed off the  
6 premises where it is sold (other than alcoholic beverages, soft  
7 drinks, and food that has been prepared for immediate  
8 consumption) and prescription and nonprescription medicines,  
9 drugs, medical appliances and insulin, urine testing  
10 materials, syringes, and needles used by diabetics, for human  
11 use, shall not be subject to tax hereunder), 4 (except that the  
12 reference to the State shall be to the territory of the  
13 commission), 5, 7, 8 (except that the jurisdiction to which the  
14 tax shall be a debt to the extent indicated in that Section 8  
15 shall be the commission), 9 (except as to the disposition of  
16 taxes and penalties collected and except that the returned  
17 merchandise credit for this tax may not be taken against any  
18 State tax), 10, 11, 12 (except the reference therein to Section  
19 2b of the Retailers' Occupation Tax Act), 13 (except that any  
20 reference to the State shall mean the territory of the  
21 commission), the first paragraph of Section 15, 15.5, 16, 17,  
22 18, 19 and 20 of the Service Occupation Tax Act as fully as if  
23 those provisions were set forth herein.

24 Persons subject to any tax imposed under the authority  
25 granted in this paragraph may reimburse themselves for their  
26 serviceman's tax liability hereunder by separately stating the

1 tax as an additional charge, which charge may be stated in  
2 combination, in a single amount, with State tax that servicemen  
3 are authorized to collect under the Service Use Tax Act, and  
4 any tax for which servicemen may be liable under subsection (f)  
5 of Sec. 4.03 of the Regional Transportation Authority Act, in  
6 accordance with such bracket schedules as the Department may  
7 prescribe.

8 Whenever the Department determines that a refund should be  
9 made under this paragraph to a claimant instead of issuing a  
10 credit memorandum, the Department shall notify the State  
11 Comptroller, who shall cause the warrant to be drawn for the  
12 amount specified, and to the person named, in the notification  
13 from the Department. The refund shall be paid by the State  
14 Treasurer out of a county water commission tax fund established  
15 under paragraph (g) of this Section.

16 Nothing in this paragraph shall be construed to authorize a  
17 county water commission to impose a tax upon the privilege of  
18 engaging in any business which under the Constitution of the  
19 United States may not be made the subject of taxation by the  
20 State.

21 (d) If a tax has been imposed under subsection (b), a tax  
22 shall also imposed upon the privilege of using, in the  
23 territory of the commission, any item of tangible personal  
24 property that is purchased outside the territory at retail from  
25 a retailer, and that is titled or registered with an agency of  
26 this State's government, at a rate of 1/4% of the selling price

1 of the tangible personal property within the territory, as  
2 "selling price" is defined in the Use Tax Act. The tax shall be  
3 collected from persons whose Illinois address for titling or  
4 registration purposes is given as being in the territory. The  
5 tax shall be collected by the Department of Revenue for a  
6 county water commission. The tax must be paid to the State, or  
7 an exemption determination must be obtained from the Department  
8 of Revenue, before the title or certificate of registration for  
9 the property may be issued. The tax or proof of exemption may  
10 be transmitted to the Department by way of the State agency  
11 with which, or the State officer with whom, the tangible  
12 personal property must be titled or registered if the  
13 Department and the State agency or State officer determine that  
14 this procedure will expedite the processing of applications for  
15 title or registration.

16 The Department shall have full power to administer and  
17 enforce this paragraph; to collect all taxes, penalties and  
18 interest due hereunder; to dispose of taxes, penalties and  
19 interest so collected in the manner hereinafter provided; and  
20 to determine all rights to credit memoranda or refunds arising  
21 on account of the erroneous payment of tax, penalty or interest  
22 hereunder. In the administration of, and compliance with this  
23 paragraph, the Department and persons who are subject to this  
24 paragraph shall have the same rights, remedies, privileges,  
25 immunities, powers and duties, and be subject to the same  
26 conditions, restrictions, limitations, penalties, exclusions,

1 exemptions and definitions of terms and employ the same modes  
2 of procedure, as are prescribed in Sections 2 (except the  
3 definition of "retailer maintaining a place of business in this  
4 State"), 3 through 3-80 (except provisions pertaining to the  
5 State rate of tax, and except provisions concerning collection  
6 or refunding of the tax by retailers, and except that food for  
7 human consumption that is to be consumed off the premises where  
8 it is sold (other than alcoholic beverages, soft drinks, and  
9 food that has been prepared for immediate consumption) and  
10 prescription and nonprescription medicines, drugs, medical  
11 appliances and insulin, urine testing materials, syringes, and  
12 needles used by diabetics, for human use, shall not be subject  
13 to tax hereunder), 4, 11, 12, 12a, 14, 15, 19 (except the  
14 portions pertaining to claims by retailers and except the last  
15 paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act  
16 and Section 3-7 of the Uniform Penalty and Interest Act that  
17 are not inconsistent with this paragraph, as fully as if those  
18 provisions were set forth herein.

19 Whenever the Department determines that a refund should be  
20 made under this paragraph to a claimant instead of issuing a  
21 credit memorandum, the Department shall notify the State  
22 Comptroller, who shall cause the order to be drawn for the  
23 amount specified, and to the person named, in the notification  
24 from the Department. The refund shall be paid by the State  
25 Treasurer out of a county water commission tax fund established  
26 under paragraph (g) of this Section.

1           (e) A certificate of registration issued by the State  
2 Department of Revenue to a retailer under the Retailers'  
3 Occupation Tax Act or under the Service Occupation Tax Act  
4 shall permit the registrant to engage in a business that is  
5 taxed under the tax imposed under paragraphs (b), (c) or (d) of  
6 this Section and no additional registration shall be required  
7 under the tax. A certificate issued under the Use Tax Act or  
8 the Service Use Tax Act shall be applicable with regard to any  
9 tax imposed under paragraph (c) of this Section.

10          (f) Any ordinance imposing or discontinuing any tax under  
11 this Section shall be adopted and a certified copy thereof  
12 filed with the Department on or before June 1, whereupon the  
13 Department of Revenue shall proceed to administer and enforce  
14 this Section on behalf of the county water commission as of  
15 September 1 next following the adoption and filing. Beginning  
16 January 1, 1992, an ordinance or resolution imposing or  
17 discontinuing the tax hereunder shall be adopted and a  
18 certified copy thereof filed with the Department on or before  
19 the first day of July, whereupon the Department shall proceed  
20 to administer and enforce this Section as of the first day of  
21 October next following such adoption and filing. Beginning  
22 January 1, 1993, an ordinance or resolution imposing or  
23 discontinuing the tax hereunder shall be adopted and a  
24 certified copy thereof filed with the Department on or before  
25 the first day of October, whereupon the Department shall  
26 proceed to administer and enforce this Section as of the first

1 day of January next following such adoption and filing.

2 (g) The State Department of Revenue shall, upon collecting  
3 any taxes as provided in this Section, pay the taxes over to  
4 the State Treasurer as trustee for the commission. The taxes  
5 shall be held in a trust fund outside the State Treasury.

6 As soon as possible after the first day of each month,  
7 beginning January 1, 2011, upon certification of the Department  
8 of Revenue, the Comptroller shall order transferred, and the  
9 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
10 local sales tax increment, as defined in the STAR Bonds  
11 Financing Act, collected under this Section during the second  
12 preceding calendar month for sales within a STAR bond district.

13 After the monthly transfer to the STAR Bonds Revenue Fund,  
14 on ~~On~~ or before the 25th day of each calendar month, the State  
15 Department of Revenue shall prepare and certify to the  
16 Comptroller of the State of Illinois the amount to be paid to  
17 the commission, which shall be the then balance in the fund,  
18 less any amount determined by the Department to be necessary  
19 for the payment of refunds, and less any amounts that are  
20 transferred to the STAR Bonds Revenue Fund. Within 10 days  
21 after receipt by the Comptroller of the certification of the  
22 amount to be paid to the commission, the Comptroller shall  
23 cause an order to be drawn for the payment for the amount in  
24 accordance with the direction in the certification.

25 (Source: P.A. 92-221, eff. 8-2-01; 93-1068, eff. 1-15-05.)

1           Section 995. No acceleration or delay. Where this Act makes  
2 changes in a statute that is represented in this Act by text  
3 that is not yet or no longer in effect (for example, a Section  
4 represented by multiple versions), the use of that text does  
5 not accelerate or delay the taking effect of (i) the changes  
6 made by this Act or (ii) provisions derived from any other  
7 Public Act.

8           Section 999. Effective date. This Act takes effect upon  
9 becoming law.".