



Rep. John E. Bradley

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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
6 Innovation Development and Economy 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 it is in the public interest to limit the
11 portion of the aggregate proceeds of STAR bonds issued that
12 are derived from the State sales tax increment pledged to
13 pay STAR bonds in any STAR bond district to not more than
14 50% of the total development costs in the STAR bond
15 district as set forth in subsection (f) of Section 30;

16 (b) that as a result of the costs of land assemblage,
17 financing, infrastructure, and other project costs, the
18 private sector, without the assistance contemplated in
19 this Act, is unable to develop major tourism,
20 entertainment, retail, and related destination projects in
21 the State;

22 (c) that the type of projects for which this Act is
23 intended must be of a certain size, scope, and acreage and
24 have direct access to major highways, and must be developed
25 in a cohesive and comprehensive manner;

26 (d) that the eligible tracts of land, portions of which

1 have previously been surface or strip mined, present unique
2 development obstacles and are more likely to remain
3 underutilized and undeveloped, or developed in a piecemeal
4 manner resulting in inefficient and poorly planned
5 developments that do not maximize job creation, job
6 retention, tourism, and tax revenue generation within the
7 State;

8 (e) that there are multiple eligible areas in the State
9 that could benefit from this Act;

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

18 (g) that this Act shall enhance and promote tourism in
19 Southern Illinois, including without limitation the
20 Southern Illinois Wine Trail;

21 (h) that the continual encouragement, development,
22 growth, and expansion of major tourism, entertainment,
23 retail, and related destination projects within the State
24 requires a cooperative and continuous partnership between
25 government and the public sector;

26 (i) that the State has a responsibility to help create

1 a favorable climate for new and improved job opportunities
2 for its citizens and to increase the tax base of the State
3 and its political subdivisions by encouraging development
4 by the private sector of major tourism, entertainment,
5 retail, and related destination projects within the State;

6 (j) that the stagnation of local tax bases and the loss
7 of job opportunities within the State has persisted despite
8 efforts of State and local authorities and private
9 organizations to create major tourism, entertainment,
10 retail, and related destination projects within the State;

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

17 (l) that the provision of additional incentives by the
18 State and its political subdivisions will relieve
19 conditions of unemployment, maintain existing levels of
20 employment, create new job opportunities, retain jobs
21 within the State, increase tourism and commerce within the
22 State, and increase the tax base of the State and its
23 political subdivisions;

24 (m) that the powers conferred by this Act promote and
25 protect the health, safety, morals, and welfare of the
26 State, and are for a public purpose and public use for

1 which public money and resources may be expended; and

2 (n) that the necessity in the public interest for the
3 provisions of this Act is hereby declared as a matter of
4 legislative determination.

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

8 "Base year" means the calendar year immediately prior to
9 the calendar year in which the STAR bond district is
10 established.

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

20 "County" means the county in which a proposed STAR bond
21 district is located.

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

24 "Department of Revenue" means the Department of Revenue of
25 the State of Illinois.

1 "Destination user" means an owner, operator, licensee,
2 co-developer, subdeveloper, or tenant (i) that operates a
3 business within a STAR bond district that is a retail store
4 having at least 150,000 square feet of sales floor area; (ii)
5 that at the time of opening does not have another Illinois
6 location within a 70 mile radius; (iii) that has an annual
7 average of not less than 30% of customers who travel from at
8 least 75 miles away or from out-of-state, as demonstrated by
9 data from a comparable existing store or stores, or, if there
10 is no comparable existing store, as demonstrated by an economic
11 analysis that shows that the proposed retailer will have an
12 annual average of not less than 30% of customers who travel
13 from at least 75 miles away or from out-of-state; and (iv) that
14 makes an initial capital investment, including project costs
15 and other direct costs, of not less than \$30,000,000 for such
16 retail store.

17 "Destination hotel" means a hotel (as that term is defined
18 in Section 2 of the Hotel Operators' Occupation Tax Act)
19 complex having at least 150 guest rooms and which also includes
20 a venue for entertainment attractions, rides, or other
21 activities oriented toward the entertainment and amusement of
22 its guests and other patrons.

23 "Developer" means any individual, corporation, trust,
24 estate, partnership, limited liability partnership, limited
25 liability company, or other entity. The term does not include a
26 not-for-profit entity, political subdivision, or other agency

1 or instrumentality of the State.

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

5 "Economic impact study" means a study conducted by an
6 independent economist to project the financial benefit of the
7 proposed STAR bond project to the local, regional, and State
8 economies, consider the proposed adverse impacts on similar
9 projects and businesses, as well as municipalities within the
10 projected market area, and draw conclusions about the net
11 effect of the proposed STAR bond project on the local,
12 regional, and State economies. A copy of the economic impact
13 study shall be provided to the Director for review.

14 "Eligible area" means any improved or vacant area that (i)
15 is contiguous and is not, in the aggregate, less than 250 acres
16 nor more than 500 acres which must include only parcels of real
17 property directly and substantially benefited by the proposed
18 STAR bond district plan, (ii) is adjacent to a federal
19 interstate highway, (iii) is within one mile of 2 State
20 highways, (iv) is within one mile of an entertainment user, or
21 a major or minor league sports stadium or other similar
22 entertainment venue that had an initial capital investment of
23 at least \$20,000,000, and (v) includes land that was previously
24 surface or strip mined. The area may be bisected by streets,
25 highways, roads, alleys, railways, bike paths, streams,
26 rivers, and other waterways and still be deemed contiguous. In

1 addition, in order to constitute an eligible area one of the
2 following requirements must be satisfied and all of which are
3 subject to the review and approval of the Director as provided
4 in subsection (d) of Section 15:

5 (a) the governing body of the political subdivision
6 shall have determined that the area meets the requirements
7 of a "blighted area" as defined under the Tax Increment
8 Allocation Redevelopment Act; or

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

13 (c) the governing body of the political subdivision
14 shall make the following findings:

15 (i) that the vacant portions of the area have
16 remained vacant for at least one year, or that any
17 building located on a vacant portion of the property
18 was demolished within the last year and that the
19 building would have qualified under item (ii) of this
20 subsection;

21 (ii) if portions of the area are currently
22 developed, that the use, condition, and character of
23 the buildings on the property are not consistent with
24 the purposes set forth in Section 5;

25 (iii) that the STAR bond district is expected to
26 create or retain job opportunities within the

1 political subdivision;

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

4 (v) that without the availability of STAR bonds,
5 the projects described in the STAR bond district plan
6 would not be possible;

7 (vi) that the master developer meets high
8 standards of creditworthiness and financial strength
9 as demonstrated by one or more of the following: (i)
10 corporate debenture ratings of BBB or higher by
11 Standard & Poor's Corporation or Baa or higher by
12 Moody's Investors Service, Inc.; (ii) a letter from a
13 financial institution with assets of \$10,000,000 or
14 more attesting to the financial strength of the master
15 developer; or (iii) specific evidence of equity
16 financing for not less than 10% of the estimated total
17 STAR bond project costs;

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

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

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

24 "Entertainment user" means an owner, operator, licensee,
25 co-developer, subdeveloper, or tenant that operates a business
26 within a STAR bond district that has a primary use of providing

1 a venue for entertainment attractions, rides, or other
2 activities oriented toward the entertainment and amusement of
3 its patrons, occupies at least 20 acres of land in the STAR
4 bond district, and makes an initial capital investment,
5 including project costs and other direct and indirect costs, of
6 not less than \$25,000,000 for that venue.

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

9 "Infrastructure" means the public improvements and private
10 improvements that serve the public purposes set forth in
11 Section 5 of this Act and that benefit the STAR bond district
12 or any STAR bond projects, including, but not limited to,
13 streets, drives and driveways, traffic and directional signs
14 and signals, parking lots and parking facilities,
15 interchanges, highways, sidewalks, bridges, underpasses and
16 overpasses, bike and walking trails, sanitary storm sewers and
17 lift stations, drainage conduits, channels, levees, canals,
18 storm water detention and retention facilities, utilities and
19 utility connections, water mains and extensions, and street and
20 parking lot lighting and connections.

21 "Local sales taxes" means any locally-imposed taxes
22 received by a municipality, county, or other local governmental
23 entity arising from sales by retailers and servicemen within a
24 STAR bond district, including business district sales taxes and
25 STAR bond occupation taxes, and that portion of the net revenue
26 realized under the Retailers' Occupation Tax Act, the Use Tax

1 Act, the Service Use Tax Act, and the Service Occupation Tax
2 Act from transactions at places of business located within a
3 STAR bond district that is deposited into the Local Government
4 Tax Fund and the County and Mass Transit District Fund. For the
5 purpose of this Act, "local sales taxes" does not include (i)
6 any taxes authorized pursuant to the Local Mass Transit
7 District Act, the Metro-East Park and Recreation District Act,
8 or the Flood Prevention District Act for so long as the
9 applicable taxing district does not impose a tax on real
10 property or (ii) county school facility occupation taxes
11 imposed pursuant to Section 5-1006.7 of the Counties Code.

12 "Local sales tax increment" means, with respect to local
13 sales taxes administered by the Illinois Department of Revenue,
14 (i) all of the local sales tax paid by destination users,
15 destination hotels, and entertainment users that is in excess
16 of the local sales tax paid by destination users, destination
17 hotels, and entertainment users for the same month in the base
18 year, as determined by the Illinois Department of Revenue, (ii)
19 in the case of a municipality forming a STAR bond district that
20 is wholly within the corporate boundaries of the municipality
21 and in the case of a municipality and county forming a STAR
22 bond district that is only partially within such municipality,
23 that portion of the local sales tax paid by taxpayers that are
24 not destination users, destination hotels, or entertainment
25 users that is in excess of the local sales tax paid by
26 taxpayers that are not destination users, destination hotels,

1 or entertainment users for the same month in the base year, as
2 determined by the Illinois Department of Revenue, and (iii) in
3 the case of a county in which a STAR bond district is formed
4 that is wholly within a municipality, that portion of the local
5 sales tax paid by taxpayers that are not destination users,
6 destination hotels, or entertainment users that is in excess of
7 the local sales tax paid by taxpayers that are not destination
8 users, destination hotels, or entertainment users for the same
9 month in the base year, as determined by the Illinois
10 Department of Revenue, but only if the corporate authorities of
11 the county adopts an ordinance, and files a copy with the
12 Department within the same time frames as required for STAR
13 bond occupation taxes under Section 31, that designates the
14 taxes referenced in this clause (iii) as part of the local
15 sales tax increment under this Act. "Local sales tax increment"
16 means, with respect to local sales taxes administered by a
17 municipality, county, or other unit of local government, that
18 portion of the local sales tax that is in excess of the local
19 sales tax for the same month in the base year, as determined by
20 the respective municipality, county, or other unit of local
21 government. If any portion of local sales taxes are, at the
22 time of formation of a STAR bond district, already subject to
23 tax increment financing under the Tax Increment Allocation
24 Redevelopment Act, then the local sales tax increment for such
25 portion shall be frozen at the base year established in
26 accordance with this Act, and all future incremental increases

1 shall be included in the "local sales tax increment" under this
2 Act. Any party otherwise entitled to receipt of incremental
3 local sales tax revenues through an existing tax increment
4 financing district shall be entitled to continue to receive
5 such revenues up to the amount frozen in the base year. Nothing
6 in this Act shall affect the prior qualification of existing
7 redevelopment project costs incurred that are eligible for
8 reimbursement under the Tax Increment Allocation Redevelopment
9 Act. In such event, prior to approving a STAR bond district,
10 the political subdivision forming the STAR bond district shall
11 take such action as is necessary, including amending the
12 existing tax increment financing district redevelopment plan,
13 to carry out the provisions of this Act. The Illinois
14 Department of Revenue shall allocate the local sales tax
15 increment only if the local sales tax is administered by the
16 Department.

17 "Market study" means a study to determine the ability of
18 the proposed STAR bond project to gain market share locally and
19 regionally and to remain profitable past the term of repayment
20 of STAR bonds.

21 "Master developer" means a developer cooperating with a
22 political subdivision to plan, develop, and implement a STAR
23 bond project plan for a STAR bond district. Subject to the
24 limitations of Section 25, the master developer may work with
25 and transfer certain development rights to other developers for
26 the purpose of implementing STAR bond project plans and

1 achieving the purposes of this Act. A master developer for a
2 STAR bond district shall be appointed by a political
3 subdivision in the resolution establishing the STAR bond
4 district, and the master developer must, at the time of
5 appointment, own or have control of, through purchase
6 agreements, option contracts, or other means, not less than 50%
7 of the acreage within the STAR bond district and the master
8 developer or its affiliate must have ownership or control on
9 June 1, 2010.

10 "Master development agreement" means an agreement between
11 the master developer and the political subdivision to govern a
12 STAR bond district and any STAR bond projects.

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

15 "Pledged STAR revenues" means those sales tax and revenues
16 and other sources of funds pledged to pay debt service on STAR
17 bonds or to pay project costs pursuant to Section 30.
18 Notwithstanding any provision to the contrary, the following
19 revenues shall not constitute pledged STAR revenues or be
20 available to pay principal and interest on STAR bonds: any
21 State sales tax increment or local sales tax increment from a
22 retail entity initiating operations in a STAR bond district
23 while terminating operations at another Illinois location
24 within 25 miles of the STAR bond district. For purposes of this
25 paragraph, "terminating operations" means a closing of a retail
26 operation that is directly related to the opening of the same

1 operation or like retail entity owned or operated by more than
2 50% of the original ownership in a STAR bond district within
3 one year before or after initiating operations in the STAR bond
4 district, but it does not mean closing an operation for reasons
5 beyond the control of the retail entity, as documented by the
6 retail entity, subject to a reasonable finding by the
7 municipality (or county if such retail operation is not located
8 within a municipality) in which the terminated operations were
9 located that the closed location contained inadequate space,
10 had become economically obsolete, or was no longer a viable
11 location for the retailer or serviceman.

12 "Political subdivision" means a municipality or county
13 which undertakes to establish a STAR bond district pursuant to
14 the provisions of this Act.

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

23 (a) costs of studies, surveys, development of plans and
24 specifications, formation, implementation, and
25 administration of a STAR bond district, STAR bond district
26 plan, any STAR bond projects, or any STAR bond project

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

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

21 (c) subject to paragraph (d), costs of buildings and
22 other vertical improvements that are located within the
23 boundaries of a STAR bond district and owned by a political
24 subdivision or other public entity, including without
25 limitation police and fire stations, educational
26 facilities, and public restrooms and rest areas;

1 (c-1) costs of buildings and other vertical
2 improvements that are located within the boundaries of a
3 STAR bond district and owned by a destination user or
4 destination hotel; except that only 2 destination users in
5 a STAR bond district and one destination hotel are eligible
6 to include the cost of those vertical improvements as
7 project costs;

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

17 (d) costs of the design and construction of
18 infrastructure and public works located within the
19 boundaries of a STAR bond district that are reasonable or
20 necessary to implement a STAR bond district plan or any
21 STAR bond project plans, or both, except that project costs
22 shall not include the cost of constructing a new municipal
23 public building principally used to provide offices,
24 storage space, or conference facilities or vehicle
25 storage, maintenance, or repair for administrative, public
26 safety, or public works personnel and that is not intended

1 to replace an existing public building unless the political
2 subdivision makes a reasonable determination in a STAR bond
3 district plan or any STAR bond project plans, supported by
4 information that provides the basis for that
5 determination, that the new municipal building is required
6 to meet an increase in the need for public safety purposes
7 anticipated to result from the implementation of the STAR
8 bond district plan or any STAR bond project plans;

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

22 (f) costs of job training and retraining projects,
23 including the cost of "welfare to work" programs
24 implemented by businesses located within a STAR bond
25 district;

26 (g) financing costs, including, but not limited to, all

1 necessary and incidental expenses related to the issuance
2 of obligations and which may include payment of interest on
3 any obligations issued hereunder including interest
4 accruing during the estimated period of construction of any
5 improvements in a STAR bond district or any STAR bond
6 projects for which such obligations are issued and for not
7 exceeding 36 months thereafter and including reasonable
8 reserves related thereto;

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

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

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

26 (ii) the total of such interest payments paid

1 pursuant to this Act may not exceed 30% of the total
2 cost paid or incurred by the developer for a STAR bond
3 district or STAR bond projects, plus project costs,
4 excluding any property assembly costs incurred by a
5 political subdivision pursuant to this Act;

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

8 (k) costs of landscaping and plantings, retaining
9 walls and fences, man-made lakes and ponds, shelters,
10 benches, lighting, and similar amenities located within
11 the boundaries of a STAR bond district;

12 (l) costs of mounted building signs, site monument, and
13 pylon signs located within the boundaries of a STAR bond
14 district; or

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

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

23 (i) the cost of construction of buildings that are
24 privately owned or owned by a municipality and leased to a
25 developer or retail user for non-entertainment retail
26 uses;

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

3 (iii) property taxes for property located in the STAR
4 bond district;

5 (iv) lobbying costs; and

6 (v) general overhead or administrative costs of the
7 political subdivision that would still have been incurred
8 by the political subdivision if the political subdivision
9 had not established a STAR bond district.

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

15 "Projected market area" means any area within the State in
16 which a STAR bond district or STAR bond project is projected to
17 have a significant fiscal or market impact as determined by the
18 Director.

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

24 "STAR bond" means a sales tax and revenue bond, note, or
25 other obligation payable from pledged STAR revenues and issued
26 by a political subdivision, the proceeds of which shall be used

1 only to pay project costs as defined in this Act.

2 "STAR bond district" means the specific area declared to be
3 an eligible area as determined by the political subdivision,
4 and approved by the Director, in which the political
5 subdivision may develop one or more STAR bond projects.

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

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

13 "STAR bond project area" means the geographic area within a
14 STAR bond district in which there may be one or more STAR bond
15 projects.

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

1 after completion of a STAR bond project, (vi) a general
2 description of the types of any known or proposed developers,
3 users, or tenants of the STAR bond project or projects included
4 in the plan, (vii) a general description of the type,
5 structure, and character of the property or facilities to be
6 developed or improved, (viii) a description of the general land
7 uses to apply to the STAR bond project, and (ix) a general
8 description or an estimate of the type, class, and number of
9 employees to be employed in the operation of the STAR bond
10 project.

11 "State sales tax" means all 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, excluding that portion of the net revenue realized
16 under the Retailers' Occupation Tax Act, the Use Tax Act, the
17 Service Use Tax Act, and the Service Occupation Tax Act from
18 transactions at places of business located within a STAR bond
19 district that is deposited into the Local Government Tax Fund
20 and the County and Mass Transit District Fund.

21 "State sales tax increment" means (i) 100% of that portion
22 of the State sales tax that is in excess of the State sales tax
23 for the same month in the base year, as determined by the
24 Department of Revenue, from transactions at up to 2 destination
25 users, one destination hotel, and one entertainment user
26 located within a STAR bond district, which destination users,

1 destination hotel, and entertainment user shall be designated
2 by the master developer and approved by the political
3 subdivision and the Director in conjunction with the applicable
4 STAR bond project approval, and (ii) 25% of that portion of the
5 State sales tax that is in excess of the State sales tax for
6 the same month in the base year, as determined by the
7 Department of Revenue, from all other transactions within a
8 STAR bond district. If any portion of State sales taxes are, at
9 the time of formation of a STAR bond district, already subject
10 to tax increment financing under the Tax Increment Allocation
11 Redevelopment Act, then the State sales tax increment for such
12 portion shall be frozen at the base year established in
13 accordance with this Act, and all future incremental increases
14 shall be included in the State sales tax increment under this
15 Act. Any party otherwise entitled to receipt of incremental
16 State sales tax revenues through an existing tax increment
17 financing district shall be entitled to continue to receive
18 such revenues up to the amount frozen in the base year. Nothing
19 in this Act shall affect the prior qualification of existing
20 redevelopment project costs incurred that are eligible for
21 reimbursement under the Tax Increment Allocation Redevelopment
22 Act. In such event, prior to approving a STAR bond district,
23 the political subdivision forming the STAR bond district shall
24 take such action as is necessary, including amending the
25 existing tax increment financing district redevelopment plan,
26 to carry out the provisions of this Act.

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

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

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

12 "Traditional retail use" means the operation of a business
13 that derives at least 90% of its annual gross revenue from
14 sales at retail, as that phrase is defined by Section 1 of the
15 Retailers' Occupation Tax Act, but does not include the
16 operations of destination users, entertainment users,
17 restaurants, hotels, retail uses within hotels, or any other
18 non-retail uses.

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

22 Section 15. Establishment of STAR bond district. The
23 governing body of a municipality may establish a STAR bond
24 district within an eligible area within the municipality or
25 partially outside the boundaries of the municipality in an

1 unincorporated area of the county. A STAR bond district which
2 is partially outside the boundaries of the municipality must
3 also be approved by the governing body of the county by the
4 passage of a resolution. The governing body of a county may
5 establish a STAR bond district in an eligible area in any
6 unincorporated area of the county.

7 (a) When a political subdivision proposes to establish a
8 STAR bond district, the political subdivision shall adopt a
9 resolution stating that the political subdivision is
10 considering the establishment of a STAR bond district. The
11 resolution shall:

12 (1) give notice, in the same manner as set forth in
13 item (2) of subsection (e) of Section 20, that a public
14 hearing will be held to consider the establishment of a
15 STAR bond district and fix the date, hour, and place of the
16 public hearing, which shall be at a location that is within
17 20 miles of the STAR bond district, in a facility that can
18 accommodate a large crowd, and in a facility that is
19 accessible to persons with disabilities;

20 (2) describe the proposed general boundaries of the
21 STAR bond district;

22 (3) describe the STAR bond district plan;

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

26 (5) identify the master developer for the STAR bond

1 district; and

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

4 (b) Upon the conclusion of the public hearing the governing
5 body of the political subdivision may consider a resolution to
6 establish the STAR bond district.

7 (1) A resolution to establish a STAR bond district
8 shall:

9 (A) make findings that the proposed STAR bond
10 district is to be developed with one or more STAR bond
11 projects;

12 (B) make findings that the STAR bond district is an
13 eligible area;

14 (C) contain a STAR bond district plan that
15 identifies in a general manner the buildings and
16 facilities that are proposed to be constructed or
17 improved in subsequent STAR bond projects and that
18 includes plans for at least one destination user;

19 (D) contain the legal description of the STAR bond
20 district;

21 (E) appoint the master developer for the STAR bond
22 district; and

23 (F) establish the STAR bonds district, contingent
24 upon approval of the Director as set forth in
25 subsection (d).

26 (2) If the resolution is not adopted by the political

1 subdivision within 60 days from the conclusion of the
2 public hearing, then the STAR bond district shall not be
3 established.

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

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

1 commercially feasible; (v) promotion of access to mass transit
2 and bicycle transportation; (vi) implementation of recycling
3 programs during construction and at completed STAR bond
4 projects; (vii) preservation of water quality and promotion of
5 water conservation through the use of techniques such as
6 reusing storm water and landscaping with native and
7 low-maintenance vegetation to reduce the need for irrigation
8 and fertilization; (viii) inclusion of comprehensive lighting
9 programs that reduce light pollution within the STAR bond
10 district; and (ix) promotion of shared parking between
11 different users to reduce the impact on project sites.

12 (d) Upon adoption of the resolution to establish a STAR
13 bond district, the political subdivision shall submit the
14 proposed STAR bond district to the Director for consideration.
15 The Director may only approve a STAR bond district if the
16 Director finds that: (i) the proposed STAR bond district is an
17 eligible area, (ii) the STAR bond district plan includes a
18 projected capital investment of at least \$100,000,000, (iii)
19 the STAR bond district plan is reasonably projected to produce
20 at least \$100,000,000 of annual gross sales revenues and 500
21 new jobs, (iv) the STAR bond district plan includes potential
22 destination users and a potential entertainment user, (v) the
23 creation of the STAR bond district and STAR bond district plan
24 are in accordance with the purpose of this Act and the public
25 interest, and (vi) the STAR bond district and STAR bond
26 district plan meet any other requirement that the Director

1 deems appropriate. If a proposed STAR bond district meets all
2 of the foregoing criteria, the Director shall not unreasonably
3 withhold its approval of the proposed STAR bond district. The
4 Director may only approve one STAR bond district within any
5 projected market area. However, the Director may approve
6 additional STAR bond districts in a single projected market
7 area provided that the Director finds that the additional STAR
8 bond district will not thwart the purposes of this Act. The
9 Director shall promptly send a copy of its written findings and
10 approval or denial of a STAR bond district to the requesting
11 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 \$100,000,000, 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 \$100,000,000 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 500 jobs existing in the STAR
6 bond district, the State may require the master developer to
7 pay the State a penalty of \$1,500 per job under 500 each year
8 until the earlier of (i) the twenty-third anniversary of the
9 first date of distribution of State sales tax revenues from the
10 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 500 jobs have
13 been created in the STAR bond district. Upon creation of 500
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 \$100,000,000 in total development costs, or failure to
24 create 500 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 at least one
16 destination user for the first STAR bond project proposed
17 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 political
24 subdivision must apply to the Department for approval of the
25 STAR bond project plan. An application for approval of a STAR
26 bond project plan must not be approved unless all of the

1 components of the feasibility study set forth in items (1)
2 through (11) of subsection (b) have been completed and
3 submitted to the Department for review. In addition to
4 reviewing all of the other elements of the STAR bond project
5 plan required under subsection (c), which must be included in
6 the application (which plan must include a letter or letters of
7 intent as required under subdivision (c)(5) in order to receive
8 Director approval), the Director must review the feasibility
9 study and consider all of the components of the feasibility
10 study set forth in items (1) through (11) of subsection (b) of
11 Section 20, including without limitation the economic impact
12 study and the financial benefit of the proposed STAR bond
13 project to the local, regional, and State economies, the
14 proposed adverse impacts on similar businesses and projects as
15 well as municipalities within the market area, and the net
16 effect of the proposed STAR bond project on the local,
17 regional, and State economies. In addition to the economic
18 impact study, the political subdivision must also submit to the
19 Department, as part of its application, the financial and other
20 information that substantiates the basis for the conclusion of
21 the economic impact study, in the form and manner as required
22 by the Department, so that the Department can verify the
23 results of the study. In addition to any other criteria in this
24 subsection, to approve the STAR bond project plan, the Director
25 must be satisfied that the proposed destination user is in fact
26 a true destination user and also find that the STAR bond

1 project plan is in accordance with the purpose of this Act and
2 the public interest. The Director shall either approve or deny
3 the STAR bond project plan based on the criteria in this
4 subsection.

5 (e) Upon a finding by the planning and zoning commission of
6 the political subdivision that the STAR bond project plan is
7 consistent with the intent of the comprehensive plan for the
8 development of the political subdivision and upon issuance of
9 written approval of the STAR bond project plan from the
10 Director pursuant to subsection (d) of Section 20, the
11 governing body of the political subdivision shall adopt a
12 resolution stating that the political subdivision is
13 considering the adoption of the STAR bond project plan. The
14 resolution shall:

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

18 (2) describe the general boundaries of the STAR bond
19 district within which the STAR bond project will be located
20 and the date of establishment of the STAR bond district;

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

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

1 (5) contain a summary of the terms and conditions of
2 any proposed project development agreement with the
3 political subdivision.

4 (f) A public hearing shall be conducted to consider the
5 adoption of any STAR bond project plan.

6 (1) The date fixed for the public hearing to consider
7 the adoption of the STAR bond project plan shall be not
8 less than 20 nor more than 90 days following the date of
9 the adoption of the resolution fixing the date of the
10 hearing.

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

1 resolution.

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

6 (4) At the public hearing, a representative of the
7 political subdivision or master developer shall present
8 the STAR bond project plan. Following the presentation of
9 the STAR bond project plan, all interested persons shall be
10 given an opportunity to be heard. The governing body may
11 continue the date and time of the public hearing.

12 (g) Upon conclusion of the public hearing, the governing
13 body of the political subdivision may adopt the STAR bond
14 project plan by a resolution approving the STAR bond project
15 plan.

16 (h) After the adoption by the corporate authorities of the
17 political subdivision of a STAR bond project plan, the
18 political subdivision may enter into a project development
19 agreement if the master developer has requested the political
20 subdivision to be a party to the project development agreement
21 pursuant to subsection (b) of Section 25.

22 (i) Within 30 days after the adoption by the political
23 subdivision of a STAR bond project plan, the clerk of the
24 political subdivision shall transmit a copy of the legal
25 description of the land and a list of all new and existing
26 mailing addresses within the STAR bond district, a copy of the

1 resolution adopting the STAR bond project plan, and a map or
2 plat indicating the boundaries of the STAR bond project area to
3 the clerk, treasurer, and governing body of the county and to
4 the Department of Revenue. Within 30 days of creation of any
5 new mailing addresses within a STAR bond district, the clerk of
6 the political subdivision shall provide written notice of such
7 new addresses to the Department of Revenue.

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

23 Any substantial changes to a STAR bond project plan as
24 adopted shall be subject to a public hearing following
25 publication of notice thereof in a newspaper of general
26 circulation in the political subdivision and approval by

1 resolution of the governing body of the political subdivision.

2 The Department of Revenue shall not collect or allocate any
3 local sales tax increment or State sales tax increment, until
4 the political subdivision also provides, in the manner
5 prescribed by the Department, the boundaries of the STAR bond
6 project area and each address in the STAR bond project area in
7 such a way that the Department can determine by its address
8 whether a business is located in the STAR bond project area.
9 The political subdivision must provide this boundary and
10 address information to the Department on or before April 1 for
11 administration and enforcement under this Act by the Department
12 beginning on the following July 1 and on or before October 1
13 for administration and enforcement under this Act by the
14 Department beginning on the following January 1. The Department
15 of Revenue shall not administer or enforce any change made to
16 the boundaries of a STAR bond project or any address change,
17 addition, or deletion until the political subdivision reports
18 the boundary change or address change, addition, or deletion to
19 the Department in the manner prescribed by the Department. The
20 political subdivision must provide this boundary change or
21 address change, addition, or deletion information to the
22 Department on or before April 1 for administration and
23 enforcement by the Department of the change, addition, or
24 deletion beginning on the following July 1 and on or before
25 October 1 for administration and enforcement by the Department
26 of the change, addition, or deletion beginning on the following

1 January 1. If a retailer is incorrectly included or excluded
2 from the list of those located in the STAR bond project, the
3 Department of Revenue shall be held harmless if it reasonably
4 relied on information provided by the political subdivision.

5 (j) Any STAR bond project must be approved by the political
6 subdivision prior to that date which is 23 years from the date
7 of the approval of the STAR bond district, provided however
8 that any amendments to such STAR bond project may occur
9 following such date.

10 (k) Any developer of a STAR bond project shall commence
11 work on the STAR bond project within 3 years from the date of
12 adoption of the STAR bond project plan. If the developer fails
13 to commence work on the STAR bond project within the 3-year
14 period, funding for the project shall cease and the developer
15 of the project or complex shall have one year to appeal to the
16 political subdivision for reapproval of the project and
17 funding. If the project is reapproved, the 3-year period for
18 commencement shall begin again on the date of the reapproval.

19 (l) After the adoption by the corporate authorities of the
20 political subdivision of a STAR bond project plan and approval
21 of the Director pursuant to subsection (d) of Section 20, the
22 political subdivision may authorize the issuance of the STAR
23 bonds in one or more series to finance the STAR bond project in
24 accordance with the provisions of this Act.

25 (m) The maximum maturity of STAR bonds issued to finance a
26 STAR bond project shall not exceed 23 years from the first date

1 of distribution of State sales tax revenues from such STAR bond
2 project to the political subdivision, unless the political
3 subdivision extends such maturity by resolution up to a maximum
4 of 35 years from such first distribution date. Any such
5 extension shall require the approval of the Director. In no
6 event shall the maximum maturity date for any STAR bonds exceed
7 that date which is 35 years from the first distribution date of
8 the first STAR bonds issued in a STAR bond district.

9 Section 25. Co-developers and subdevelopers. Upon approval
10 of a STAR bond project by the political subdivision, the master
11 developer may, subject to the approval of the Director and the
12 political subdivision, develop the STAR bond project on its own
13 or it may develop the STAR bond project with another developer,
14 which may include an assignment or transfer of development
15 rights.

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

19 (b) A master developer may enter into one or more
20 agreements with a co-developer or subdeveloper in connection
21 with a STAR bond project, and the master developer may request
22 that the political subdivision become a party to the project
23 development agreement, or the master developer may request that
24 the political subdivision amend its master development
25 agreement to provide for certain terms and conditions that may

1 be related to the co-developer or subdeveloper and the STAR
2 bond project. For any project development agreement which the
3 political subdivision would be a party or for any amendments to
4 the master development agreement, the terms and conditions must
5 be acceptable to both the master developer and the political
6 subdivision.

7 Section 30. STAR bonds; source of payment. Any political
8 subdivision shall have the power to issue STAR bonds in one or
9 more series to finance the undertaking of any STAR bond project
10 in accordance with the provisions of this Act and the Omnibus
11 Bond Acts. STAR bonds may be issued as revenue bonds, alternate
12 bonds, or general obligation bonds as defined in and subject to
13 the procedures provided in the Local Government Debt Reform
14 Act.

15 (a) STAR bonds may be made payable, both as to principal
16 and interest, from the following revenues, which to the extent
17 pledged by each respective political subdivision or other
18 public entity for such purpose shall constitute pledged STAR
19 revenues:

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

23 (2) available private funds and contributions, grants,
24 tax credits, or other financial assistance from the State
25 or federal government;

1 (3) STAR bond occupation taxes created pursuant to
2 Section 31 and designated as pledged STAR revenues by the
3 political subdivision;

4 (4) all of the local sales tax increment of a
5 municipality, county, or other unit of local government;

6 (5) any special service area taxes collected within the
7 STAR bond district under the Special Service Area Tax Act,
8 may be used for the purposes of funding project costs or
9 paying debt service on STAR bonds in addition to the
10 purposes contained in the special service area plan;

11 (6) all of the State sales tax increment;

12 (7) any other revenues appropriated by the political
13 subdivision; and

14 (8) any combination of these methods.

15 (b) The political subdivision may pledge the pledged STAR
16 revenues to the repayment of STAR bonds prior to,
17 simultaneously with, or subsequent to the issuance of the STAR
18 bonds.

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

25 (d) For each STAR bond project financed with STAR bonds
26 payable from the pledged STAR revenues, the political

1 subdivision shall prepare and submit to the Department of
2 Revenue by June 1 of each year a report describing the status
3 of the STAR bond project, any expenditures of the proceeds of
4 STAR bonds that have occurred for the preceding calendar year,
5 and any expenditures of the proceeds of the bonds expected to
6 occur in the future, including the amount of pledged STAR
7 revenue, the amount of revenue that has been spent, the
8 projected amount of the revenue, and the anticipated use of the
9 revenue. Each annual report shall be accompanied by an
10 affidavit of the master developer certifying the contents of
11 the report as true to the best of the master developer's
12 knowledge. The Department of Revenue shall have the right, but
13 not the obligation, to request the Illinois Auditor General to
14 review the annual report and the political subdivision's
15 records containing the source information for the report for
16 the purpose of verifying the report's contents. If the Illinois
17 Auditor General declines the request for review, the Department
18 of Revenue shall have the right to select an independent
19 third-party auditor to conduct an audit of the annual report
20 and the political subdivision's records containing the source
21 information for the report. The reasonable cost of the audit
22 shall be paid by the master developer. The master development
23 agreement shall grant the Department of Revenue and the
24 Illinois Auditor General the right to review the records of the
25 political subdivision containing the source information for
26 the report.

1 (e) There is created in the State treasury a special fund
2 to be known as the STAR Bonds Revenue Fund. As soon as possible
3 after the first day of each month, beginning January 1, 2011,
4 upon certification of the Department of Revenue, the
5 Comptroller shall order transferred, and the Treasurer shall
6 transfer, from the General Revenue Fund to the STAR Bonds
7 Revenue Fund the State sales tax increment for the second
8 preceding month, less 3% of that amount, which shall be
9 transferred into the Tax Compliance and Administration Fund and
10 shall be used by the Department, subject to appropriation, to
11 cover the costs of the Department in administering the
12 Innovation Development and Economy Act. As soon as possible
13 after the first day of each month, beginning January 1, 2011,
14 upon certification of the Department of Revenue, the
15 Comptroller shall order transferred, and the Treasurer shall
16 transfer, from the Local Government Tax Fund to the STAR Bonds
17 Revenue Fund the local sales tax increment for the second
18 preceding month, as provided in Section 6z-18 of the State
19 Finance Act and from the County and Mass Transit District Fund
20 to the STAR Bonds Revenue Fund the local sales tax increment
21 for the second preceding month, as provided in Section 6z-20 of
22 the State Finance Act.

23 On or before the 25th day of each calendar month, beginning
24 on January 1, 2011, the Department shall prepare and certify to
25 the Comptroller the disbursement of stated sums of money out of
26 the STAR Bonds Revenue Fund to named municipalities and

1 counties, the municipalities and counties to be those entitled
2 to distribution of taxes or penalties paid to the Department
3 during the second preceding calendar month. The amount to be
4 paid to each municipality or county shall be the amount of the
5 State sales tax increment and the local sales tax increment
6 (not including credit memoranda or the amount transferred into
7 the Tax Compliance and Administration Fund) collected during
8 the second preceding calendar month by the Department from
9 retailers and servicemen on transactions at places of business
10 located within a STAR bond district in that municipality or
11 county, plus an amount the Department determines is necessary
12 to offset any amounts which were erroneously paid to a
13 different taxing body, and not including an amount equal to the
14 amount of refunds made during the second preceding calendar
15 month by the Department, and not including any amount which the
16 Department determines is necessary to offset any amounts which
17 are payable to a different taxing body but were erroneously
18 paid to the municipality or county. Within 10 days after
19 receipt, by the Comptroller, of the disbursement certification
20 to the municipalities and counties, provided for in this
21 Section to be given to the Comptroller by the Department, the
22 Comptroller shall cause the orders to be drawn for the
23 respective amounts in accordance with the directions contained
24 in such certification.

25 When certifying the amount of monthly disbursement to a
26 municipality or county under this subsection, the Department

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

5 (f) As of the seventh anniversary of the first date of
6 distribution of State sales tax revenues from the first STAR
7 bond project in the STAR bond district, and as of every fifth
8 anniversary thereafter until final maturity of all STAR bonds
9 issued in a STAR bond district, the portion of the aggregate
10 proceeds of STAR bonds issued to date that is derived from the
11 State sales tax increment pledged to pay STAR bonds in any STAR
12 bond district shall not exceed 50% of the total development
13 costs in the STAR bond district to date. The Illinois Auditor
14 General shall make the foregoing determination on said seventh
15 anniversary and every 5 years thereafter until final maturity
16 of all STAR bonds issued in a STAR bond district. If at any
17 time after the seventh anniversary of the first date of
18 distribution of State sales tax revenues from the first STAR
19 bond project in the STAR bond district the Illinois Auditor
20 General determines that the portion of the aggregate proceeds
21 of STAR bonds issued to date that is derived from the State
22 sales tax increment pledged to pay STAR bonds in any STAR bond
23 district has exceeded 50% of the total development costs in the
24 STAR bond district, no additional STAR bonds may be issued in
25 the STAR bond district until the percentage is reduced to 50%
26 or below. When the percentage has been reduced to 50% or below,

1 the master developer shall have the right, at its own cost, to
2 obtain a new audit prepared by an independent third-party
3 auditor verifying compliance and shall provide such audit to
4 the Illinois Auditor General for review and approval. Upon the
5 Illinois Auditor General's determination from the audit that
6 the percentage has been reduced to 50% or below, STAR bonds may
7 again be issued in the STAR bond district.

8 (g) Notwithstanding the provisions of the Tax Increment
9 Allocation Redevelopment Act, if any portion of property taxes
10 attributable to the increase in equalized assessed value within
11 a STAR bond district are, at the time of formation of the STAR
12 bond district, already subject to tax increment financing under
13 the Tax Increment Allocation Redevelopment Act, then the tax
14 increment for such portion shall be frozen at the base year
15 established in accordance with this Act, and all future
16 incremental increases over the base year shall not be subject
17 to tax increment financing under the Tax Increment Allocation
18 Redevelopment Act. Any party otherwise entitled to receipt of
19 incremental tax revenues through an existing tax increment
20 financing district shall be entitled to continue to receive
21 such revenues up to the amount frozen in the base year. Nothing
22 in this Act shall affect the prior qualification of existing
23 redevelopment project costs incurred that are eligible for
24 reimbursement under the Tax Increment Allocation Redevelopment
25 Act. In such event, prior to approving a STAR bond district,
26 the political subdivision forming the STAR bond district shall

1 take such action as is necessary, including amending the
2 existing tax increment financing district redevelopment plan,
3 to carry out the provisions of this Act.

4 Section 31. STAR bond occupation taxes.

5 (a) If the corporate authorities of a political subdivision
6 have established a STAR bond district and have elected to
7 impose a tax by ordinance pursuant to subsection (b) or (c) of
8 this Section, each year after the date of the adoption of the
9 ordinance and until all STAR bond project costs and all
10 political subdivision obligations financing the STAR bond
11 project costs, if any, have been paid in accordance with the
12 STAR bond project plans, but in no event longer than the
13 maximum maturity date of the last of the STAR bonds issued for
14 projects in the STAR bond district, all amounts generated by
15 the retailers' occupation tax and service occupation tax shall
16 be collected and the tax shall be enforced by the Department of
17 Revenue in the same manner as all retailers' occupation taxes
18 and service occupation taxes imposed in the political
19 subdivision imposing the tax. The corporate authorities of the
20 political subdivision shall deposit the proceeds of the taxes
21 imposed under subsections (b) and (c) into either (i) a special
22 fund held by the corporate authorities of the political
23 subdivision called the STAR Bonds Tax Allocation Fund for the
24 purpose of paying STAR bond project costs and obligations
25 incurred in the payment of those costs if such taxes are

1 designated as pledged STAR revenues by resolution or ordinance
2 of the political subdivision or (ii) the political
3 subdivision's general corporate fund if such taxes are not
4 designated as pledged STAR revenues by resolution or ordinance.

5 The tax imposed under this Section by a municipality may be
6 imposed only on the portion of a STAR bond district that is
7 within the boundaries of the municipality. For any part of a
8 STAR bond district that lies outside of the boundaries of that
9 municipality, the municipality in which the other part of the
10 STAR bond district lies (or the county, in cases where a
11 portion of the STAR bond district lies in the unincorporated
12 area of a county) is authorized to impose the tax under this
13 Section on that part of the STAR bond district.

14 (b) The corporate authorities of a political subdivision
15 that has established a STAR bond district under this Act may,
16 by ordinance or resolution, impose a STAR Bond Retailers'
17 Occupation Tax upon all persons engaged in the business of
18 selling tangible personal property, other than an item of
19 tangible personal property titled or registered with an agency
20 of this State's government, at retail in the STAR bond district
21 at a rate not to exceed 1% of the gross receipts from the sales
22 made in the course of that business, to be imposed only in
23 0.25% increments. The tax may not be imposed on food for human
24 consumption that is to be consumed off the premises where it is
25 sold (other than alcoholic beverages, soft drinks, and food
26 that has been prepared for immediate consumption),

1 prescription and nonprescription medicines, drugs, medical
2 appliances, modifications to a motor vehicle for the purpose of
3 rendering it usable by a disabled person, and insulin, urine
4 testing materials, syringes, and needles used by diabetics, for
5 human use.

6 The tax imposed under this subsection and all civil
7 penalties that may be assessed as an incident thereof shall be
8 collected and enforced by the Department of Revenue. The
9 certificate of registration that is issued by the Department to
10 a retailer under the Retailers' Occupation Tax Act shall permit
11 the retailer to engage in a business that is taxable under any
12 ordinance or resolution enacted pursuant to this subsection
13 without registering separately with the Department under such
14 ordinance or resolution or under this subsection. The
15 Department of Revenue shall have full power to administer and
16 enforce this subsection; to collect all taxes and penalties due
17 under this subsection in the manner hereinafter provided; and
18 to determine all rights to credit memoranda arising on account
19 of the erroneous payment of tax or penalty under this
20 subsection. In the administration of, and compliance with, this
21 subsection, the Department and persons who are subject to this
22 subsection shall have the same rights, remedies, privileges,
23 immunities, powers, and duties, and be subject to the same
24 conditions, restrictions, limitations, penalties, exclusions,
25 exemptions, and definitions of terms and employ the same modes
26 of procedure, as are prescribed in Sections 1, 1a through 1o, 2

1 through 2-65 (in respect to all provisions therein other than
2 the State rate of tax), 2c through 2h, 3 (except as to the
3 disposition of taxes and penalties collected), 4, 5, 5a, 5b,
4 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10,
5 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all
6 provisions of the Uniform Penalty and Interest Act, as fully as
7 if those provisions were set forth herein.

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

10 (c) If a tax has been imposed under subsection (b), a STAR
11 Bond Service Occupation Tax shall also be imposed upon all
12 persons engaged, in the STAR bond district, in the business of
13 making sales of service, who, as an incident to making those
14 sales of service, transfer tangible personal property within
15 the STAR bond district, either in the form of tangible personal
16 property or in the form of real estate as an incident to a sale
17 of service. The tax shall be imposed at the same rate as the
18 tax imposed in subsection (b) and shall not exceed 1% of the
19 selling price of tangible personal property so transferred
20 within the STAR bond district, to be imposed only in 0.25%
21 increments. The tax may not be imposed on food for human
22 consumption that is to be consumed off the premises where it is
23 sold (other than alcoholic beverages, soft drinks, and food
24 that has been prepared for immediate consumption),
25 prescription and nonprescription medicines, drugs, medical
26 appliances, modifications to a motor vehicle for the purpose of

1 rendering it usable by a disabled person, and insulin, urine
2 testing materials, syringes, and needles used by diabetics, for
3 human use.

4 The tax imposed under this subsection and all civil
5 penalties that may be assessed as an incident thereof shall be
6 collected and enforced by the Department of Revenue. The
7 certificate of registration that is issued by the Department to
8 a retailer under the Retailers' Occupation Tax Act or under the
9 Service Occupation Tax Act shall permit the registrant to
10 engage in a business that is taxable under any ordinance or
11 resolution enacted pursuant to this subsection without
12 registering separately with the Department under that
13 ordinance or resolution or under this subsection. The
14 Department of Revenue shall have full power to administer and
15 enforce this subsection; to collect all taxes and penalties due
16 under this subsection; 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 under this subsection. In
20 the administration of, and compliance with this subsection, the
21 Department and persons who are subject to this subsection shall
22 have the same rights, remedies, privileges, immunities,
23 powers, 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 procedure
26 as are prescribed in Sections 2, 2a through 2d, 3 through 3-50

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

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

17 (d) Persons subject to any tax imposed under this Section
18 may reimburse themselves for their seller's tax liability under
19 this Section by separately stating the tax as an additional
20 charge, which charge may be stated in combination, in a single
21 amount, with State taxes that sellers are required to collect
22 under the Use Tax Act, in accordance with such bracket
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 STAR bond retailers' occupation tax fund.

5 The Department shall immediately pay over to the State
6 Treasurer, ex officio, as trustee, all taxes, penalties, and
7 interest collected under this Section for deposit into the STAR
8 bond retailers' occupation tax fund. On or before the 25th day
9 of each calendar month, the Department shall prepare and
10 certify to the Comptroller the disbursement of stated sums of
11 money to named political subdivisions from the STAR bond
12 retailers' occupation tax fund, the political subdivisions to
13 be those from which retailers have paid taxes or penalties
14 under this Section to the Department during the second
15 preceding calendar month. The amount to be paid to each
16 political subdivision shall be the amount (not including credit
17 memoranda) collected under this Section during the second
18 preceding calendar month by the Department plus an amount the
19 Department determines is necessary to offset any amounts that
20 were erroneously paid to a different taxing body, and not
21 including an amount equal to the amount of refunds made during
22 the second preceding calendar month by the Department, less 3%
23 of that amount, which shall be deposited into the Tax
24 Compliance and Administration Fund and shall be used by the
25 Department, subject to appropriation, to cover the costs of the
26 Department in administering and enforcing the provisions of

1 this Section, on behalf of such political subdivision, and not
2 including any amount that the Department determines is
3 necessary to offset any amounts that were payable to a
4 different taxing body but were erroneously paid to the
5 political subdivision. Within 10 days after receipt by the
6 Comptroller of the disbursement certification to the political
7 subdivisions provided for in this Section to be given to the
8 Comptroller by the Department, the Comptroller shall cause the
9 orders to be drawn for the respective amounts in accordance
10 with the directions contained in the certification. The
11 proceeds of the tax paid to political subdivisions under this
12 Section shall be deposited into either (i) the STAR Bonds Tax
13 Allocation Fund by the political subdivision if the political
14 subdivision has designated them as pledged STAR revenues by
15 resolution or ordinance or (ii) the political subdivision's
16 general corporate fund if the political subdivision has not
17 designated them as pledged STAR revenues.

18 An ordinance or resolution imposing or discontinuing the
19 tax under this Section or effecting a change in the rate
20 thereof shall either (i) be adopted and a certified copy
21 thereof filed with the Department on or before the first day of
22 April, whereupon the Department, if all other requirements of
23 this Section are met, shall proceed to administer and enforce
24 this Section as of the first day of July next following the
25 adoption and filing; or (ii) be adopted and a certified copy
26 thereof filed with the Department on or before the first day of

1 October, whereupon, if all other requirements of this Section
2 are met, the Department shall proceed to administer and enforce
3 this Section as of the first day of January next following the
4 adoption and filing.

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

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

11 A political subdivision that imposes the tax under this
12 Section must submit to the Department of Revenue any other
13 information as the Department may require that is necessary for
14 the administration and enforcement of the tax.

15 When certifying the amount of a monthly disbursement to a
16 political subdivision under this Section, the Department shall
17 increase or decrease the amount by an amount necessary to
18 offset any misallocation of previous disbursements. The offset
19 amount shall be the amount erroneously disbursed within the
20 previous 6 months from the time a misallocation is discovered.

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

26 (e) When STAR bond project costs, including, without

1 limitation, all political subdivision obligations financing
2 STAR bond project costs, have been paid, any surplus funds then
3 remaining in the STAR Bonds Tax Allocation Fund shall be
4 distributed to the treasurer of the political subdivision for
5 deposit into the political subdivision's general corporate
6 fund. Upon payment of all STAR bond project costs and
7 retirement of obligations, but in no event later than the
8 maximum maturity date of the last of the STAR bonds issued in
9 the STAR bond district, the political subdivision shall adopt
10 an ordinance immediately rescinding the taxes imposed pursuant
11 to this Section and file a certified copy of the ordinance with
12 the Department in the form and manner as described in this
13 Section.

14 Section 33. STAR Bonds School Improvement and Operations
15 Trust Fund.

16 (a) The STAR Bonds School Improvement and Operations Trust
17 Fund is created as a trust fund in the State treasury. Deposits
18 into the Trust Fund shall be made as provided under this
19 Section. Moneys in the Trust Fund shall be used by the
20 Department of Revenue only for the purpose of making payments
21 to school districts in educational service regions that include
22 or are adjacent to the STAR bond district. Moneys in the Trust
23 Fund are not subject to appropriation and shall be used solely
24 as provided in this Section. All deposits into the Trust Fund
25 shall be held in the Trust Fund by the State Treasurer as ex

1 officio custodian separate and apart from all public moneys or
2 funds of this State and shall be administered by the Department
3 exclusively for the purposes set forth in this Section. All
4 moneys in the Trust Fund shall be invested and reinvested by
5 the State Treasurer. All interest accruing from these
6 investments shall be deposited in the Trust Fund.

7 (b) Upon approval of a STAR bond district, the political
8 subdivision shall immediately transmit to the county clerk of
9 the county in which the district is located a certified copy of
10 the ordinance creating the district, a legal description of the
11 district, a map of the district, identification of the year
12 that the county clerk shall use for determining the total
13 initial equalized assessed value of the district consistent
14 with subsection (c), and a list of the parcel or tax
15 identification number of each parcel of property included in
16 the district.

17 (c) Upon approval of a STAR bond district, the county clerk
18 immediately thereafter shall determine (i) the most recently
19 ascertained equalized assessed value of each lot, block, tract,
20 or parcel of real property within the STAR bond district, from
21 which shall be deducted the homestead exemptions under Article
22 15 of the Property Tax Code, which value shall be the initial
23 equalized assessed value of each such piece of property, and
24 (ii) the total equalized assessed value of all taxable real
25 property within the district by adding together the most
26 recently ascertained equalized assessed value of each taxable

1 lot, block, tract, or parcel of real property within the
2 district, from which shall be deducted the homestead exemptions
3 under Article 15 of the Property Tax Code, and shall certify
4 that amount as the total initial equalized assessed value of
5 the taxable real property within the STAR bond district.

6 (d) In reference to any STAR bond district created within
7 any political subdivision, and in respect to which the county
8 clerk has certified the total initial equalized assessed value
9 of the property in the area, the political subdivision may
10 thereafter request the clerk in writing to adjust the initial
11 equalized value of all taxable real property within the STAR
12 bond district by deducting therefrom the exemptions under
13 Article 15 of the Property Tax Code applicable to each lot,
14 block, tract, or parcel of real property within the STAR bond
15 district. The county clerk shall immediately after the written
16 request to adjust the total initial equalized value is received
17 determine the total homestead exemptions in the STAR bond
18 district as provided under Article 15 of the Property Tax Code
19 by adding together the homestead exemptions provided by said
20 Article on each lot, block, tract, or parcel of real property
21 within STAR bond district and then shall deduct the total of
22 said exemptions from the total initial equalized assessed
23 value. The county clerk shall then promptly certify that amount
24 as the total initial equalized assessed value as adjusted of
25 the taxable real property within the STAR bond district.

26 (e) The county clerk or other person authorized by law

1 shall compute the tax rates for each taxing district with all
2 or a portion of its equalized assessed value located in the
3 STAR bond district. The rate per cent of tax determined shall
4 be extended to the current equalized assessed value of all
5 property in the district in the same manner as the rate per
6 cent of tax is extended to all other taxable property in the
7 taxing district.

8 (f) Beginning with the assessment year in which the first
9 destination user in the first STAR bond project in a STAR bond
10 district makes its first retail sales and for each assessment
11 year thereafter until final maturity of the last STAR bonds
12 issued in the district, the county clerk or other person
13 authorized by law shall determine the increase in equalized
14 assessed value of all real property within the STAR bond
15 district by subtracting the initial equalized assessed value of
16 all property in the district certified under subsection (c)
17 from the current equalized assessed value of all property in
18 the district. Each year, the property taxes arising from the
19 increase in equalized assessed value in the STAR bond district
20 shall be determined for each taxing district and shall be
21 certified to the county collector.

22 (g) Beginning with the year in which taxes are collected
23 based on the assessment year in which the first destination
24 user in the first STAR bond project in a STAR bond district
25 makes its first retail sales and for each year thereafter until
26 final maturity of the last STAR bonds issued in the district,

1 the county collector shall, within 30 days after receipt of
2 property taxes, transmit to the Department to be deposited into
3 the STAR Bonds School Improvement and Operations Trust Fund 15%
4 of property taxes attributable to the increase in equalized
5 assessed value within the STAR bond district from each taxing
6 district as certified in subsection (f).

7 (h) The Department shall pay to the regional superintendent
8 of schools whose educational service region includes Franklin
9 and Williamson Counties, for each year for which money is
10 remitted to the Department and paid into the STAR Bonds School
11 Improvement and Operations Trust Fund, the money in the Fund as
12 provided in this Section. The amount paid to each school
13 district shall be allocated proportionately, based on each
14 qualifying school district's fall enrollment for the
15 then-current school year, such that the school district with
16 the largest fall enrollment receives the largest proportionate
17 share of money paid out of the Fund or by any other method or
18 formula that the regional superintendent of schools deems fit,
19 equitable, and in the public interest. The regional
20 superintendent may allocate moneys to school districts that are
21 outside of his or her educational service region or to other
22 regional superintendents.

23 The Department shall determine the distributions under
24 this Section using its best judgment and information. The
25 Department shall be held harmless for the distributions made
26 under this Section and all distributions shall be final.

1 (i) In any year that an assessment appeal is filed, the
2 extension of taxes on any assessment so appealed shall not be
3 delayed. In the case of an assessment that is altered, any
4 taxes extended upon the unauthorized assessment or part thereof
5 shall be abated, or, if already paid, shall be refunded with
6 interest as provided in Section 23-20 of the Property Tax Code.
7 In the case of an assessment appeal, the county collector shall
8 notify the Department that an assessment appeal has been filed
9 and the amount of the tax that would have been deposited in the
10 STAR Bond School Improvement Fund. The county collector shall
11 hold that amount in a separate fund until the appeal process is
12 final. After the appeal process is finalized, the county
13 collector shall transmit to the Department the amount of tax
14 that remains, if any, after all required refunds are made. The
15 Department shall pay any amount deposited into the Trust Fund
16 under this Section in the same proportion as determined for
17 payments for that taxable year under subsection (h).

18 (j) In any year that ad valorem taxes are allocated to the
19 STAR Bonds School Improvement and Operations Trust Fund, that
20 allocation shall not reduce or otherwise impact the school aid
21 provided to any school district under the general State school
22 aid formula provided for in Section 18-8.05 of the School Code.

23 Section 35. Alternate bonds and general obligation bonds. A
24 political subdivision shall have the power to issue alternate
25 revenue and other general obligation bonds to finance the

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

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

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

20 (a) The addition or removal of land to or from a STAR bond
21 district shall require the consent of the master developer of
22 the STAR bond district.

23 (b) Any land that is outside of, but is contiguous to an
24 established STAR bond district and is subsequently owned,
25 leased, or controlled by the master developer shall be added to

1 a STAR bond district at the request of the master developer and
2 by approval of the political subdivision, provided that the
3 land becomes a part of a STAR bond project area.

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

18 Section 45. Restrictions. STAR bond districts may lie
19 within an enterprise zone, but no portion of a STAR bond
20 project shall be financed with funds allocated pursuant to the
21 Illinois Enterprise Zone Act. STAR bond districts may overlay
22 and benefit from existing tax increment financing districts
23 created pursuant to the Tax Increment Allocation Redevelopment
24 Act, but no portion of a STAR bond project shall be financed
25 with tax increment financing under said Act. During any period

1 of time that STAR bonds are outstanding for a STAR bond
2 district, a developer may not use any land located in the STAR
3 bond district for any (i) retail store whose primary business
4 is the sale of automobiles, including trucks and other
5 automotive vehicles with 4 wheels designed for passenger
6 transportation on public streets and thoroughfares or (ii)
7 multi-screen motion picture theater complexes containing more
8 than 12 auditoriums for viewing motion pictures. No STAR bond
9 district may contain more than 900,000 square feet of floor
10 space devoted to traditional retail use.

11 Section 50. Reporting taxes. Notwithstanding any other
12 provisions of law to the contrary, the Department of Revenue
13 shall provide a certified report of the State sales tax
14 increment and local sales tax increment from all taxpayers
15 within a STAR bond district to the bond trustee, escrow agent,
16 or paying agent for such bonds upon the written request of the
17 political subdivision on or before the 25th day of each month.
18 Such report shall provide a detailed allocation of State sales
19 tax increment and local sales tax increment from each local
20 sales tax and State sales tax reported to the Department of
21 Revenue.

22 (a) The bond trustee, escrow agent, or paying agent shall
23 keep such sales and use tax reports and the information
24 contained therein confidential, but may use such information
25 for purposes of allocating and depositing the sales and use tax

1 revenues in connection with the bonds used to finance project
2 costs in such STAR bond district. Except as otherwise provided
3 herein, the sales and use tax reports received by the bond
4 trustee, escrow agent, or paying agent shall be subject to the
5 provisions of Chapter 35 of the Illinois Compiled Statutes,
6 including Section 3 of the Retailers' Occupation Tax Act and
7 Section 9 of the Use Tax Act.

8 (b) The political subdivision shall determine when the
9 amount of sales tax and other revenues that have been collected
10 and distributed to the bond debt service or reserve fund is
11 sufficient to satisfy all principal and interest costs to the
12 maturity date or dates of any STAR bond issued by a political
13 subdivision to finance a STAR bond project and shall give the
14 Department of Revenue written notice of such determination. The
15 notice shall include a date certain on which deposits into the
16 STAR Bonds Revenue Fund for that STAR bond project shall
17 terminate and shall be provided to the Department of Revenue at
18 least 60 days prior to that date. Thereafter, all sales tax and
19 other revenues shall be collected and distributed in accordance
20 with applicable law.

21 Section 52. Review committee. Upon the seventh anniversary
22 of the first date of distribution of State sales tax revenues
23 from the first STAR bond project in the State, a 6-member STAR
24 bonds review committee shall be formed consisting of one
25 appointee of each of the Director, the Director of the

1 Department of Commerce and Economic Opportunity, the President
2 of the Senate, the Senate Minority Leader, the Speaker of the
3 House, and the House Minority Leader. The review committee
4 shall evaluate the success of all STAR bond districts then
5 existing in the State and make a determination of the
6 comprehensive economic benefits and detriments of STAR bonds in
7 the State as a whole. In making its determination, the review
8 committee shall examine available data regarding job creation,
9 sales revenues, and capital investment in STAR bond districts;
10 development that has occurred and is planned in areas adjacent
11 to STAR bond districts that will not be directly financed with
12 STAR bonds; effects of market conditions on STAR bond districts
13 and the likelihood of future successes based on improving or
14 declining market conditions; retail sales migration and
15 cannibalization of retail sales due to STAR bond districts; and
16 other relevant economic factors. The review committee shall
17 provide the Director, the General Assembly, and the Governor
18 with a written report detailing its findings and shall make a
19 final determination of whether STAR bonds have had, and are
20 likely to continue having, a negative or positive economic
21 impact on the State as a whole. Upon completing and filing its
22 written report, the review committee shall be dissolved. If the
23 review committee's report makes a final determination that STAR
24 bonds have had and are likely to continue having a negative
25 economic impact on the State as a whole, then no new STAR bond
26 districts may thereafter be formed in the State until further

1 action by the General Assembly.

2 Section 55. Severability. If any provision of this Act or
3 the application thereof to any persons or circumstances is held
4 invalid, such invalidity shall not affect other provisions or
5 application of the Act that can be given effect without the
6 invalid provisions or application and to this end the
7 provisions of this Act are declared to be severable.

8 Section 57. Rules. The Department of Revenue shall have the
9 authority to adopt such rules as are reasonable and necessary
10 to implement the provisions of this Act. Notwithstanding the
11 foregoing, the Department of Revenue shall have the authority,
12 prior to adoption and approval of those rules, to approve a
13 STAR bond district in accordance with subsection (d) of Section
14 20 and to otherwise administer the Act while those rules are
15 pending adoption and approval.

16 Section 60. Open meetings and freedom of information. All
17 public hearings related to the administration, formation,
18 implementation, development, or construction of a STAR bond
19 district, STAR bond district plan, STAR bond project, or STAR
20 bond project plan, including but not limited to the public
21 hearings required by Sections 15, 20, and 40 of this Act, shall
22 be held in compliance with the Open Meetings Act. The public
23 hearing records, feasibility study, and other documents that do

1 not otherwise meet a confidentiality exemption shall be subject
2 to the Freedom of Information Act.

3 Section 62. Powers of political subdivisions. The
4 provisions of this Act are intended to be supplemental and in
5 addition to all other power or authority granted to political
6 subdivisions, shall be construed liberally, and shall not be
7 construed as a limitation of any power or authority otherwise
8 granted. In addition to the powers a political subdivision may
9 have under other provisions of law, a political subdivision
10 shall have all of the following powers in connection with a
11 STAR bond district:

12 (a) To make and enter into all contracts necessary or
13 incidental to the implementation and furtherance of a STAR
14 bond district plan.

15 (b) Within a STAR bond district, to acquire by
16 purchase, donation, or lease, and to own, convey, lease,
17 mortgage, or dispose of land and other real or personal
18 property or rights or interests in property and to grant or
19 acquire licenses, easements, and options with respect to
20 property, all in the manner and at a price the political
21 subdivision determines is reasonably necessary to achieve
22 the objectives of the STAR bond project.

23 (c) To clear any area within a STAR bond district by
24 demolition or removal of any existing buildings,
25 structures, fixtures, utilities, or improvements and to

1 clear and grade land.

2 (d) To install, repair, construct, reconstruct, extend
3 or relocate public streets, public utilities, and other
4 public site improvements located both within and outside
5 the boundaries of a STAR bond district that are essential
6 to the preparation of a STAR bond district for use in
7 accordance with a STAR bond district plan.

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

11 (f) To install or construct any public buildings,
12 structures, works, streets, improvements, utilities, or
13 fixtures within a STAR bond district.

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

15 (h) Subject to the limitations set forth in the
16 definition of "project costs" in Section 10 of this Act, to
17 fix, charge, and collect fees, rents, and charges for the
18 use of any building, facility, or property or any portion
19 of a building, facility, or property owned or leased by the
20 political subdivision in furtherance of a STAR bond project
21 under this Act within a STAR bond district.

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

25 (j) To pay or cause to be paid STAR bond project costs,
26 including, specifically, to reimburse any developer or

1 nongovernmental person for STAR bond project costs
2 incurred by that person. A political subdivision is not
3 required to obtain any right, title, or interest in any
4 real or personal property in order to pay STAR bond project
5 costs associated with the property. The political
6 subdivision shall adopt accounting procedures necessary to
7 determine that the STAR bond project costs are properly
8 paid.

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

11 Section 63. The New Markets Development Program Act is
12 amended by changing Sections 20 and 25 as follows:

13 (20 ILCS 663/20)

14 Sec. 20. Annual cap on credits. The Department shall limit
15 the monetary amount of qualified equity investments permitted
16 under this Act to a level necessary to limit tax credit use at
17 no more than \$20,000,000 ~~\$10,000,000~~ of tax credits in any
18 fiscal year. This limitation on qualified equity investments
19 shall be based on the anticipated use of credits without regard
20 to the potential for taxpayers to carry forward tax credits to
21 later tax years.

22 (Source: P.A. 95-1024, eff. 12-31-08.)

23 (20 ILCS 663/25)

1 Sec. 25. Certification of qualified equity investments.

2 (a) A qualified community development entity that seeks to
3 have an equity investment or long-term debt security designated
4 as a qualified equity investment and eligible for tax credits
5 under this Section shall apply to the Department. The qualified
6 community development entity must submit an application on a
7 form that the Department provides that includes:

8 (1) The name, address, tax identification number of the
9 entity, and evidence of the entity's certification as a
10 qualified community development entity.

11 (2) A copy of the allocation agreement executed by the
12 entity, or its controlling entity, and the Community
13 Development Financial Institutions Fund.

14 (3) A certificate executed by an executive officer of
15 the entity attesting that the allocation agreement remains
16 in effect and has not been revoked or cancelled by the
17 Community Development Financial Institutions Fund.

18 (4) A description of the proposed amount, structure,
19 and purchaser of the equity investment or long-term debt
20 security.

21 (5) The name and tax identification number of any
22 taxpayer eligible to utilize tax credits earned as a result
23 of the issuance of the qualified equity investment.

24 (6) Information regarding the proposed use of proceeds
25 from the issuance of the qualified equity investment.

26 (7) A nonrefundable application fee of \$5,000. This fee

1 shall be paid to the Department and shall be required of
2 each application submitted.

3 (b) Within 30 days after receipt of a completed application
4 containing the information necessary for the Department to
5 certify a potential qualified equity investment, including the
6 payment of the application fee, the Department shall grant or
7 deny the application in full or in part. If the Department
8 denies any part of the application, it shall inform the
9 qualified community development entity of the grounds for the
10 denial. If the qualified community development entity provides
11 any additional information required by the Department or
12 otherwise completes its application within 15 days of the
13 notice of denial, the application shall be considered completed
14 as of the original date of submission. If the qualified
15 community development entity fails to provide the information
16 or complete its application within the 15-day period, the
17 application remains denied and must be resubmitted in full with
18 a new submission date.

19 (c) If the application is deemed complete, the Department
20 shall certify the proposed equity investment or long-term debt
21 security as a qualified equity investment that is eligible for
22 tax credits under this Section, subject to the limitations
23 contained in Section 20. The Department shall provide written
24 notice of the certification to the qualified community
25 development entity. The notice shall include the names of those
26 taxpayers who are eligible to utilize the credits and their

1 respective credit amounts. If the names of the taxpayers who
2 are eligible to utilize the credits change due to a transfer of
3 a qualified equity investment or a change in an allocation
4 pursuant to Section 15, the qualified community development
5 entity shall notify the Department of such change.

6 (d) The Department shall certify qualified equity
7 investments in the order applications are received by the
8 Department. Applications received on the same day shall be
9 deemed to have been received simultaneously. For applications
10 received on the same day and deemed complete, the Department
11 shall certify, consistent with remaining tax credit capacity,
12 qualified equity investments in proportionate percentages
13 based upon the ratio of the amount of qualified equity
14 investment requested in an application to the total amount of
15 qualified equity investments requested in all applications
16 received on the same day.

17 (e) Once the Department has certified qualified equity
18 investments that, on a cumulative basis, are eligible for
19 \$20,000,000 ~~\$10,000,000~~ in tax credits, the Department may not
20 certify any more qualified equity investments. If a pending
21 request cannot be fully certified, the Department shall certify
22 the portion that may be certified unless the qualified
23 community development entity elects to withdraw its request
24 rather than receive partial credit.

25 (f) Within 30 days after receiving notice of certification,
26 the qualified community development entity shall issue the

1 qualified equity investment and receive cash in the amount of
2 the certified amount. The qualified community development
3 entity must provide the Department with evidence of the receipt
4 of the cash investment within 10 business days after receipt.
5 If the qualified community development entity does not receive
6 the cash investment and issue the qualified equity investment
7 within 30 days following receipt of the certification notice,
8 the certification shall lapse and the entity may not issue the
9 qualified equity investment without reapplying to the
10 Department for certification. A certification that lapses
11 reverts back to the Department and may be reissued only in
12 accordance with the application process outline in this Section
13 25.

14 (Source: P.A. 95-1024, eff. 12-31-08.)

15 Section 64. The Illinois State Auditing Act is amended by
16 changing Section 3-1 as follows:

17 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

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

22 The Auditor General has jurisdiction over local government
23 agencies and private agencies only:

24 (a) to make such post audits authorized by or under

1 this Act as are necessary and incidental to a post audit of
2 a State agency or of a program administered by a State
3 agency involving public funds of the State, but this
4 jurisdiction does not include any authority to review local
5 governmental agencies in the obligation, receipt,
6 expenditure or use of public funds of the State that are
7 granted without limitation or condition imposed by law,
8 other than the general limitation that such funds be used
9 for public purposes;

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

12 (c) to make audits of the records of local government
13 agencies to verify actual costs of state-mandated programs
14 when directed to do so by the Legislative Audit Commission
15 at the request of the State Board of Appeals under the
16 State Mandates Act.

17 In addition to the foregoing, the Auditor General may
18 conduct an audit of the Metropolitan Pier and Exposition
19 Authority, the Regional Transportation Authority, the Suburban
20 Bus Division, the Commuter Rail Division and the Chicago
21 Transit Authority and any other subsidized carrier when
22 authorized by the Legislative Audit Commission. Such audit may
23 be a financial, management or program audit, or any combination
24 thereof.

25 The audit shall determine whether they are operating in
26 accordance with all applicable laws and regulations. Subject to

1 the limitations of this Act, the Legislative Audit Commission
2 may by resolution specify additional determinations to be
3 included in the scope of the audit.

4 In addition to the foregoing, the Auditor General must also
5 conduct a financial audit of the Illinois Sports Facilities
6 Authority's expenditures of public funds in connection with the
7 reconstruction, renovation, remodeling, extension, or
8 improvement of all or substantially all of any existing
9 "facility", as that term is defined in the Illinois Sports
10 Facilities Authority Act.

11 The Auditor General may also conduct an audit, when
12 authorized by the Legislative Audit Commission, of any hospital
13 which receives 10% or more of its gross revenues from payments
14 from the State of Illinois, Department of Healthcare and Family
15 Services (formerly Department of Public Aid), Medical
16 Assistance Program.

17 The Auditor General is authorized to conduct financial and
18 compliance audits of the Illinois Distance Learning Foundation
19 and the Illinois Conservation Foundation.

20 As soon as practical after the effective date of this
21 amendatory Act of 1995, the Auditor General shall conduct a
22 compliance and management audit of the City of Chicago and any
23 other entity with regard to the operation of Chicago O'Hare
24 International Airport, Chicago Midway Airport and Merrill C.
25 Meigs Field. The audit shall include, but not be limited to, an
26 examination of revenues, expenses, and transfers of funds;

1 purchasing and contracting policies and practices; staffing
2 levels; and hiring practices and procedures. When completed,
3 the audit required by this paragraph shall be distributed in
4 accordance with Section 3-14.

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

11 The Auditor General must conduct an audit of the Health
12 Facilities and Services Review Board pursuant to Section 19.5
13 of the Illinois Health Facilities Planning Act.

14 The Auditor General of the State of Illinois shall annually
15 conduct or cause to be conducted a financial and compliance
16 audit of the books and records of any county water commission
17 organized pursuant to the Water Commission Act of 1985 and
18 shall file a copy of the report of that audit with the Governor
19 and the Legislative Audit Commission. The filed audit shall be
20 open to the public for inspection. The cost of the audit shall
21 be charged to the county water commission in accordance with
22 Section 6z-27 of the State Finance Act. The county water
23 commission shall make available to the Auditor General its
24 books and records and any other documentation, whether in the
25 possession of its trustees or other parties, necessary to
26 conduct the audit required. These audit requirements apply only

1 through July 1, 2007.

2 The Auditor General must conduct audits of the Rend Lake
3 Conservancy District as provided in Section 25.5 of the River
4 Conservancy Districts Act.

5 The Auditor General must conduct financial audits of the
6 Southeastern Illinois Economic Development Authority as
7 provided in Section 70 of the Southeastern Illinois Economic
8 Development Authority Act.

9 The Auditor General shall conduct a compliance audit in
10 accordance with subsections (d) and (f) of Section 30 of the
11 Innovation Development and Economy Act.

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

13 Section 65. The State Finance Act is amended by changing
14 Sections 6z-18 and 6z-20 and by adding Sections 5.756 and 5.758
15 as follows:

16 (30 ILCS 105/5.756 new)

17 Sec. 5.756. The STAR Bonds Revenue Fund.

18 (30 ILCS 105/5.758 new)

19 Sec. 5.758. STAR Bonds School Improvement and Operations
20 Trust Fund.

21 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

22 Sec. 6z-18. A portion of the money paid into the Local

1 Government Tax Fund from sales of food for human consumption
2 which is to be consumed off the premises where it is sold
3 (other than alcoholic beverages, soft drinks and food which has
4 been prepared for immediate consumption) and prescription and
5 nonprescription medicines, drugs, medical appliances and
6 insulin, urine testing materials, syringes and needles used by
7 diabetics, which occurred in municipalities, shall be
8 distributed to each municipality based upon the sales which
9 occurred in that municipality. The remainder shall be
10 distributed to each county based upon the sales which occurred
11 in the unincorporated area of that county.

12 A portion of the money paid into the Local Government Tax
13 Fund from the 6.25% general use tax rate on the selling price
14 of tangible personal property which is purchased outside
15 Illinois at retail from a retailer and which is titled or
16 registered by any agency of this State's government shall be
17 distributed to municipalities as provided in this paragraph.
18 Each municipality shall receive the amount attributable to
19 sales for which Illinois addresses for titling or registration
20 purposes are given as being in such municipality. The remainder
21 of the money paid into the Local Government Tax Fund from such
22 sales shall be distributed to counties. Each county shall
23 receive the amount attributable to sales for which Illinois
24 addresses for titling or registration purposes are given as
25 being located in the unincorporated area of such county.

26 A portion of the money paid into the Local Government Tax

1 Fund from the 6.25% general rate (and, beginning July 1, 2000
2 and through December 31, 2000, the 1.25% rate on motor fuel and
3 gasohol) on sales subject to taxation under the Retailers'
4 Occupation Tax Act and the Service Occupation Tax Act, which
5 occurred in municipalities, shall be distributed to each
6 municipality, based upon the sales which occurred in that
7 municipality. The remainder shall be distributed to each
8 county, based upon the sales which occurred in the
9 unincorporated area of such county.

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

19 Whenever the Department determines that a refund of money
20 paid into the Local Government Tax Fund should be made to a
21 claimant instead of issuing a credit memorandum, the Department
22 shall notify the State Comptroller, who shall cause the order
23 to be drawn for the amount specified, and to the person named,
24 in such notification from the Department. Such refund shall be
25 paid by the State Treasurer out of the Local Government Tax
26 Fund.

1 As soon as possible after the first day of each month,
2 beginning January 1, 2011, upon certification of the Department
3 of Revenue, the Comptroller shall order transferred, and the
4 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
5 local sales tax increment, as defined in the Innovation
6 Development and Economy Act, collected during the second
7 preceding calendar month for sales within a STAR bond district
8 and deposited into the Local Government Tax Fund, less 3% of
9 that amount, which shall be transferred into the Tax Compliance
10 and Administration Fund and shall be used by the Department,
11 subject to appropriation, to cover the costs of the Department
12 in administering the Innovation Development and Economy 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 to named municipalities
17 and counties, the municipalities and counties to be those
18 entitled to distribution of taxes or penalties paid to the
19 Department during the second preceding calendar month. The
20 amount to be paid to each municipality or county shall be the
21 amount (not including credit memoranda) collected during the
22 second preceding calendar month by the Department and paid into
23 the Local Government Tax Fund, plus an amount the Department
24 determines is necessary to offset any amounts which were
25 erroneously paid to a different taxing body, and not including
26 an amount equal to the amount of refunds made during the second

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

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

19 The provisions directing the distributions from the
20 special fund in the State Treasury provided for in this Section
21 shall constitute an irrevocable and continuing appropriation
22 of all amounts as provided herein. The State Treasurer and
23 State Comptroller are hereby authorized to make distributions
24 as provided in this Section.

25 In construing any development, redevelopment, annexation,
26 preannexation or other lawful agreement in effect prior to

1 September 1, 1990, which describes or refers to receipts from a
2 county or municipal retailers' occupation tax, use tax or
3 service occupation tax which now cannot be imposed, such
4 description or reference shall be deemed to include the
5 replacement revenue for such abolished taxes, distributed from
6 the Local Government Tax Fund.

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

9 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

10 Sec. 6z-20. Of the money received from the 6.25% general
11 rate (and, beginning July 1, 2000 and through December 31,
12 2000, the 1.25% rate on motor fuel and gasohol) on sales
13 subject to taxation under the Retailers' Occupation Tax Act and
14 Service Occupation Tax Act and paid into the County and Mass
15 Transit District Fund, distribution to the Regional
16 Transportation Authority tax fund, created pursuant to Section
17 4.03 of the Regional Transportation Authority Act, for deposit
18 therein shall be made based upon the retail sales occurring in
19 a county having more than 3,000,000 inhabitants. The remainder
20 shall be distributed to each county having 3,000,000 or fewer
21 inhabitants based upon the retail sales occurring in each such
22 county.

23 For the purpose of determining allocation to the local
24 government unit, a retail sale by a producer of coal or other
25 mineral mined in Illinois is a sale at retail at the place

1 where the coal or other mineral mined in Illinois is extracted
2 from the earth. This paragraph does not apply to coal or other
3 mineral when it is delivered or shipped by the seller to the
4 purchaser at a point outside Illinois so that the sale is
5 exempt under the United States Constitution as a sale in
6 interstate or foreign commerce.

7 Of the money received from the 6.25% general use tax rate
8 on tangible personal property which is purchased outside
9 Illinois at retail from a retailer and which is titled or
10 registered by any agency of this State's government and paid
11 into the County and Mass Transit District Fund, the amount for
12 which Illinois addresses for titling or registration purposes
13 are given as being in each county having more than 3,000,000
14 inhabitants shall be distributed into the Regional
15 Transportation Authority tax fund, created pursuant to Section
16 4.03 of the Regional Transportation Authority Act. The
17 remainder of the money paid from such sales shall be
18 distributed to each county based on sales for which Illinois
19 addresses for titling or registration purposes are given as
20 being located in the county. Any money paid into the Regional
21 Transportation Authority Occupation and Use Tax Replacement
22 Fund from the County and Mass Transit District Fund prior to
23 January 14, 1991, which has not been paid to the Authority
24 prior to that date, shall be transferred to the Regional
25 Transportation Authority tax fund.

26 Whenever the Department determines that a refund of money

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

8 As soon as possible after the first day of each month,
9 beginning January 1, 2011, upon certification of the Department
10 of Revenue, the Comptroller shall order transferred, and the
11 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
12 local sales tax increment, as defined in the Innovation
13 Development and Economy Act, collected during the second
14 preceding calendar month for sales within a STAR bond district
15 and deposited into the County and Mass Transit District Fund,
16 less 3% of that amount, which shall be transferred into the Tax
17 Compliance and Administration Fund and shall be used by the
18 Department, subject to appropriation, to cover the costs of the
19 Department in administering the Innovation Development and
20 Economy 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 the Regional
25 Transportation Authority and to named counties, the counties to
26 be those entitled to distribution, as hereinabove provided, of

1 taxes or penalties paid to the Department during the second
2 preceding calendar month. The amount to be paid to the Regional
3 Transportation Authority and each county having 3,000,000 or
4 fewer inhabitants shall be the amount (not including credit
5 memoranda) collected during the second preceding calendar
6 month by the Department and paid into the County and Mass
7 Transit District Fund, plus an amount the Department determines
8 is necessary to offset any amounts which were erroneously paid
9 to a different taxing body, and not including an amount equal
10 to the amount of refunds made during the second preceding
11 calendar month by the Department, and not including any amount
12 which the Department determines is necessary to offset any
13 amounts which were payable to a different taxing body but were
14 erroneously paid to the Regional Transportation Authority or
15 county, and not including any amounts that are transferred to
16 the STAR Bonds Revenue Fund. Within 10 days after receipt, by
17 the Comptroller, of the disbursement certification to the
18 Regional Transportation Authority and counties, provided for
19 in this Section to be given to the Comptroller by the
20 Department, the Comptroller shall cause the orders to be drawn
21 for the respective amounts in accordance with the directions
22 contained in such certification.

23 When certifying the amount of a monthly disbursement to the
24 Regional Transportation Authority or to a county under this
25 Section, the Department shall increase or decrease that amount
26 by an amount necessary to offset any misallocation of previous

1 disbursements. The offset amount shall be the amount
2 erroneously disbursed within the 6 months preceding the time a
3 misallocation is discovered.

4 The provisions directing the distributions from the
5 special fund in the State Treasury provided for in this Section
6 and from the Regional Transportation Authority tax fund created
7 by Section 4.03 of the Regional Transportation Authority Act
8 shall constitute an irrevocable and continuing appropriation
9 of all amounts as provided herein. The State Treasurer and
10 State Comptroller are hereby authorized to make distributions
11 as provided in this Section.

12 In construing any development, redevelopment, annexation,
13 preannexation or other lawful agreement in effect prior to
14 September 1, 1990, which describes or refers to receipts from a
15 county or municipal retailers' occupation tax, use tax or
16 service occupation tax which now cannot be imposed, such
17 description or reference shall be deemed to include the
18 replacement revenue for such abolished taxes, distributed from
19 the County and Mass Transit District Fund or Local Government
20 Distributive Fund, as the case may be.

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

22 Section 66. The Illinois Income Tax Act is amended by
23 adding Section 220 as follows:

24 (35 ILCS 5/220 new)

1 Sec. 220. Angel investment credit.

2 (a) As used in this Section:

3 "Applicant" means a corporation, partnership, limited
4 liability company, or a natural person that makes an investment
5 in a qualified new business venture. The term "applicant" does
6 not include a corporation, partnership, limited liability
7 company, or a natural person who has a direct or indirect
8 ownership interest of at least 51% in the profits, capital, or
9 value of the investment or a related member.

10 "Claimant" means a applicant certified by the Department
11 who files a claim for a credit under this Section.

12 "Department" means the Department of Commerce and Economic
13 Opportunity.

14 "Qualified new business venture" means a business that is
15 registered with the Department under this Section.

16 "Related member" means a person that, with respect to the
17 investment, is any one of the following,

18 (1) An individual, if the individual and the members of
19 the individual's family (as defined in Section 318 of the
20 Internal Revenue Code) own directly, indirectly,
21 beneficially, or constructively, in the aggregate, at
22 least 50% of the value of the outstanding profits, capital,
23 stock, or other ownership interest in the applicant.

24 (2) A partnership, estate, or trust and any partner or
25 beneficiary, if the partnership, estate, or trust and its
26 partners or beneficiaries own directly, indirectly,

1 beneficially, or constructively, in the aggregate, at
2 least 50% of the profits, capital, stock, or other
3 ownership interest in the applicant.

4 (3) A corporation, and any party related to the
5 corporation in a manner that would require an attribution
6 of stock from the corporation under the attribution rules
7 of Section 318 of the Internal Revenue Code, if the
8 applicant and any other related member own, in the
9 aggregate, directly, indirectly, beneficially, or
10 constructively, at least 50% of the value of the
11 corporation's outstanding stock.

12 (4) A corporation and any party related to that
13 corporation in a manner that would require an attribution
14 of stock from the corporation to the party or from the
15 party to the corporation under the attribution rules of
16 Section 318 of the Internal Revenue Code, if the
17 corporation and all such related parties own, in the
18 aggregate, at least 50% of the profits, capital, stock, or
19 other ownership interest in the applicant.

20 (5) A person to or from whom there is attribution of
21 stock ownership in accordance with Section 1563(e) of the
22 Internal Revenue Code, except that for purposes of
23 determining whether a person is a related member under this
24 paragraph, "20%" shall be substituted for "5%" whenever
25 "5%" appears in Section 1563(e) of the Internal Revenue
26 Code.

1 (b) For taxable years beginning after December 31, 2010,
2 and ending on or before December 31, 2016, subject to the
3 limitations provided in this Section, a claimant may claim, as
4 a credit against the tax imposed under subsections (a) and (b)
5 of Section 201 of this Act, an amount equal to 25% of the
6 claimant's investment made directly in a qualified new business
7 venture. The credit under this Section may not exceed the
8 taxpayer's Illinois income tax liability for the taxable year.
9 If the amount of the credit exceeds the tax liability for the
10 year, the excess may be carried forward and applied to the tax
11 liability of the 5 taxable years following the excess credit
12 year. The credit shall be applied to the earliest year for
13 which there is a tax liability. If there are credits from more
14 than one tax year that are available to offset a liability, the
15 earlier credit shall be applied first. In the case of a
16 partnership or Subchapter S Corporation, the credit is allowed
17 to the partners or shareholders in accordance with the
18 determination of income and distributive share of income under
19 Sections 702 and 704 and Subchapter S of the Internal Revenue
20 Code.

21 (c) The maximum amount of an applicant's investment that
22 may be used as the basis for a credit under this Section is
23 \$2,000,000 for each investment made directly in a qualified new
24 business venture.

25 (d) The Department shall implement a program to certify an
26 applicant for an angel investment credit. Upon satisfactory

1 review, the Department shall issue a tax credit certificate
2 stating the amount of the tax credit to which the applicant is
3 entitled. The Department shall annually certify that the
4 claimant's investment has been made and remains in the
5 qualified new business venture for no less than 3 years. If an
6 investment for which a claimant is allowed a credit under
7 subsection (b) is held by the claimant for less than 3 years,
8 or, if within that period of time the qualified new business
9 venture is moved from the State of Illinois, the claimant shall
10 pay to the Department of Revenue, in the manner prescribed by
11 the Department of Revenue, the amount of the credit that the
12 claimant received related to the investment.

13 (e) The Department shall implement a program to register
14 qualified new business ventures for purposes of this Section. A
15 business desiring registration shall submit an application to
16 the Department in each taxable year for which the business
17 desires registration. The Department may register the business
18 only if the business satisfies all of the following conditions:

19 (1) it has its headquarters in this State;

20 (2) at least 51% of the employees employed by the
21 business are employed in this State;

22 (3) it has the potential for increasing jobs in this
23 State, increasing capital investment in this State, or
24 both, and either of the following apply:

25 (A) it is principally engaged in innovation in any
26 of the following: manufacturing; biotechnology;

1 nanotechnology; communications; agricultural sciences;
2 clean energy creation or storage technology;
3 processing or assembling products, including medical
4 devices, pharmaceuticals, computer software, computer
5 hardware, semiconductors, other innovative technology
6 products, or other products that are produced using
7 manufacturing methods that are enabled by applying
8 proprietary technology; or providing services that are
9 enabled by applying proprietary technology; or

10 (B) it is undertaking pre-commercialization
11 activity related to proprietary technology that
12 includes conducting research, developing a new product
13 or business process, or developing a service that is
14 principally reliant on applying proprietary
15 technology;

16 (4) it is not principally engaged in real estate
17 development, insurance, banking, lending, lobbying,
18 political consulting, professional services provided by
19 attorneys, accountants, business consultants, physicians,
20 or health care consultants, wholesale or retail trade,
21 leisure, hospitality, transportation, or construction,
22 except construction of power production plants that derive
23 energy from a renewable energy resource, as defined in
24 Section 1 of the Illinois Power Agency Act;

25 (5) it has fewer than 100 employees;

26 (6) it has been in operation in Illinois for not more

1 than 10 consecutive years prior to the year of
2 certification; and

3 (7) it has received not more than (i) \$10,000,000 in
4 aggregate private equity investment in cash or (ii)
5 \$4,000,000 in investments that qualified for tax credits
6 under this Section.

7 (f) The Department, in consultation with the Department of
8 Revenue, shall adopt rules to administer this Section. The
9 aggregate amount of the tax credits that may be claimed under
10 this Section for investments made in qualified new business
11 ventures shall be limited at \$10,000,000 per calendar year.

12 (g) A claimant may not sell or otherwise transfer a credit
13 awarded under this Section to another person.

14 (h) On or before March 1 of each year, the Department shall
15 report to the Governor and to the General Assembly on the tax
16 credit certificates awarded under this Section for the prior
17 calendar year.

18 (1) This report must include, for each tax credit
19 certificate awarded:

20 (A) the name of the claimant and the amount of
21 credit awarded or allocated to that claimant;

22 (B) the name and address of the qualified new
23 business venture that received the investment giving
24 rise to the credit and the county in which the
25 qualified new business venture is located; and

26 (C) the date of approval by the Department of the

1 applications for the tax credit certificate.

2 (2) The report must also include:

3 (A) the total number of applicants and amount for
4 tax credit certificates awarded under this Section in
5 the prior calendar year;

6 (B) the total number of applications and amount for
7 which tax credit certificates were issued in the prior
8 calendar year; and

9 (C) the total tax credit certificates and amount
10 authorized under this Section for all calendar years.

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

13 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

14 Sec. 5-1006. Home Rule County Retailers' Occupation Tax
15 Law. Any county that is a home rule unit may impose a tax upon
16 all persons engaged in the business of selling tangible
17 personal property, other than an item of tangible personal
18 property titled or registered with an agency of this State's
19 government, at retail in the county on the gross receipts from
20 such sales made in the course of their business. If imposed,
21 this 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

1 beverages, soft drinks and food which has been prepared for
2 immediate consumption) and prescription and nonprescription
3 medicines, drugs, medical appliances and insulin, urine
4 testing materials, syringes and needles used by diabetics. The
5 tax imposed by a home rule county pursuant to this Section and
6 all civil penalties that may be assessed as an incident thereof
7 shall be collected and enforced by the State Department of
8 Revenue. The certificate of registration that is issued by the
9 Department to a retailer under the Retailers' Occupation Tax
10 Act shall permit the retailer to engage in a business that 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 1, 1a, 1a-1, 1d,
26 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all

1 provisions therein other than the State rate of tax), 4, 5, 5a,
2 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,
3 9, 10, 11, 12 and 13 of the Retailers' 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 No tax may be imposed by a home rule county pursuant to
7 this Section unless the county also imposes a tax at the same
8 rate pursuant to Section 5-1007.

9 Persons subject to any tax imposed pursuant to the
10 authority granted in this Section may reimburse themselves for
11 their seller's tax liability hereunder by separately stating
12 such tax as an additional charge, which charge may be stated in
13 combination, in a single amount, with State tax which sellers
14 are required to collect under the Use Tax Act, pursuant to such
15 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 a
18 credit memorandum, the Department shall notify the State
19 Comptroller, who shall cause the order 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 home rule county retailers' occupation tax
23 fund.

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

1 As soon as possible after the first day of each month,
2 beginning January 1, 2011, upon certification of the Department
3 of Revenue, the Comptroller shall order transferred, and the
4 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
5 local sales tax increment, as defined in the Innovation
6 Development and Economy Act, collected under this Section
7 during the second preceding calendar month for sales within a
8 STAR bond district.

9 After the monthly transfer to the STAR Bonds Revenue Fund,
10 on ~~or~~ or before the 25th day of each calendar month, the
11 Department shall prepare and certify to the Comptroller the
12 disbursement of stated sums of money to named counties, the
13 counties to be those from which retailers have paid taxes or
14 penalties hereunder to the Department during the second
15 preceding calendar month. The amount to be paid to each county
16 shall be the amount (not including credit memoranda) collected
17 hereunder during the second preceding calendar month by the
18 Department plus an amount the Department determines is
19 necessary to offset any amounts that were erroneously paid to a
20 different taxing body, and not including an amount equal to the
21 amount of refunds made during the second preceding calendar
22 month by the Department on behalf of such county, and not
23 including any amount which the Department determines is
24 necessary to offset any amounts which were payable to a
25 different taxing body but were erroneously paid to the county,
26 and not including any amounts that are transferred to the STAR

1 Bonds Revenue Fund. Within 10 days after receipt, by the
2 Comptroller, of the disbursement certification to the counties
3 provided for in this Section to be given to the Comptroller by
4 the Department, the Comptroller shall cause the orders to be
5 drawn for the respective amounts in accordance with the
6 directions contained in the certification.

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

22 For the purpose of determining the local governmental unit
23 whose tax is applicable, a retail sale by a producer of coal or
24 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 United States Constitution as a sale in
4 interstate or foreign commerce.

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

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

1 first day of January next following such adoption and filing.
2 Beginning April 1, 1998, an ordinance or resolution imposing or
3 discontinuing the tax hereunder or effecting a change in the
4 rate thereof shall either (i) be adopted and a certified copy
5 thereof filed with the Department on or before the first day of
6 April, whereupon the Department shall proceed to administer and
7 enforce this Section as of the first day of July next following
8 the adoption and filing; or (ii) be adopted and a certified
9 copy thereof filed with the Department on or before the first
10 day of October, whereupon the Department shall proceed to
11 administer and enforce this Section as of the first day of
12 January next following the adoption and filing.

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

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

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

22 (55 ILCS 5/5-1006.5)

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

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

1 (a) The county board of any county may impose a tax upon
2 all persons engaged in the business of selling tangible
3 personal property, other than personal property titled or
4 registered with an agency of this State's government, at retail
5 in the county on the gross receipts from the sales made in the
6 course of business to provide revenue to be used exclusively
7 for public safety, public facility, or transportation purposes
8 in that county, if a proposition for the tax has been submitted
9 to the electors of that county and approved by a majority of
10 those voting on the question. If imposed, this tax shall be
11 imposed only in one-quarter percent increments. By resolution,
12 the county board may order the proposition to be submitted at
13 any election. If the tax is imposed for transportation purposes
14 for expenditures for public highways or as authorized under the
15 Illinois Highway Code, the county board must publish notice of
16 the existence of its long-range highway transportation plan as
17 required or described in Section 5-301 of the Illinois Highway
18 Code and must make the plan publicly available prior to
19 approval of the ordinance or resolution imposing the tax. If
20 the tax is imposed for transportation purposes for expenditures
21 for passenger rail transportation, the county board must
22 publish notice of the existence of its long-range passenger
23 rail transportation plan and must make the plan publicly
24 available prior to approval of the ordinance or resolution
25 imposing the tax.

26 If a tax is imposed for public facilities purposes, then

1 the name of the project may be included in the proposition at
2 the discretion of the county board as determined in the
3 enabling resolution. For example, the "XXX Nursing Home" or the
4 "YYY Museum".

5 The county clerk shall certify the question to the proper
6 election authority, who shall submit the proposition at an
7 election in accordance with the general election law.

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

10 "To pay for public safety 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 safety
23 purposes shall be in substantially the following form:

24 "To pay for public safety 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 the purposes of the paragraph, "public safety
11 purposes" means crime prevention, detention, fire
12 fighting, police, medical, ambulance, or other emergency
13 services.

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

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

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

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

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

26 The county board may also opt to establish a sunset

1 provision at which time the additional sales tax would
2 cease being collected, if not terminated earlier by a vote
3 of the county board. If the county board votes to include a
4 sunset provision, the proposition for transportation
5 purposes shall be in substantially the following form:

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

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

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

18 For the purposes of this paragraph, transportation
19 purposes means construction, maintenance, operation, and
20 improvement of public highways, any other purpose for which
21 a county may expend funds under the Illinois Highway Code,
22 and passenger rail transportation.

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

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

26 "To pay for public facilities purposes, shall (name of

1 county) be authorized to impose an increase on its share of
2 local sales taxes by (insert rate)?"

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

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

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

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

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

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

26 For purposes of this Section, "public facilities

1 purposes" means the acquisition, development,
2 construction, reconstruction, rehabilitation, improvement,
3 financing, architectural planning, and installation of
4 capital facilities consisting of buildings, structures,
5 and durable equipment and for the acquisition and
6 improvement of real property and interest in real property
7 required, or expected to be required, in connection with
8 the public facilities, for use by the county for the
9 furnishing of governmental services to its citizens,
10 including but not limited to museums and nursing homes.

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

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

16 This additional tax may not be imposed on the sales of 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 which has been prepared for immediate consumption) and
20 prescription and non-prescription medicines, drugs, medical
21 appliances and insulin, urine testing materials, syringes, and
22 needles used by diabetics. The tax imposed by a county under
23 this Section and all civil penalties that may be assessed as an
24 incident of the tax shall be collected and enforced by the
25 Illinois Department of Revenue and deposited into a special
26 fund created for that purpose. The certificate of registration

1 that is issued by the Department to a retailer under the
2 Retailers' Occupation Tax Act shall permit the retailer to
3 engage in a business that is taxable without registering
4 separately with the Department under an ordinance or resolution
5 under this Section. The Department has full power to administer
6 and enforce this Section, to collect all taxes and penalties
7 due under this Section, to dispose of taxes and penalties so
8 collected in the manner provided in this Section, and to
9 determine all rights to credit memoranda arising on account of
10 the erroneous payment of a tax or penalty under this Section.
11 In the administration of and compliance with this Section, the
12 Department and persons who are subject to this Section shall
13 (i) have the same rights, remedies, privileges, immunities,
14 powers, and duties, (ii) be subject to the same conditions,
15 restrictions, limitations, penalties, and definitions of
16 terms, and (iii) employ the same modes of procedure as are
17 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
18 1n, 2 through 2-70 (in respect to all provisions contained in
19 those Sections other than the State rate of tax), 2a, 2b, 2c, 3
20 (except provisions relating to transaction returns and quarter
21 monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,
22 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of
23 the Retailers' Occupation Tax Act and Section 3-7 of the
24 Uniform Penalty and Interest Act as if those provisions were
25 set forth in this Section.

26 Persons subject to any tax imposed under the authority

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

7 Whenever the Department determines that a refund should be
8 made under this Section to a claimant instead of issuing a
9 credit memorandum, the Department shall notify the State
10 Comptroller, who shall cause the order 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 County Public Safety or Transportation
14 Retailers' Occupation Tax Fund.

15 (b) If a tax has been imposed under subsection (a), a
16 service occupation tax shall also be imposed at the same rate
17 upon all persons engaged, in the county, in the business of
18 making sales of service, who, as an incident to making those
19 sales of service, transfer tangible personal property within
20 the county as an incident to a sale of service. This tax may
21 not be imposed on sales of food for human consumption that is
22 to be consumed off the premises where it is sold (other than
23 alcoholic beverages, soft drinks, and food prepared for
24 immediate consumption) and prescription and non-prescription
25 medicines, drugs, medical appliances and insulin, urine
26 testing materials, syringes, and needles used by diabetics. The

1 tax imposed under this subsection and all civil penalties that
2 may be assessed as an incident thereof shall be collected and
3 enforced by the Department of Revenue. The Department has full
4 power to administer and enforce this subsection; to collect all
5 taxes and penalties due hereunder; to dispose of taxes and
6 penalties so collected in the manner hereinafter provided; and
7 to determine all rights to credit memoranda arising on account
8 of the erroneous payment of tax or penalty hereunder. In the
9 administration of, and compliance with this subsection, the
10 Department and persons who are subject to this paragraph shall
11 (i) have the same rights, remedies, privileges, immunities,
12 powers, and duties, (ii) be subject to the same conditions,
13 restrictions, limitations, penalties, exclusions, exemptions,
14 and definitions of terms, and (iii) employ the same modes of
15 procedure as are prescribed in Sections 2 (except that the
16 reference to State in the definition of supplier maintaining a
17 place of business in this State shall mean the county), 2a, 2b,
18 2c, 3 through 3-50 (in respect to all provisions therein other
19 than the State rate of tax), 4 (except that the reference to
20 the State shall be to the county), 5, 7, 8 (except that the
21 jurisdiction to which the tax shall be a debt to the extent
22 indicated in that Section 8 shall be the county), 9 (except as
23 to the disposition of taxes and penalties collected), 10, 11,
24 12 (except the reference therein to Section 2b of the
25 Retailers' Occupation Tax Act), 13 (except that any reference
26 to the State shall mean the county), Section 15, 16, 17, 18, 19

1 and 20 of the Service Occupation Tax Act and Section 3-7 of the
2 Uniform Penalty and Interest Act, as fully as if those
3 provisions were set forth herein.

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

12 Whenever the Department determines that a refund should be
13 made under this subsection to a claimant instead of issuing a
14 credit memorandum, the Department shall notify the State
15 Comptroller, who shall cause the warrant to be drawn for the
16 amount specified, and to the person named, in the notification
17 from the Department. The refund shall be paid by the State
18 Treasurer out of the County Public Safety or Transportation
19 Retailers' Occupation Fund.

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

24 (c) The Department shall immediately pay over to the State
25 Treasurer, ex officio, as trustee, all taxes and penalties
26 collected under this Section to be deposited into the County

1 Public Safety or Transportation Retailers' Occupation Tax
2 Fund, which shall be an unappropriated trust fund held outside
3 of 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 Innovation
9 Development and Economy Act, collected under this Section
10 during the second preceding calendar month for sales within a
11 STAR bond district.

12 After the monthly transfer to the STAR Bonds Revenue Fund,
13 on ~~on~~ or before the 25th day of each calendar month, the
14 Department shall prepare and certify to the Comptroller the
15 disbursement of stated sums of money to the counties from which
16 retailers have paid taxes or penalties to the Department during
17 the second preceding calendar month. The amount to be paid to
18 each county, and deposited by the county into its special fund
19 created for the purposes of this Section, shall be the amount
20 (not including credit memoranda) collected under this Section
21 during the second preceding calendar month by the Department
22 plus an amount the Department determines is necessary to offset
23 any amounts that were erroneously paid to a different taxing
24 body, and not including (i) an amount equal to the amount of
25 refunds made during the second preceding calendar month by the
26 Department on behalf of the county, ~~and~~ (ii) any amount that

1 the Department determines is necessary to offset any amounts
2 that were payable to a different taxing body but were
3 erroneously paid to the county, and (iii) any amounts that are
4 transferred to the STAR Bonds Revenue Fund. Within 10 days
5 after receipt by the Comptroller of the disbursement
6 certification to the counties 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 In addition to the disbursement required by the preceding
11 paragraph, an allocation shall be made in March of each year to
12 each county that received more than \$500,000 in disbursements
13 under the preceding paragraph in the preceding calendar year.
14 The allocation shall be in an amount equal to the average
15 monthly distribution made to each such county under the
16 preceding paragraph during the preceding calendar year
17 (excluding the 2 months of highest receipts). The distribution
18 made in March of each year subsequent to the year in which an
19 allocation was made pursuant to this paragraph and the
20 preceding paragraph shall be reduced by the amount allocated
21 and disbursed under this paragraph in the preceding calendar
22 year. The Department shall prepare and certify to the
23 Comptroller for disbursement the allocations made in
24 accordance with this paragraph.

25 (d) For the purpose of determining the local governmental
26 unit whose tax is applicable, a retail sale by a producer of

1 coal or another mineral mined in Illinois is a sale at retail
2 at the place where the coal or other mineral mined in Illinois
3 is extracted from the earth. This paragraph does not apply to
4 coal or another mineral when it is delivered or shipped by the
5 seller to the purchaser at a point outside Illinois so that the
6 sale is exempt under the United States Constitution as a sale
7 in interstate or foreign commerce.

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

12 (e-5) If a county imposes a tax under this Section, the
13 county board may, by ordinance, discontinue or lower the rate
14 of the tax. If the county board lowers the tax rate or
15 discontinues the tax, a referendum must be held in accordance
16 with subsection (a) of this Section in order to increase the
17 rate of the tax or to reimpose the discontinued tax.

18 (f) Beginning April 1, 1998, the results of any election
19 authorizing a proposition to impose a tax under this Section or
20 effecting a change in the rate of tax, or any ordinance
21 lowering the rate or discontinuing the tax, shall be certified
22 by the county clerk and filed with the Illinois Department of
23 Revenue either (i) on or before the first day of April,
24 whereupon the Department shall proceed to administer and
25 enforce the tax as of the first day of July next following the
26 filing; or (ii) on or before the first day of October,

1 whereupon the Department shall proceed to administer and
2 enforce the tax as of the first day of January next following
3 the filing.

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

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

13 (i) For purposes of this Section, "public safety" includes,
14 but is not limited to, crime prevention, detention, fire
15 fighting, police, medical, ambulance, or other emergency
16 services. The county may share tax proceeds received under this
17 Section for public safety purposes, including proceeds
18 received before August 4, 2009 (the effective date of Public
19 Act 96-124) ~~this amendatory Act of the 96th General Assembly,~~
20 with any fire protection district located in the county. For
21 the purposes of this Section, "transportation" includes, but is
22 not limited to, the construction, maintenance, operation, and
23 improvement of public highways, any other purpose for which a
24 county may expend funds under the Illinois Highway Code, and
25 passenger rail transportation. For the purposes of this
26 Section, "public facilities purposes" includes, but is not

1 limited to, the acquisition, development, construction,
2 reconstruction, rehabilitation, improvement, financing,
3 architectural planning, and installation of capital facilities
4 consisting of buildings, structures, and durable equipment and
5 for the acquisition and improvement of real property and
6 interest in real property required, or expected to be required,
7 in connection with the public facilities, for use by the county
8 for the furnishing of governmental services to its citizens,
9 including but not limited to museums and nursing homes.

10 (j) The Department may promulgate rules to implement Public
11 Act 95-1002 ~~this amendatory Act of the 95th General Assembly~~
12 only to the extent necessary to apply the existing rules for
13 the Special County Retailers' Occupation Tax for Public Safety
14 to this new purpose for public facilities.

15 (Source: P.A. 95-474, eff. 1-1-08; 95-1002, eff. 11-20-08;
16 96-124, eff. 8-4-09; 96-622, eff. 8-24-09; revised 11-3-09.)

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

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

20 (a) The county board of any county may impose a tax upon
21 all persons engaged in the business of selling tangible
22 personal property, other than personal property titled or
23 registered with an agency of this State's government, at retail
24 in the county on the gross receipts from the sales made in the
25 course of business to provide revenue to be used exclusively

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

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

25 The county clerk shall certify the question to the proper
26 election authority, who shall submit the proposition at an

1 election in accordance with the general election law.

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

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

7 As additional information on the ballot below the
8 question shall appear the following:

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

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

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

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

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

1 the additional tax would cease being collected at the end
2 of (insert number of years), if not terminated earlier by a
3 vote of the county board."

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

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

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

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

15 As additional information on the ballot below the
16 question shall appear the following:

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

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

26 "To pay for road improvements and other transportation

1 purposes, shall (name of county) be authorized to impose an
2 increase on its share of local sales taxes by (insert rate)
3 for a period not to exceed (insert number of years)?"

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. If imposed,
9 the additional tax would cease being collected at the end
10 of (insert number of years), if not terminated earlier by a
11 vote of the county board."

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

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

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

20 "To pay for public facilities 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 facilities
7 purposes shall be in substantially the following form:

8 "To pay for public facilities 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 purposes of this Section, "public facilities
21 purposes" means the acquisition, development,
22 construction, reconstruction, rehabilitation, improvement,
23 financing, architectural planning, and installation of
24 capital facilities consisting of buildings, structures,
25 and durable equipment and for the acquisition and
26 improvement of real property and interest in real property

1 required, or expected to be required, in connection with
2 the public facilities, for use by the county for the
3 furnishing of governmental services to its citizens,
4 including but not limited to museums and nursing homes.

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

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

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

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

20 Persons subject to any tax imposed under the authority
21 granted in this Section may reimburse themselves for their
22 sellers' tax liability by separately stating the tax as an
23 additional charge, which charge may be stated in combination,
24 in a single amount, with State tax which sellers are required
25 to collect under the Use Tax Act, pursuant to such bracketed
26 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 County Public Safety or Transportation
8 Retailers' Occupation Tax Fund.

9 (b) If a tax has been imposed under subsection (a), a
10 service occupation tax shall 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. This tax may
15 not be imposed on sales of food for human consumption that is
16 to be consumed off the premises where it is sold (other than
17 alcoholic beverages, soft drinks, and food prepared for
18 immediate consumption) and prescription and non-prescription
19 medicines, drugs, medical appliances and insulin, urine
20 testing materials, syringes, and needles used by diabetics. The
21 tax imposed under this subsection and all civil penalties that
22 may be assessed as an incident thereof shall be collected and
23 enforced by the Department of Revenue. The Department has full
24 power to administer and enforce this subsection; to collect all
25 taxes and penalties due hereunder; to dispose of taxes and
26 penalties so collected in the manner hereinafter provided; and

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

1 additional charge, which charge may be stated in combination,
2 in a single amount, with State tax that servicemen are
3 authorized to collect under the Service Use Tax Act, in
4 accordance with such bracket schedules as the Department may
5 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 the 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 County Public Safety or Transportation
13 Retailers' Occupation Fund.

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

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

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

1 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
2 local sales tax increment, as defined in the Innovation
3 Development and Economy Act, collected under this Section
4 during the second preceding calendar month for sales within a
5 STAR bond district.

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

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

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

19 A county may direct, by ordinance, that all or a portion of
20 the taxes and penalties collected under the Special County
21 Retailers' Occupation Tax For Public Safety or Transportation
22 be deposited into the Transportation Development Partnership
23 Trust Fund.

24 (d) For the purpose of determining the local governmental
25 unit whose tax is applicable, a retail sale by a producer of
26 coal or another mineral mined in Illinois is a sale at retail

1 at the place where the coal or other mineral mined in Illinois
2 is extracted from the earth. This paragraph does not apply to
3 coal or another mineral when it is delivered or shipped by the
4 seller to the purchaser at a point outside Illinois so that the
5 sale is exempt under the United States Constitution as a sale
6 in interstate or foreign commerce.

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

11 (e-5) If a county imposes a tax under this Section, the
12 county board may, by ordinance, discontinue or lower the rate
13 of the tax. If the county board lowers the tax rate or
14 discontinues the tax, a referendum must be held in accordance
15 with subsection (a) of this Section in order to increase the
16 rate of the tax or to reimpose the discontinued tax.

17 (f) Beginning April 1, 1998, the results of any election
18 authorizing a proposition to impose a tax under this Section or
19 effecting a change in the rate of tax, or any ordinance
20 lowering the rate or discontinuing the tax, shall be certified
21 by the county clerk and filed with the Illinois Department of
22 Revenue either (i) on or before the first day of April,
23 whereupon the Department shall proceed to administer and
24 enforce the tax as of the first day of July next following the
25 filing; or (ii) on or before the first day of October,
26 whereupon the Department shall proceed to administer and

1 enforce the tax as of the first day of January next following
2 the filing.

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

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

12 (i) For purposes of this Section, "public safety" includes,
13 but is not limited to, crime prevention, detention, fire
14 fighting, police, medical, ambulance, or other emergency
15 services. The county may share tax proceeds received under this
16 Section for public safety purposes, including proceeds
17 received before August 4, 2009 (the effective date of Public
18 Act 96-124) ~~this amendatory Act of the 96th General Assembly,~~
19 with any fire protection district located in the county. For
20 the purposes of this Section, "transportation" includes, but is
21 not limited to, the construction, maintenance, operation, and
22 improvement of public highways, any other purpose for which a
23 county may expend funds under the Illinois Highway Code, and
24 passenger rail transportation. For the purposes of this
25 Section, "public facilities purposes" includes, but is not
26 limited to, the acquisition, development, construction,

1 reconstruction, rehabilitation, improvement, financing,
2 architectural planning, and installation of capital facilities
3 consisting of buildings, structures, and durable equipment and
4 for the acquisition and improvement of real property and
5 interest in real property required, or expected to be required,
6 in connection with the public facilities, for use by the county
7 for the furnishing of governmental services to its citizens,
8 including but not limited to museums and nursing homes.

9 (j) The Department may promulgate rules to implement Public
10 Act 95-1002 ~~this amendatory Act of the 95th General Assembly~~
11 only to the extent necessary to apply the existing rules for
12 the Special County Retailers' Occupation Tax for Public Safety
13 to this new purpose for public facilities.

14 (Source: P.A. 95-474, eff. 1-1-08; 95-1002, eff. 11-20-08;
15 96-124, eff. 8-4-09; 96-622, eff. 8-24-09; 96-845, eff. 7-1-12;
16 revised 12-30-09.)

17 (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

18 Sec. 5-1007. Home Rule County Service Occupation Tax Law.
19 The corporate authorities of a home rule county may impose a
20 tax upon all persons engaged, in such county, in the business
21 of making sales of service at the same rate of tax imposed
22 pursuant to Section 5-1006 of the selling price of all tangible
23 personal property transferred by such servicemen either in the
24 form of tangible personal property or in the form of real
25 estate as an incident to a sale of service. If imposed, such

1 tax shall only be imposed in 1/4% increments. On and after
2 September 1, 1991, this additional tax may not be imposed on
3 the sales of food for human consumption which is to be consumed
4 off the premises where it is sold (other than alcoholic
5 beverages, soft drinks and food which has been prepared for
6 immediate consumption) and prescription and nonprescription
7 medicines, drugs, medical appliances and insulin, urine
8 testing materials, syringes and needles used by diabetics. The
9 tax imposed by a home rule county pursuant to this Section and
10 all civil penalties that may be assessed as an incident thereof
11 shall be collected and enforced by the State Department of
12 Revenue. The certificate of registration which is issued by the
13 Department to a retailer under the Retailers' Occupation Tax
14 Act or under the Service Occupation Tax Act shall permit such
15 registrant to engage in a business which is taxable under any
16 ordinance or resolution enacted pursuant to this Section
17 without registering separately with the Department under such
18 ordinance or resolution or under this Section. The Department
19 shall have full power to administer and enforce this Section;
20 to collect all taxes and penalties due hereunder; to dispose of
21 taxes and penalties so collected in the manner hereinafter
22 provided; and to determine all rights to credit memoranda
23 arising on account of the erroneous payment of tax or penalty
24 hereunder. In the administration of, and compliance with, this
25 Section the Department and persons who are subject to this
26 Section shall have the same rights, remedies, privileges,

1 immunities, powers and duties, and be subject to the same
2 conditions, restrictions, limitations, penalties and
3 definitions of terms, and employ the same modes of procedure,
4 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
5 respect to all provisions therein other than the State rate of
6 tax), 4 (except that the reference to the State shall be to the
7 taxing county), 5, 7, 8 (except that the jurisdiction to which
8 the tax shall be a debt to the extent indicated in that Section
9 8 shall be the taxing county), 9 (except as to the disposition
10 of taxes and penalties collected, and except that the returned
11 merchandise credit for this county tax may not be taken against
12 any State tax), 10, 11, 12 (except the reference therein to
13 Section 2b of the Retailers' Occupation Tax Act), 13 (except
14 that any reference to the State shall mean the taxing county),
15 the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the
16 Service 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 No tax may be imposed by a home rule county pursuant to
20 this Section unless such county also imposes a tax at the same
21 rate pursuant to Section 5-1006.

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

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

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

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 Innovation
19 Development and Economy Act, collected under this Section
20 during the second preceding calendar month for sales within a
21 STAR bond district.

22 After the monthly transfer to the STAR Bonds Revenue Fund,
23 on ~~on~~ or before the 25th day of each calendar month, the
24 Department shall prepare and certify to the Comptroller the
25 disbursement of stated sums of money to named counties, the
26 counties to be those from which suppliers and servicemen have

1 paid taxes or penalties hereunder to the Department during the
2 second preceding calendar month. The amount to be paid to each
3 county shall be the amount (not including credit memoranda)
4 collected hereunder during the second preceding calendar month
5 by the Department, and not including an amount equal to the
6 amount of refunds made during the second preceding calendar
7 month by the Department on behalf of such county, and not
8 including any amounts that are transferred to the STAR Bonds
9 Revenue Fund. Within 10 days after receipt, by the Comptroller,
10 of the disbursement certification to the counties provided for
11 in this Section to be given to the Comptroller by the
12 Department, the Comptroller shall cause the orders to be drawn
13 for the respective amounts in accordance with the directions
14 contained in such certification.

15 In addition to the disbursement required by the preceding
16 paragraph, an allocation shall be made in each year to each
17 county which received more than \$500,000 in disbursements under
18 the preceding paragraph in the preceding calendar year. The
19 allocation shall be in an amount equal to the average monthly
20 distribution made to each such county under the preceding
21 paragraph during the preceding calendar year (excluding the 2
22 months of highest receipts). The distribution made in March of
23 each year subsequent to the year in which an allocation was
24 made pursuant to this paragraph and the preceding paragraph
25 shall be reduced by the amount allocated and disbursed under
26 this paragraph in the preceding calendar year. The Department

1 shall prepare and certify to the Comptroller for disbursement
2 the allocations made in accordance with this paragraph.

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

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

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

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

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

14 Section 70. The Illinois Municipal Code is amended by
15 changing Sections 8-4-1, 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,
16 8-11-1.7, 8-11-5, and 11-74.3-6 as follows:

17 (65 ILCS 5/8-4-1) (from Ch. 24, par. 8-4-1)

18 Sec. 8-4-1. No bonds shall be issued by the corporate
19 authorities of any municipality until the question of
20 authorizing such bonds has been submitted to the electors of
21 that municipality provided that notice of the bond referendum,
22 if held before July 1, 1999, has been given in accordance with
23 the provisions of Section 12-5 of the Election Code in effect
24 at the time of the bond referendum, at least 10 and not more

1 than 45 days before the date of the election, notwithstanding
2 the time for publication otherwise imposed by Section 12-5, and
3 approved by a majority of the electors voting upon that
4 question. Notices required in connection with the submission of
5 public questions on or after July 1, 1999 shall be as set forth
6 in Section 12-5 of the Election Code. The clerk shall certify
7 the proposition of the corporate authorities to the proper
8 election authority who shall submit the question at an election
9 in accordance with the general election law, subject to the
10 notice provisions set forth in this Section.

11 Notice of any such election shall contain the amount of the
12 bond issue, purpose for which issued, and maximum rate of
13 interest.

14 However, without the submission of the question of issuing
15 bonds to the electors, the corporate authorities of any
16 municipality may authorize the issuance of any of the following
17 bonds:

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

19 (2) Bonds to fund or refund any existing judgment
20 indebtedness;

21 (3) In any municipality of less than 500,000 population,
22 bonds to anticipate the collection of installments of special
23 assessments and special taxes against property owned by the
24 municipality and to anticipate the collection of the amount
25 apportioned to the municipality as public benefits under
26 Article 9;

1 (4) Bonds issued by any municipality under Sections 8-4-15
2 through 8-4-23, 11-23-1 through 11-23-12, 11-25-1 through
3 11-26-6, 11-71-1 through 11-71-10, 11-74.4-1 through
4 11-74.4-11, 11-74.5-1 through 11-74.5-15, 11-94-1 through
5 11-94-7, 11-102-1 through 11-102-10, 11-103-11 through
6 11-103-15, 11-118-1 through 11-118-6, 11-119-1 through
7 11-119-5, 11-129-1 through 11-129-7, 11-133-1 through
8 11-133-4, 11-139-1 through 11-139-12, 11-141-1 through
9 11-141-18 of this Code or 10-801 through 10-808 of the Illinois
10 Highway Code, as amended;

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

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

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

21 (8) Bonds issued by any municipality under Sections 15 and
22 46 of the "Environmental Protection Act", approved June 29,
23 1970;

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

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

3 (11) Bonds issued under the provisions of "An Act to
4 provide the manner of levying or imposing taxes for the
5 provision of special services to areas within the boundaries of
6 home rule units and nonhome rule municipalities and counties",
7 approved September 21, 1973;

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

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

21 (14) Bonds issued by any municipality pursuant to Section
22 11-113.1-1;

23 (15) Bonds issued under Sections 11-74.6-1 through
24 11-74.6-45, the Industrial Jobs Recovery Law of this Code.

25 (16) Bonds issued under the Innovation Development and
26 Economy Act, except as may be required by Section 35 of that

1 Act.

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

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

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

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

1 Persons subject to any tax imposed under the authority
2 granted in this Section may reimburse themselves for their
3 seller's tax liability hereunder by separately stating that tax
4 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 municipal retailers' occupation
15 tax fund.

16 The Department shall immediately 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 Innovation
24 Development and Economy Act, collected under this Section
25 during the second preceding calendar month for sales within a
26 STAR bond district.

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

26 In addition to the disbursement required by the preceding

1 paragraph and in order to mitigate delays caused by
2 distribution procedures, an allocation shall, if requested, be
3 made within 10 days after January 14, 1991, and in November of
4 1991 and each year thereafter, to each municipality that
5 received more than \$500,000 during the preceding fiscal year,
6 (July 1 through June 30) whether collected by the municipality
7 or disbursed by the Department as required by this Section.
8 Within 10 days after January 14, 1991, participating
9 municipalities shall notify the Department in writing of their
10 intent to participate. In addition, for the initial
11 distribution, participating municipalities shall certify to
12 the Department the amounts collected by the municipality for
13 each month under its home rule occupation and service
14 occupation tax during the period July 1, 1989 through June 30,
15 1990. The allocation within 10 days after January 14, 1991,
16 shall be in an amount equal to the monthly average of these
17 amounts, excluding the 2 months of highest receipts. The
18 monthly average for the period of July 1, 1990 through June 30,
19 1991 will be determined as follows: the amounts collected by
20 the municipality under its home rule occupation and service
21 occupation tax during the period of July 1, 1990 through
22 September 30, 1990, plus amounts collected by the Department
23 and paid to such municipality through June 30, 1991, excluding
24 the 2 months of highest receipts. The monthly average for each
25 subsequent period of July 1 through June 30 shall be an amount
26 equal to the monthly distribution made to each such

1 municipality under the preceding paragraph during this period,
2 excluding the 2 months of highest receipts. The distribution
3 made in November 1991 and each year thereafter under this
4 paragraph and the preceding paragraph shall be reduced by the
5 amount allocated and disbursed under this paragraph in the
6 preceding period of July 1 through June 30. The Department
7 shall prepare and certify to the Comptroller for disbursement
8 the allocations made in accordance with this paragraph.

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

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

22 An ordinance or resolution imposing or discontinuing a tax
23 hereunder or effecting a change in the rate thereof shall be
24 adopted and a certified copy thereof filed with the Department
25 on or before the first day of June, whereupon the Department
26 shall proceed to administer and enforce this Section as of the

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

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

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

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

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

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

7 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

8 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
9 Occupation Tax Act. The corporate authorities of a non-home
10 rule municipality may impose a tax upon all persons engaged in
11 the business of selling tangible personal property, other than
12 on an item of tangible personal property which is titled and
13 registered by an agency of this State's Government, at retail
14 in the municipality for expenditure on public infrastructure or
15 for property tax relief or both as defined in Section 8-11-1.2
16 if approved by referendum as provided in Section 8-11-1.1, of
17 the gross receipts from such sales made in the course of such
18 business. The tax imposed may not be more than 1% and may be
19 imposed only in 1/4% increments. The tax may not be imposed on
20 the sale of food for human consumption that is to be consumed
21 off the premises where it is sold (other than alcoholic
22 beverages, soft drinks, and food that has been prepared for
23 immediate consumption) and prescription and nonprescription
24 medicines, drugs, medical appliances, and insulin, urine
25 testing materials, syringes, and needles used by diabetics. The

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

1 Section 3-7 of the Uniform Penalty and Interest Act as fully as
2 if those provisions were set forth herein.

3 No municipality may impose a tax under this Section unless
4 the municipality also imposes a tax at the same rate under
5 Section 8-11-1.4 of this Code.

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

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

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

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

1 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
2 local sales tax increment, as defined in the Innovation
3 Development and Economy Act, collected under this Section
4 during the second preceding calendar month for sales within a
5 STAR bond district.

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

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

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

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

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

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

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

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

7 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

8 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation
9 Tax Act. The corporate authorities of a non-home rule
10 municipality may impose a tax upon all persons engaged, in such
11 municipality, in the business of making sales of service for
12 expenditure on public infrastructure or for property tax relief
13 or both as defined in Section 8-11-1.2 if approved by
14 referendum as provided in Section 8-11-1.1, of the selling
15 price of all tangible personal property transferred by such
16 servicemen either in the form of tangible personal property or
17 in the form of real estate as an incident to a sale of service.
18 The tax imposed may not be more than 1% and may be imposed only
19 in 1/4% increments. The tax may not be imposed on the sale of
20 food for human consumption that is to be consumed off the
21 premises where it is sold (other than alcoholic beverages, soft
22 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. The tax

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

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

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

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

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

1 Department. Such refund shall be paid by the State Treasurer
2 out of the municipal retailers' occupation tax fund.

3 The Department shall forthwith pay over to the State
4 Treasurer, ex officio, as trustee, all taxes and penalties
5 collected hereunder.

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 Innovation
11 Development and Economy Act, collected under this Section
12 during the second preceding calendar month for sales within a
13 STAR bond district.

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

1 transferred to the STAR Bonds Revenue Fund. Within 10 days
2 after receipt, by the Comptroller, of the disbursement
3 certification to the municipalities and the General Revenue
4 Fund, provided for in this Section to be given to the
5 Comptroller by the Department, the Comptroller shall cause the
6 orders to be drawn for the respective amounts in accordance
7 with the directions contained in such certification.

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

11 Nothing in this Section shall be construed to authorize a
12 municipality 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 this State.

15 As used in this Section, "municipal" or "municipality"
16 means or refers to a city, village or incorporated town,
17 including an incorporated town which has superseded a civil
18 township.

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

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

22 (65 ILCS 5/8-11-1.6)

23 Sec. 8-11-1.6. Non-home rule municipal retailers
24 occupation tax; municipalities between 20,000 and 25,000. The
25 corporate authorities of a non-home rule municipality with a

1 population of more than 20,000 but less than 25,000 that has,
2 prior to January 1, 1987, established a Redevelopment Project
3 Area that has been certified as a State Sales Tax Boundary and
4 has issued bonds or otherwise incurred indebtedness to pay for
5 costs in excess of \$5,000,000, which is secured in part by a
6 tax increment allocation fund, in accordance with the
7 provisions of Division 11-74.4 of this Code may, by passage of
8 an ordinance, impose a tax upon all persons engaged in the
9 business of selling tangible personal property, other than on
10 an item of tangible personal property that is titled and
11 registered by an agency of this State's Government, at retail
12 in the municipality. This tax may not be imposed on the sales
13 of food for human consumption that is to be consumed off the
14 premises where it is sold (other than alcoholic beverages, soft
15 drinks, and food that has been prepared for immediate
16 consumption) and prescription and nonprescription medicines,
17 drugs, medical appliances and insulin, urine testing
18 materials, syringes, and needles used by diabetics. If imposed,
19 the tax shall only be imposed in .25% increments of the gross
20 receipts from such sales made in the course of business. Any
21 tax imposed by a municipality under this Sec. and all civil
22 penalties that may be assessed as an incident thereof shall be
23 collected and enforced by the State Department of Revenue. An
24 ordinance imposing a tax hereunder or effecting a change in the
25 rate thereof shall be adopted and a certified copy thereof
26 filed with the Department on or before the first day of

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

1 Uniform Penalty and Interest Act as fully as if those
2 provisions were set forth herein.

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

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

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

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

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

1 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
2 local sales tax increment, as defined in the Innovation
3 Development and Economy Act, collected under this Section
4 during the second preceding calendar month for sales within a
5 STAR bond district.

6 After the monthly transfer to the STAR Bonds Revenue Fund,
7 on ~~on~~ or before the 25th day of each calendar month, the
8 Department shall prepare and certify to the Comptroller the
9 disbursement of stated sums of money to named municipalities,
10 the municipalities to be those from which retailers have paid
11 taxes or penalties hereunder to the Department during the
12 second preceding calendar month. The amount to be paid to each
13 municipality shall be the amount (not including credit
14 memoranda) collected hereunder during the second preceding
15 calendar month by the Department plus an amount the Department
16 determines is necessary to offset any amounts that were
17 erroneously paid to a different taxing body, and not including
18 an amount equal to the amount of refunds made during the second
19 preceding calendar month by the Department on behalf of the
20 municipality, and not including any amount that the Department
21 determines is necessary to offset any amounts that were payable
22 to a different taxing body but were erroneously paid to the
23 municipality, and not including any amounts that are
24 transferred to the STAR Bonds Revenue Fund. Within 10 days
25 after receipt by the Comptroller of the disbursement
26 certification to the municipalities provided for in this

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

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

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

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

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

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

2 (65 ILCS 5/8-11-1.7)

3 Sec. 8-11-1.7. Non-home rule municipal service occupation
4 tax; municipalities between 20,000 and 25,000. The corporate
5 authorities of a non-home rule municipality with a population
6 of more than 20,000 but less than 25,000 as determined by the
7 last preceding decennial census that has, prior to January 1,
8 1987, established a Redevelopment Project Area that has been
9 certified as a State Sales Tax Boundary and has issued bonds or
10 otherwise incurred indebtedness to pay for costs in excess of
11 \$5,000,000, which is secured in part by a tax increment
12 allocation fund, in accordance with the provisions of Division
13 11-74.7 of this Code may, by passage of an ordinance, impose a
14 tax upon all persons engaged in the municipality in the
15 business of making sales of service. If imposed, the tax shall
16 only be imposed in .25% increments of the selling price of all
17 tangible personal property transferred by such servicemen
18 either in the form of tangible personal property or in the form
19 of real estate as an incident to a sale of service. This tax
20 may not be imposed on the sales of food for human consumption
21 that is to be consumed off the premises where it is sold (other
22 than alcoholic beverages, soft drinks, and food that has been
23 prepared for immediate consumption) and prescription and
24 nonprescription medicines, drugs, medical appliances and
25 insulin, urine testing materials, syringes, and needles used by

1 diabetics. The tax imposed by a municipality under this Sec.
2 and all civil penalties that may be assessed as an incident
3 thereof shall be collected and enforced by the State Department
4 of Revenue. An ordinance imposing a tax hereunder or effecting
5 a change in the rate thereof shall be adopted and a certified
6 copy thereof filed with the Department on or before the first
7 day of October, whereupon the Department shall proceed to
8 administer and enforce this Section as of the first day of
9 January next following such adoption and filing. The
10 certificate of registration that is issued by the Department to
11 a retailer under the Retailers' Occupation Tax Act or under the
12 Service Occupation Tax Act shall permit the registrant to
13 engage in a business that is taxable under any ordinance or
14 resolution enacted under this Section without registering
15 separately with the Department under the ordinance or
16 resolution or under this Section. The Department shall have
17 full power to administer and enforce this Section, to collect
18 all taxes and penalties due hereunder, to dispose of taxes and
19 penalties so collected in a manner hereinafter provided, and to
20 determine all rights to credit memoranda arising on account of
21 the erroneous payment of tax or penalty hereunder. In the
22 administration of and compliance with this Section, the
23 Department and persons who are subject to this Section shall
24 have the same rights, remedies, privileges, immunities,
25 powers, and duties, and be subject to the same conditions,
26 restrictions, limitations, penalties and definitions of terms,

1 and employ the same modes of procedure, as are prescribed in
2 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all
3 provisions therein other than the State rate of tax), 4 (except
4 that the reference to the State shall be to the taxing
5 municipality), 5, 7, 8 (except that the jurisdiction to which
6 the tax shall be a debt to the extent indicated in that Section
7 8 shall be the taxing municipality), 9 (except as to the
8 disposition of taxes and penalties collected, and except that
9 the returned merchandise credit for this municipal tax may not
10 be taken against any State tax), 10, 11, 12, (except the
11 reference therein to Section 2b of the Retailers' Occupation
12 Tax Act), 13 (except that any reference to the State shall mean
13 the taxing municipality), the first paragraph of Sections 15,
14 16, 17, 18, 19, and 20 of the Service 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 A tax may not be imposed by a municipality under this
18 Section unless the municipality also imposes a tax at the same
19 rate under Section 8-11-1.6 of this Act.

20 Person subject to any tax imposed under the authority
21 granted in this Section may reimburse themselves for their
22 servicemen's tax liability hereunder by separately stating the
23 tax as an additional charge, which charge may be stated in
24 combination, in a single amount, with State tax that servicemen
25 are authorized to collect under the Service Use Tax Act, under
26 such 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 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. The refund shall be paid by the State Treasurer out
7 of the Non-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 Innovation
16 Development and Economy Act, collected under this Section
17 during the second preceding calendar month for sales within a
18 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 suppliers and
24 servicemen have paid taxes or penalties hereunder to the
25 Department during the second preceding calendar month. The
26 amount to be paid to each municipality shall be the amount (not

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

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

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

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

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

25 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax

1 Act. The corporate authorities of a home rule municipality may
2 impose a tax upon all persons engaged, in such municipality, in
3 the business of making sales of service at the same rate of tax
4 imposed pursuant to Section 8-11-1, of the selling price of all
5 tangible personal property transferred by such servicemen
6 either in the form of tangible personal property or in the form
7 of real estate as an incident to a sale of service. If imposed,
8 such tax shall only be imposed in 1/4% increments. On and after
9 September 1, 1991, this additional tax may not be imposed on
10 the sales of food for human consumption which is to be consumed
11 off the premises where it is sold (other than alcoholic
12 beverages, soft drinks and food which has been prepared for
13 immediate consumption) and prescription and nonprescription
14 medicines, drugs, medical appliances and insulin, urine
15 testing materials, syringes and needles used by diabetics. The
16 tax imposed by a home rule municipality pursuant to this
17 Section and all civil penalties that may be assessed as an
18 incident thereof shall be collected and enforced by the State
19 Department of Revenue. The certificate of registration which is
20 issued by the Department to a retailer under the Retailers'
21 Occupation Tax Act or under the Service Occupation Tax Act
22 shall permit such registrant to engage in a business which is
23 taxable under any ordinance or resolution enacted pursuant to
24 this Section without registering separately with the
25 Department under such ordinance or resolution or under this
26 Section. The Department shall have full power to administer and

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

1 Act, as fully as if those provisions were set forth herein.

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

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 home rule 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 Innovation
2 Development and Economy Act, collected under this Section
3 during the second preceding calendar month for sales within a
4 STAR bond district.

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

25 In addition to the disbursement required by the preceding
26 paragraph and in order to mitigate delays caused by

1 distribution procedures, an allocation shall, if requested, be
2 made within 10 days after January 14, 1991, and in November of
3 1991 and each year thereafter, to each municipality that
4 received more than \$500,000 during the preceding fiscal year,
5 (July 1 through June 30) whether collected by the municipality
6 or disbursed by the Department as required by this Section.
7 Within 10 days after January 14, 1991, participating
8 municipalities shall notify the Department in writing of their
9 intent to participate. In addition, for the initial
10 distribution, participating municipalities shall certify to
11 the Department the amounts collected by the municipality for
12 each month under its home rule occupation and service
13 occupation tax during the period July 1, 1989 through June 30,
14 1990. The allocation within 10 days after January 14, 1991,
15 shall be in an amount equal to the monthly average of these
16 amounts, excluding the 2 months of highest receipts. Monthly
17 average for the period of July 1, 1990 through June 30, 1991
18 will be determined as follows: the amounts collected by the
19 municipality under its home rule occupation and service
20 occupation tax during the period of July 1, 1990 through
21 September 30, 1990, plus amounts collected by the Department
22 and paid to such municipality through June 30, 1991, excluding
23 the 2 months of highest receipts. The monthly average for each
24 subsequent period of July 1 through June 30 shall be an amount
25 equal to the monthly distribution made to each such
26 municipality under the preceding paragraph during this period,

1 excluding the 2 months of highest receipts. The distribution
2 made in November 1991 and each year thereafter under this
3 paragraph and the preceding paragraph shall be reduced by the
4 amount allocated and disbursed under this paragraph in the
5 preceding period of July 1 through June 30. The Department
6 shall prepare and certify to the Comptroller for disbursement
7 the allocations made in accordance with this paragraph.

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

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

23 Any unobligated balance remaining in the Municipal
24 Retailers' Occupation Tax Fund on December 31, 1989, which fund
25 was abolished by Public Act 85-1135, and all receipts of
26 municipal tax as a result of audits of liability periods prior

1 to January 1, 1990, shall be paid into the Local Government Tax
2 Fund, for distribution as provided by this Section prior to the
3 enactment of Public Act 85-1135. All receipts of municipal tax
4 as a result of an assessment not arising from an audit, for
5 liability periods prior to January 1, 1990, shall be paid into
6 the Local Government Tax Fund for distribution before July 1,
7 1990, as provided by this Section prior to the enactment of
8 Public Act 85-1135, and on and after July 1, 1990, all such
9 receipts shall be distributed as provided in Section 6z-18 of
10 the State Finance Act.

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

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

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

17 (65 ILCS 5/11-74.3-6)

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

19 (a) If the corporate authorities of a municipality have
20 approved a business district development or redevelopment plan
21 and have elected to impose a tax by ordinance pursuant to
22 subsections (b), (c), or (d) of this Section, each year after
23 the date of the approval of the ordinance and until all
24 business district project costs and all municipal obligations
25 financing the business district project costs, if any, have

1 been paid in accordance with the business district development
2 or redevelopment plan, but in no event longer than 23 years
3 after the date of adoption of the ordinance approving the
4 business district development or redevelopment plan, all
5 amounts generated by the retailers' occupation tax and service
6 occupation tax shall be collected and the tax shall be enforced
7 by the Department of Revenue in the same manner as all
8 retailers' occupation taxes and service occupation taxes
9 imposed in the municipality imposing the tax and all amounts
10 generated by the hotel operators' occupation tax shall be
11 collected and the tax shall be enforced by the municipality in
12 the same manner as all hotel operators' occupation taxes
13 imposed in the municipality imposing the tax. The corporate
14 authorities of the municipality shall deposit the proceeds of
15 the taxes imposed under subsections (b), (c), and (d) into a
16 special fund held by the corporate authorities of the
17 municipality called the Business District Tax Allocation Fund
18 for the purpose of paying business district project costs and
19 obligations incurred in the payment of those costs.

20 (b) The corporate authorities of a municipality that has
21 established a business district under this Division 74.3 may,
22 by ordinance or resolution, impose a Business District
23 Retailers' Occupation Tax upon all persons engaged in the
24 business of selling tangible personal property, other than an
25 item of tangible personal property titled or registered with an
26 agency of this State's government, at retail in the business

1 district at a rate not to exceed 1% of the gross receipts from
2 the sales made in the course of such business, to be imposed
3 only in 0.25% increments. The tax may not be imposed on food
4 for human consumption that is to be consumed off the premises
5 where it is sold (other than alcoholic beverages, soft drinks,
6 and food that has been prepared for immediate consumption),
7 prescription and nonprescription medicines, drugs, medical
8 appliances, modifications to a motor vehicle for the purpose of
9 rendering it usable by a disabled person, and insulin, urine
10 testing materials, syringes, and needles used by diabetics, for
11 human use.

12 The tax imposed under this subsection and all civil
13 penalties that may be assessed as an incident thereof shall be
14 collected and enforced by the Department of Revenue. The
15 certificate of registration that is issued by the Department to
16 a retailer under the Retailers' Occupation Tax Act shall permit
17 the retailer to engage in a business that is taxable under any
18 ordinance or resolution enacted pursuant to this subsection
19 without registering separately with the Department under such
20 ordinance or resolution or under this subsection. The
21 Department of Revenue shall have full power to administer and
22 enforce this subsection; to collect all taxes and penalties due
23 under this subsection 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 under this
26 subsection. In the administration of, and compliance with, this

1 subsection, the Department and persons who are subject to this
2 subsection shall have the same rights, remedies, privileges,
3 immunities, powers and duties, and be subject to the same
4 conditions, restrictions, limitations, penalties, exclusions,
5 exemptions, and definitions of terms and employ the same modes
6 of procedure, as are prescribed in Sections 1, 1a through 1o, 2
7 through 2-65 (in respect to all provisions therein other than
8 the State rate of tax), 2c through 2h, 3 (except as to the
9 disposition of taxes and penalties collected), 4, 5, 5a, 5c,
10 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11,
11 12, 13, and 14 of the Retailers' Occupation Tax Act and all
12 provisions of the Uniform Penalty and Interest Act, as fully as
13 if those provisions were set forth herein.

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

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

1 Treasurer out of the business district retailers' occupation
2 tax fund.

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

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

15 After the monthly transfer to the STAR Bonds Revenue Fund,
16 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 named municipalities
19 from the business district retailers' occupation tax fund, the
20 municipalities to be those from which retailers have paid taxes
21 or penalties under this subsection to the Department during the
22 second preceding calendar month. The amount to be paid to each
23 municipality shall be the amount (not including credit
24 memoranda) collected under this subsection during the second
25 preceding calendar month by the Department plus an amount the
26 Department determines is necessary to offset any amounts that

1 were erroneously paid to a different taxing body, and not
2 including an amount equal to the amount of refunds made during
3 the second preceding calendar month by the Department, less 2%
4 of that amount, which shall be deposited into the Tax
5 Compliance and Administration Fund and shall be used by the
6 Department, subject to appropriation, to cover the costs of the
7 Department in administering and enforcing the provisions of
8 this subsection, on behalf of such municipality, and not
9 including any amount that the Department determines is
10 necessary to offset any amounts that were payable to a
11 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 subsection to be given to the Comptroller by the Department,
17 the Comptroller shall cause the orders to be drawn for the
18 respective amounts in accordance with the directions contained
19 in the certification. The proceeds of the tax paid to
20 municipalities under this subsection shall be deposited into
21 the Business District Tax Allocation Fund by the municipality.

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

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

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

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

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

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

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

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

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

21 The tax imposed under this subsection and all civil
22 penalties that may be assessed as an incident thereof shall be
23 collected and enforced by the Department of Revenue. The
24 certificate of registration which is issued by the Department
25 to a retailer under the Retailers' Occupation Tax Act or under
26 the Service Occupation Tax Act shall permit such registrant to

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

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

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

14 Whenever the Department determines that a refund should be
15 made under this subsection to a claimant instead of issuing
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 such notification
19 from the Department. Such refund shall be paid by the State
20 Treasurer out of the business district retailers' occupation
21 tax fund.

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

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 Innovation
5 Development and Economy Act, collected under this subsection
6 during the second preceding calendar month for sales within a
7 STAR bond district.

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

1 Revenue Fund. Within 10 days after receipt, by the Comptroller,
2 of the disbursement certification to the municipalities,
3 provided for in this subsection to be given to the Comptroller
4 by the Department, the Comptroller shall cause the orders to be
5 drawn for the respective amounts in accordance with the
6 directions contained in such certification. The proceeds of the
7 tax paid to municipalities under this subsection shall be
8 deposited into the Business District Tax Allocation Fund by the
9 municipality.

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

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

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

25 A municipality that imposes the tax under this subsection
26 must submit to the Department of Revenue any other information

1 as the Department may require for the administration and
2 enforcement of the tax.

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

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

9 (d) By ordinance, a municipality that has established a
10 business district under this Division 74.3 may impose an
11 occupation tax upon all persons engaged in the business
12 district in the business of renting, leasing, or letting rooms
13 in a hotel, as defined in the Hotel Operators' Occupation Tax
14 Act, at a rate not to exceed 1% of the gross rental receipts
15 from the renting, leasing, or letting of hotel rooms within the
16 business district, to be imposed only in 0.25% increments,
17 excluding, however, from gross rental receipts the proceeds of
18 renting, leasing, or letting to permanent residents of a hotel,
19 as defined in the Hotel Operators' Occupation Tax Act, and
20 proceeds from the tax imposed under subsection (c) of Section
21 13 of the Metropolitan Pier and Exposition Authority Act.

22 The tax imposed by the municipality under this subsection
23 and all civil penalties that may be assessed as an incident to
24 that tax shall be collected and enforced by the municipality
25 imposing the tax. The municipality shall have full power to
26 administer and enforce this subsection, to collect all taxes

1 and penalties due under this subsection, to dispose of taxes
2 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 tax or penalty
5 under this subsection. In the administration of and compliance
6 with this subsection, the municipality and persons who are
7 subject to this subsection shall have the same rights,
8 remedies, privileges, immunities, powers, and duties, shall be
9 subject to the same conditions, restrictions, limitations,
10 penalties, and definitions of terms, and shall employ the same
11 modes of procedure as are employed with respect to a tax
12 adopted by the municipality under Section 8-3-14 of this Code.

13 Persons subject to any tax imposed under the authority
14 granted in this subsection may reimburse themselves for their
15 tax liability for that tax by separately stating that tax as an
16 additional charge, which charge may be stated in combination,
17 in a single amount, with State taxes imposed under the Hotel
18 Operators' Occupation Tax Act, and with any other tax.

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

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

25 (e) Obligations issued pursuant to subsection (14) of
26 Section 11-74.3-3 shall be retired in the manner provided in

1 the ordinance authorizing the issuance of those obligations by
2 the receipts of taxes levied as authorized in subsections (12)
3 and (13) of Section 11-74.3-3. The ordinance shall pledge all
4 of the amounts in and to be deposited in the Business District
5 Tax Allocation Fund to the payment of business district project
6 costs and obligations. Obligations issued pursuant to
7 subsection (14) of Section 11-74.3-3 may be sold at public or
8 private sale at a price determined by the corporate authorities
9 of the municipality and no referendum approval of the electors
10 shall be required as a condition to the issuance of those
11 obligations. The ordinance authorizing the obligations may
12 require that the obligations contain a recital that they are
13 issued pursuant to subsection (14) of Section 11-74.3-3 and
14 this recital shall be conclusive evidence of their validity and
15 of the regularity of their issuance. The corporate authorities
16 of the municipality may also issue its obligations to refund,
17 in whole or in part, obligations previously issued by the
18 municipality under the authority of this Code, whether at or
19 prior to maturity. All obligations issued pursuant to
20 subsection (14) of Section 11-74.3-3 shall not be regarded as
21 indebtedness of the municipality issuing the obligations for
22 the purpose of any limitation imposed by law.

23 (f) When business district costs, including, without
24 limitation, all municipal obligations financing business
25 district project costs incurred under Section 11-74.3-3 have
26 been paid, any surplus funds then remaining in the Business

1 District Tax Allocation Fund shall be distributed to the
2 municipal treasurer for deposit into the municipal general
3 corporate fund. Upon payment of all business district project
4 costs and retirement of obligations, but in no event more than
5 23 years after the date of adoption of the ordinance approving
6 the business district development or redevelopment plan, the
7 municipality shall adopt an ordinance immediately rescinding
8 the taxes imposed pursuant to subsections (12) and (13) of
9 Section 11-74.3-3.

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

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

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

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

17 (b) By ordinance the Authority shall, as soon as
18 practicable after the effective date of this amendatory Act of
19 1991, impose a Metropolitan Pier and Exposition Authority
20 Retailers' Occupation Tax upon all persons engaged in the
21 business of selling tangible personal property at retail within
22 the territory described in this subsection at the rate of 1.0%
23 of the gross receipts (i) from the sale of food, alcoholic
24 beverages, and soft drinks sold for consumption on the premises

1 where sold and (ii) from the sale of food, alcoholic beverages,
2 and soft drinks sold for consumption off the premises where
3 sold by a retailer whose principal source of gross receipts is
4 from the sale of food, alcoholic beverages, and soft drinks
5 prepared for immediate consumption.

6 The tax imposed under this subsection and all civil
7 penalties that may be assessed as an incident to that tax shall
8 be collected and enforced by the Illinois Department of
9 Revenue. The Department shall have full power to administer and
10 enforce this subsection, to collect all taxes and penalties so
11 collected in the manner provided in this subsection, and to
12 determine all rights to credit memoranda arising on account of
13 the erroneous payment of tax or penalty under this subsection.
14 In the administration of and compliance with this subsection,
15 the Department and persons who are subject to this subsection
16 shall have the same rights, remedies, privileges, immunities,
17 powers, and duties, shall be subject to the same conditions,
18 restrictions, limitations, penalties, exclusions, exemptions,
19 and definitions of terms, and shall employ the same modes of
20 procedure applicable to this Retailers' Occupation Tax as are
21 prescribed in Sections 1, 2 through 2-65 (in respect to all
22 provisions of those Sections other than the State rate of
23 taxes), 2c, 2h, 2i, 3 (except as to the disposition of taxes
24 and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i,
25 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13 and, and until
26 January 1, 1994, 13.5 of the Retailers' Occupation Tax Act,

1 and, on and after January 1, 1994, all applicable provisions of
2 the Uniform Penalty and Interest Act that are not inconsistent
3 with this Act, as fully as if provisions contained in those
4 Sections of the Retailers' Occupation Tax Act were set forth in
5 this subsection.

6 Persons subject to any tax imposed under the authority
7 granted in this subsection may reimburse themselves for their
8 seller's tax liability under this subsection by separately
9 stating that tax as an additional charge, which charge may be
10 stated in combination, in a single amount, with State taxes
11 that sellers are required to collect under the Use Tax Act,
12 pursuant to bracket schedules as the Department may prescribe.
13 The retailer filing the return shall, at the time of filing the
14 return, pay to the Department the amount of tax imposed under
15 this subsection, less a discount of 1.75%, which is allowed to
16 reimburse the retailer for the expenses incurred in keeping
17 records, preparing and filing returns, remitting the tax, and
18 supplying data to the Department on request.

19 Whenever the Department determines that a refund should be
20 made under this subsection to a claimant instead of issuing a
21 credit memorandum, the Department shall notify the State
22 Comptroller, who shall cause a warrant 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 the Metropolitan Pier and Exposition Authority
26 trust fund held by the State Treasurer as trustee for the

1 Authority.

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

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

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 Innovation
15 Development and Economy Act, collected under this subsection
16 during the second preceding calendar month for sales within a
17 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 amounts to be paid under subsection (g) of this Section, which
22 shall be the amounts, not including credit memoranda, collected
23 under this subsection during the second preceding calendar
24 month by the Department, less any amounts determined by the
25 Department to be necessary for the payment of refunds, ~~and~~ less
26 2% of such balance, which sum shall be deposited by the State

1 Treasurer into the Tax Compliance and Administration Fund in
2 the State Treasury from which it shall be appropriated to the
3 Department to cover the costs of the Department in
4 administering and enforcing the provisions of this subsection,
5 and less any amounts that are transferred to the STAR Bonds
6 Revenue Fund. Within 10 days after receipt by the Comptroller
7 of the certification, the Comptroller shall cause the orders to
8 be drawn for the remaining amounts, and the Treasurer shall
9 administer those amounts as required in subsection (g).

10 A certificate of registration issued by the Illinois
11 Department of Revenue to a retailer under the Retailers'
12 Occupation Tax Act shall permit the registrant to engage in a
13 business that is taxed under the tax imposed under this
14 subsection, and no additional registration shall be required
15 under the ordinance imposing the tax or under this subsection.

16 A certified copy of any ordinance imposing or discontinuing
17 any tax under this subsection or effecting a change in the rate
18 of that tax shall be filed with the Department, whereupon the
19 Department shall proceed to administer and enforce this
20 subsection on behalf of the Authority as of the first day of
21 the third calendar month following the date of filing.

22 The tax authorized to be levied under this subsection may
23 be levied within all or any part of the following described
24 portions of the metropolitan area:

- 25 (1) that portion of the City of Chicago located within
26 the following area: Beginning at the point of intersection

1 of the Cook County - DuPage County line and York Road, then
2 North along York Road to its intersection with Touhy
3 Avenue, then east along Touhy Avenue to its intersection
4 with the Northwest Tollway, then southeast along the
5 Northwest Tollway to its intersection with Lee Street, then
6 south along Lee Street to Higgins Road, then south and east
7 along Higgins Road to its intersection with Mannheim Road,
8 then south along Mannheim Road to its intersection with
9 Irving Park Road, then west along Irving Park Road to its
10 intersection with the Cook County - DuPage County line,
11 then north and west along the county line to the point of
12 beginning; and

13 (2) that portion of the City of Chicago located within
14 the following area: Beginning at the intersection of West
15 55th Street with Central Avenue, then east along West 55th
16 Street to its intersection with South Cicero Avenue, then
17 south along South Cicero Avenue to its intersection with
18 West 63rd Street, then west along West 63rd Street to its
19 intersection with South Central Avenue, then north along
20 South Central Avenue to the point of beginning; and

21 (3) that portion of the City of Chicago located within
22 the following area: Beginning at the point 150 feet west of
23 the intersection of the west line of North Ashland Avenue
24 and the north line of West Diversey Avenue, then north 150
25 feet, then east along a line 150 feet north of the north
26 line of West Diversey Avenue extended to the shoreline of

1 Lake Michigan, then following the shoreline of Lake
2 Michigan (including Navy Pier and all other improvements
3 fixed to land, docks, or piers) to the point where the
4 shoreline of Lake Michigan and the Adlai E. Stevenson
5 Expressway extended east to that shoreline intersect, then
6 west along the Adlai E. Stevenson Expressway to a point 150
7 feet west of the west line of South Ashland Avenue, then
8 north along a line 150 feet west of the west line of South
9 and North Ashland Avenue to the point of beginning.

10 The tax authorized to be levied under this subsection may
11 also be levied on food, alcoholic beverages, and soft drinks
12 sold on boats and other watercraft departing from and returning
13 to the shoreline of Lake Michigan (including Navy Pier and all
14 other improvements fixed to land, docks, or piers) described in
15 item (3).

16 (c) By ordinance the Authority shall, as soon as
17 practicable after the effective date of this amendatory Act of
18 1991, impose an occupation tax upon all persons engaged in the
19 corporate limits of the City of Chicago in the business of
20 renting, leasing, or letting rooms in a hotel, as defined in
21 the Hotel Operators' Occupation Tax Act, at a rate of 2.5% of
22 the gross rental receipts from the renting, leasing, or letting
23 of hotel rooms within the City of Chicago, excluding, however,
24 from gross rental receipts the proceeds of renting, leasing, or
25 letting to permanent residents of a hotel, as defined in that
26 Act. Gross rental receipts shall not include charges that are

1 added on account of the liability arising from any tax imposed
2 by the State or any governmental agency on the occupation of
3 renting, leasing, or letting rooms in a hotel.

4 The tax imposed by the Authority under this subsection and
5 all civil penalties that may be assessed as an incident to that
6 tax shall be collected and enforced by the Illinois Department
7 of Revenue. The certificate of registration that is issued by
8 the Department to a lessor under the Hotel Operators'
9 Occupation Tax Act shall permit that registrant to engage in a
10 business that is taxable under any ordinance enacted under this
11 subsection without registering separately with the Department
12 under that ordinance or under this subsection. The Department
13 shall have full power to administer and enforce this
14 subsection, to collect all taxes and penalties due under this
15 subsection, to dispose of taxes and penalties so collected in
16 the manner provided in this subsection, and to determine all
17 rights to credit memoranda arising on account of the erroneous
18 payment of tax or penalty under this subsection. In the
19 administration of and compliance with this subsection, the
20 Department and persons who are subject to this subsection shall
21 have the same rights, remedies, privileges, immunities,
22 powers, and duties, shall be subject to the same conditions,
23 restrictions, limitations, penalties, and definitions of
24 terms, and shall employ the same modes of procedure as are
25 prescribed in the Hotel Operators' Occupation Tax Act (except
26 where that Act is inconsistent with this subsection), as fully

1 as if the provisions contained in the Hotel Operators'
2 Occupation Tax Act were set out in this subsection.

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 a 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 Metropolitan Pier and Exposition Authority
10 trust fund held by the State Treasurer as trustee for the
11 Authority.

12 Persons subject to any tax imposed under the authority
13 granted in this subsection may reimburse themselves for their
14 tax liability for that tax by separately stating that tax as an
15 additional charge, which charge may be stated in combination,
16 in a single amount, with State taxes imposed under the Hotel
17 Operators' Occupation Tax Act, the municipal tax imposed under
18 Section 8-3-13 of the Illinois Municipal Code, and the tax
19 imposed under Section 19 of the Illinois Sports Facilities
20 Authority Act.

21 The person filing the return shall, at the time of filing
22 the return, pay to the Department the amount of tax, less a
23 discount of 2.1% or \$25 per calendar year, whichever is
24 greater, which is allowed to reimburse the operator for the
25 expenses incurred in keeping records, preparing and filing
26 returns, remitting the tax, and supplying data to the

1 Department on request.

2 The Department shall forthwith pay over to the State
3 Treasurer, ex officio, as trustee for the Authority, all taxes
4 and penalties collected under this subsection for deposit into
5 a trust fund held outside the State Treasury. On or before the
6 25th day of each calendar month, the Department shall certify
7 to the Comptroller the amounts to be paid under subsection (g)
8 of this Section, which shall be the amounts (not including
9 credit memoranda) collected under this subsection during the
10 second preceding calendar month by the Department, less any
11 amounts determined by the Department to be necessary for
12 payment of refunds. Within 10 days after receipt by the
13 Comptroller of the Department's certification, the Comptroller
14 shall cause the orders to be drawn for such amounts, and the
15 Treasurer shall administer those amounts as required in
16 subsection (g).

17 A certified copy of any ordinance imposing or discontinuing
18 a tax under this subsection or effecting a change in the rate
19 of that tax shall be filed with the Illinois Department of
20 Revenue, whereupon the Department shall proceed to administer
21 and enforce this subsection on behalf of the Authority as of
22 the first day of the third calendar month following the date of
23 filing.

24 (d) By ordinance the Authority shall, as soon as
25 practicable after the effective date of this amendatory Act of
26 1991, impose a tax upon all persons engaged in the business of

1 renting automobiles in the metropolitan area at the rate of 6%
2 of the gross receipts from that business, except that no tax
3 shall be imposed on the business of renting automobiles for use
4 as taxicabs or in livery service. The tax imposed under this
5 subsection and all civil penalties that may be assessed as an
6 incident to that tax shall be collected and enforced by the
7 Illinois Department of Revenue. The certificate of
8 registration issued by the Department to a retailer under the
9 Retailers' Occupation Tax Act or under the Automobile Renting
10 Occupation and Use Tax Act shall permit that person to engage
11 in a business that is taxable under any ordinance enacted under
12 this subsection without registering separately with the
13 Department under that ordinance or under this subsection. The
14 Department shall have full power to administer and enforce this
15 subsection, to collect all taxes and penalties due under this
16 subsection, to dispose of taxes and penalties so collected in
17 the manner provided in this subsection, and to determine all
18 rights to credit memoranda arising on account of the erroneous
19 payment of tax or penalty under this subsection. In the
20 administration of and compliance with this subsection, the
21 Department and persons who are subject to this subsection shall
22 have the same rights, remedies, privileges, immunities,
23 powers, and duties, be subject to the same conditions,
24 restrictions, limitations, penalties, and definitions of
25 terms, and employ the same modes of procedure as are prescribed
26 in Sections 2 and 3 (in respect to all provisions of those

1 Sections other than the State rate of tax; and in respect to
2 the provisions of the Retailers' Occupation Tax Act referred to
3 in those Sections, except as to the disposition of taxes and
4 penalties collected, except for the provision allowing
5 retailers a deduction from the tax to cover certain costs, and
6 except that credit memoranda issued under this subsection may
7 not be used to discharge any State tax liability) of the
8 Automobile Renting Occupation and Use Tax Act, as fully as if
9 provisions contained in those Sections of that Act were set
10 forth in this subsection.

11 Persons subject to any tax imposed under the authority
12 granted in this subsection may reimburse themselves for their
13 tax liability under this subsection by separately stating that
14 tax as an additional charge, which charge may be stated in
15 combination, in a single amount, with State tax that sellers
16 are required to collect under the Automobile Renting Occupation
17 and Use Tax Act, pursuant to bracket schedules as the
18 Department may prescribe.

19 Whenever the Department determines that a refund should be
20 made under this subsection to a claimant instead of issuing a
21 credit memorandum, the Department shall notify the State
22 Comptroller, who shall cause a warrant 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 the Metropolitan Pier and Exposition Authority
26 trust fund held by the State Treasurer as trustee for the

1 Authority.

2 The Department shall forthwith pay over to the State
3 Treasurer, ex officio, as trustee, all taxes and penalties
4 collected under this subsection for deposit into a trust fund
5 held outside the State Treasury. On or before the 25th day of
6 each calendar month, the Department shall certify to the
7 Comptroller the amounts to be paid under subsection (g) of this
8 Section (not including credit memoranda) collected under this
9 subsection during the second preceding calendar month by the
10 Department, less any amount determined by the Department to be
11 necessary for payment of refunds. Within 10 days after receipt
12 by the Comptroller of the Department's certification, the
13 Comptroller shall cause the orders to be drawn for such
14 amounts, and the Treasurer shall administer those amounts as
15 required in subsection (g).

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

20 A certified copy of any ordinance imposing or discontinuing
21 a tax under this subsection or effecting a change in the rate
22 of that tax shall be filed with the Illinois Department of
23 Revenue, whereupon the Department shall proceed to administer
24 and enforce this subsection on behalf of the Authority as of
25 the first day of the third calendar month following the date of
26 filing.

1 (e) By ordinance the Authority shall, as soon as
2 practicable after the effective date of this amendatory Act of
3 1991, impose a tax upon the privilege of using in the
4 metropolitan area an automobile that is rented from a rentor
5 outside Illinois and is titled or registered with an agency of
6 this State's government at a rate of 6% of the rental price of
7 that automobile, except that no tax shall be imposed on the
8 privilege of using automobiles rented for use as taxicabs or in
9 livery service. The tax shall be collected from persons whose
10 Illinois address for titling or registration purposes is given
11 as being in the metropolitan area. The tax shall be collected
12 by the Department of Revenue for the Authority. The tax must be
13 paid to the State or an exemption determination must be
14 obtained from the Department of Revenue before the title or
15 certificate of registration for the property may be issued. The
16 tax or proof of exemption may be transmitted to the Department
17 by way of the State agency with which or State officer with
18 whom the tangible personal property must be titled or
19 registered if the Department and that agency or State officer
20 determine that this procedure will expedite the processing of
21 applications for title or registration.

22 The Department shall have full power to administer and
23 enforce this subsection, to collect all taxes, penalties, and
24 interest due under this subsection, to dispose of taxes,
25 penalties, and interest so collected in the manner provided in
26 this subsection, and to determine all rights to credit

1 memoranda or refunds arising on account of the erroneous
2 payment of tax, penalty, or interest under this subsection. In
3 the administration of and compliance with this subsection, the
4 Department and persons who are subject to this subsection shall
5 have the same rights, remedies, privileges, immunities,
6 powers, and duties, be subject to the same conditions,
7 restrictions, limitations, penalties, and definitions of
8 terms, and employ the same modes of procedure as are prescribed
9 in Sections 2 and 4 (except provisions pertaining to the State
10 rate of tax; and in respect to the provisions of the Use Tax
11 Act referred to in that Section, except provisions concerning
12 collection or refunding of the tax by retailers, except the
13 provisions of Section 19 pertaining to claims by retailers,
14 except the last paragraph concerning refunds, and except that
15 credit memoranda issued under this subsection may not be used
16 to discharge any State tax liability) of the Automobile Renting
17 Occupation and Use Tax Act, as fully as if provisions contained
18 in those Sections of that Act were set forth in this
19 subsection.

20 Whenever the Department determines that a refund should be
21 made under this subsection to a claimant instead of issuing a
22 credit memorandum, the Department shall notify the State
23 Comptroller, who shall cause a 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 Metropolitan Pier and Exposition Authority

1 trust fund held by the State Treasurer as trustee for the
2 Authority.

3 The Department shall forthwith pay over to the State
4 Treasurer, ex officio, as trustee, all taxes, penalties, and
5 interest collected under this subsection for deposit into a
6 trust fund held outside the State Treasury. On or before the
7 25th day of each calendar month, the Department shall certify
8 to the State Comptroller the amounts to be paid under
9 subsection (g) of this Section, which shall be the amounts (not
10 including credit memoranda) collected under this subsection
11 during the second preceding calendar month by the Department,
12 less any amounts determined by the Department to be necessary
13 for payment of refunds. Within 10 days after receipt by the
14 State Comptroller of the Department's certification, the
15 Comptroller shall cause the orders to be drawn for such
16 amounts, and the Treasurer shall administer those amounts as
17 required in subsection (g).

18 A certified copy of any ordinance imposing or discontinuing
19 a tax or effecting a change in the rate of that tax shall be
20 filed with the Illinois Department of Revenue, whereupon the
21 Department shall proceed to administer and enforce this
22 subsection on behalf of the Authority as of the first day of
23 the third calendar month following the date of filing.

24 (f) By ordinance the Authority shall, as soon as
25 practicable after the effective date of this amendatory Act of
26 1991, impose an occupation tax on all persons, other than a

1 governmental agency, engaged in the business of providing
2 ground transportation for hire to passengers in the
3 metropolitan area at a rate of (i) \$2 per taxi or livery
4 vehicle departure with passengers for hire from commercial
5 service airports in the metropolitan area, (ii) for each
6 departure with passengers for hire from a commercial service
7 airport in the metropolitan area in a bus or van operated by a
8 person other than a person described in item (iii): \$9 per bus
9 or van with a capacity of 1-12 passengers, \$18 per bus or van
10 with a capacity of 13-24 passengers, and \$27 per bus or van
11 with a capacity of over 24 passengers, and (iii) for each
12 departure with passengers for hire from a commercial service
13 airport in the metropolitan area in a bus or van operated by a
14 person regulated by the Interstate Commerce Commission or
15 Illinois Commerce Commission, operating scheduled service from
16 the airport, and charging fares on a per passenger basis: \$1
17 per passenger for hire in each bus or van. The term "commercial
18 service airports" means those airports receiving scheduled
19 passenger service and enplaning more than 100,000 passengers
20 per year.

21 In the ordinance imposing the tax, the Authority may
22 provide for the administration and enforcement of the tax and
23 the collection of the tax from persons subject to the tax as
24 the Authority determines to be necessary or practicable for the
25 effective administration of the tax. The Authority may enter
26 into agreements as it deems appropriate with any governmental

1 agency providing for that agency to act as the Authority's
2 agent to collect the tax.

3 In the ordinance imposing the tax, the Authority may
4 designate a method or methods for persons subject to the tax to
5 reimburse themselves for the tax liability arising under the
6 ordinance (i) by separately stating the full amount of the tax
7 liability as an additional charge to passengers departing the
8 airports, (ii) by separately stating one-half of the tax
9 liability as an additional charge to both passengers departing
10 from and to passengers arriving at the airports, or (iii) by
11 some other method determined by the Authority.

12 All taxes, penalties, and interest collected under any
13 ordinance adopted under this subsection, less any amounts
14 determined to be necessary for the payment of refunds, shall be
15 paid forthwith to the State Treasurer, ex officio, for deposit
16 into a trust fund held outside the State Treasury and shall be
17 administered by the State Treasurer as provided in subsection
18 (g) of this Section.

19 (g) Amounts deposited from the proceeds of taxes imposed by
20 the Authority under subsections (b), (c), (d), (e), and (f) of
21 this Section and amounts deposited under Section 19 of the
22 Illinois Sports Facilities Authority Act shall be held in a
23 trust fund outside the State Treasury and shall be administered
24 by the Treasurer as follows: first, an amount necessary for the
25 payment of refunds shall be retained in the trust fund; second,
26 the balance of the proceeds deposited in the trust fund during

1 fiscal year 1993 shall be retained in the trust fund during
2 that year and thereafter shall be administered as a reserve to
3 fund the deposits required in item "third"; third, beginning
4 July 20, 1993, and continuing each month thereafter, provided
5 that the amount requested in the certificate of the Chairman of
6 the Authority filed under Section 8.25f of the State Finance
7 Act has been appropriated for payment to the Authority, 1/8 of
8 the annual amount requested in that certificate together with
9 any cumulative deficiencies shall be transferred from the trust
10 fund into the McCormick Place Expansion Project Fund in the
11 State Treasury until 100% of the amount requested in that
12 certificate plus any cumulative deficiencies in the amounts
13 transferred into the McCormick Place Expansion Project Fund
14 under this item "third", have been so transferred; fourth, the
15 balance shall be maintained in the trust fund; fifth, on July
16 20, 1994, and on July 20 of each year thereafter the Treasurer
17 shall calculate for the previous fiscal year the surplus
18 revenues in the trust fund and pay that amount to the
19 Authority. "Surplus revenues" shall mean the difference
20 between the amount in the trust fund on June 30 of the fiscal
21 year previous to the current fiscal year (excluding amounts
22 retained for refunds under item "first") minus the amount
23 deposited in the trust fund during fiscal year 1993 under item
24 "second". Moneys received by the Authority under item "fifth"
25 may be used solely for the purposes of paying debt service on
26 the bonds and notes issued by the Authority, including early

1 redemption of those bonds or notes, and for the purposes of
2 repair, replacement, and improvement of the grounds,
3 buildings, and facilities of the Authority; provided that any
4 moneys in excess of \$50,000,000 held by the Authority as of
5 June 30 in any fiscal year and received by the Authority under
6 item "fifth" shall be used solely for paying the debt service
7 on or early redemption of the Authority's bonds or notes. When
8 bonds and notes issued under Section 13.2, or bonds or notes
9 issued to refund those bonds and notes, are no longer
10 outstanding, the balance in the trust fund shall be paid to the
11 Authority.

12 (h) The ordinances imposing the taxes authorized by this
13 Section shall be repealed when bonds and notes issued under
14 Section 13.2 or bonds and notes issued to refund those bonds
15 and notes are no longer outstanding.

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

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

19 (70 ILCS 750/25)

20 Sec. 25. Flood prevention retailers' and service
21 occupation taxes.

22 (a) If the Board of Commissioners of a flood prevention
23 district determines that an emergency situation exists
24 regarding levee repair or flood prevention, and upon an

1 ordinance confirming the determination adopted by the
2 affirmative vote of a majority of the members of the county
3 board of the county in which the district is situated, the
4 county may impose a flood prevention retailers' occupation tax
5 upon all persons engaged in the business of selling tangible
6 personal property at retail within the territory of the
7 district to provide revenue to pay the costs of providing
8 emergency levee repair and flood prevention and to secure the
9 payment of bonds, notes, and other evidences of indebtedness
10 issued under this Act for a period not to exceed 25 years or as
11 required to repay the bonds, notes, and other evidences of
12 indebtedness issued under this Act. The tax rate shall be 0.25%
13 of the gross receipts from all taxable sales made in the course
14 of that business. The tax imposed under this Section and all
15 civil penalties that may be assessed as an incident thereof
16 shall be collected and enforced by the State Department of
17 Revenue. The Department shall have full power to administer and
18 enforce this Section; to collect all taxes and penalties so
19 collected in the manner hereinafter provided; and to determine
20 all rights to credit memoranda arising on account of the
21 erroneous payment of tax or penalty hereunder.

22 In the administration of and compliance with this
23 subsection, the Department and persons who are subject to this
24 subsection (i) have the same rights, remedies, privileges,
25 immunities, powers, and duties, (ii) are subject to the same
26 conditions, restrictions, limitations, penalties, and

1 definitions of terms, and (iii) shall employ the same modes of
2 procedure as are set forth in Sections 1 through 1o, 2 through
3 2-70 (in respect to all provisions contained in those Sections
4 other than the State rate of tax), 2a through 2h, 3 (except as
5 to the disposition of taxes and penalties collected), 4, 5, 5a,
6 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10,
7 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and
8 all provisions of the Uniform Penalty and Interest Act as if
9 those provisions were set forth in this subsection.

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

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

19 (b) If a tax has been imposed under subsection (a), a flood
20 prevention service occupation tax shall also be imposed upon
21 all persons engaged within the territory of the district in the
22 business of making sales of service, who, as an incident to
23 making the sales of service, transfer tangible personal
24 property, either in the form of tangible personal property or
25 in the form of real estate as an incident to a sale of service
26 to provide revenue to pay the costs of providing emergency

1 levee repair and flood prevention and to secure the payment of
2 bonds, notes, and other evidences of indebtedness issued under
3 this Act for a period not to exceed 25 years or as required to
4 repay the bonds, notes, and other evidences of indebtedness.
5 The tax rate shall be 0.25% of the selling price of all
6 tangible personal property transferred.

7 The tax imposed under this subsection and all civil
8 penalties that may be assessed as an incident thereof shall be
9 collected and enforced by the State Department of Revenue. The
10 Department shall have full power to administer and enforce this
11 subsection; to collect all taxes and penalties due hereunder;
12 to dispose of taxes and penalties collected in the manner
13 hereinafter provided; and to determine all rights to credit
14 memoranda arising on account of the erroneous payment of tax or
15 penalty hereunder.

16 In the administration of and compliance with this
17 subsection, the Department and persons who are subject to this
18 subsection shall (i) have the same rights, remedies,
19 privileges, immunities, powers, and duties, (ii) be subject to
20 the same conditions, restrictions, limitations, penalties, and
21 definitions of terms, and (iii) employ the same modes of
22 procedure as are set forth in Sections 2 (except that the
23 reference to State in the definition of supplier maintaining a
24 place of business in this State means the district), 2a through
25 2d, 3 through 3-50 (in respect to all provisions contained in
26 those Sections other than the State rate of tax), 4 (except

1 that the reference to the State shall be to the district), 5,
2 7, 8 (except that the jurisdiction to which the tax is a debt
3 to the extent indicated in that Section 8 is the district), 9
4 (except as to the disposition of taxes and penalties
5 collected), 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 means the district), Section 15, 16, 17,
8 18, 19, and 20 of the Service Occupation Tax Act and all
9 provisions of the Uniform Penalty and Interest Act, as fully as
10 if those provisions were set forth herein.

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

18 (c) The taxes imposed in subsections (a) and (b) may not be
19 imposed on personal property titled or registered with an
20 agency of the State; food for human consumption that is to be
21 consumed off the premises where it is sold (other than
22 alcoholic beverages, soft drinks, and food that has been
23 prepared for immediate consumption); prescription and
24 non-prescription medicines, drugs, and medical appliances;
25 modifications to a motor vehicle for the purpose of rendering
26 it usable by a disabled person; or insulin, urine testing

1 materials, and syringes and needles used by diabetics.

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

6 (e) The certificate of registration that is issued by the
7 Department to a retailer under the Retailers' Occupation Tax
8 Act or a serviceman under the Service Occupation Tax Act
9 permits the retailer or serviceman to engage in a business that
10 is taxable without registering separately with the Department
11 under an ordinance or resolution under this Section.

12 (f) The Department shall immediately pay over to the State
13 Treasurer, ex officio, as trustee, all taxes and penalties
14 collected under this Section to be deposited into the Flood
15 Prevention Occupation Tax Fund, which shall be an
16 unappropriated trust fund held outside the State treasury.

17 As soon as possible after the first day of each month,
18 beginning January 1, 2011, upon certification of the Department
19 of Revenue, the Comptroller shall order transferred, and the
20 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
21 local sales tax increment, as defined in the Innovation
22 Development and Economy Act, collected under this Section
23 during the second preceding calendar month for sales within a
24 STAR bond district. The Department shall make this
25 certification only if the flood prevention district imposes a
26 tax on real property as provided in the definition of "local

1 sales taxes" under the Innovation Development and Economy 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 counties from which

6 retailers or servicemen have paid taxes or penalties to the

7 Department during the second preceding calendar month. The

8 amount to be paid to each county is equal to the amount (not

9 including credit memoranda) collected from the county under

10 this Section during the second preceding calendar month by the

11 Department, (i) less 2% of that amount, which shall be

12 deposited into the Tax Compliance and Administration Fund and

13 shall be used by the Department in administering and enforcing

14 the provisions of this Section on behalf of the county, (ii)

15 plus an amount that the Department determines is necessary to

16 offset any amounts that were erroneously paid to a different

17 taxing body; (iii) less an amount equal to the amount of

18 refunds made during the second preceding calendar month by the

19 Department on behalf of the county; ~~and~~ (iv) less any amount

20 that the Department determines is necessary to offset any

21 amounts that were payable to a different taxing body but were

22 erroneously paid to the county; and (v) less any amounts that

23 are transferred to the STAR Bonds Revenue Fund. When certifying

24 the amount of a monthly disbursement to a county under this

25 Section, the Department shall increase or decrease the amounts

26 by an amount necessary to offset any miscalculation of previous

1 disbursements within the previous 6 months from the time a
2 miscalculation is discovered.

3 Within 10 days after receipt by the Comptroller from the
4 Department of the disbursement certification to the counties
5 provided for in this Section, the Comptroller shall cause the
6 orders to be drawn for the respective amounts in accordance
7 with directions contained in the certification.

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

15 (g) If a county imposes a tax under this Section, then the
16 county board shall, by ordinance, discontinue the tax upon the
17 payment of all indebtedness of the flood prevention district.
18 The tax shall not be discontinued until all indebtedness of the
19 District has been paid.

20 (h) Any ordinance imposing the tax under this Section, or
21 any ordinance that discontinues the tax, must be certified by
22 the county clerk and filed with the Illinois Department of
23 Revenue either (i) on or before the first day of April,
24 whereupon the Department shall proceed to administer and
25 enforce the tax or change in the rate as of the first day of
26 July next following the filing; or (ii) on or before the first

1 day of October, whereupon the Department shall proceed to
2 administer and enforce the tax or change in the rate as of the
3 first day of January next following the filing.

4 (j) County Flood Prevention Occupation Tax Fund. All
5 proceeds received by a county from a tax distribution under
6 this Section must be maintained in a special fund known as the
7 [name of county] flood prevention occupation tax fund. The
8 county shall, at the direction of the flood prevention
9 district, use moneys in the fund to pay the costs of providing
10 emergency levee repair and flood prevention and to pay bonds,
11 notes, and other evidences of indebtedness issued under this
12 Act.

13 (k) This Section may be cited as the Flood Prevention
14 Occupation Tax Law.

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

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

18 (70 ILCS 1605/30)

19 Sec. 30. Taxes.

20 (a) The board shall impose a tax upon all persons engaged
21 in the business of selling tangible personal property, other
22 than personal property titled or registered with an agency of
23 this State's government, at retail in the District on the gross
24 receipts from the sales made in the course of business. This

1 tax shall be imposed only at the rate of one-tenth of one per
2 cent.

3 This additional tax may not be imposed on the sales of food
4 for human consumption that is to be consumed off the premises
5 where it is sold (other than alcoholic beverages, soft drinks,
6 and food which has been prepared for immediate consumption) and
7 prescription and non-prescription medicines, drugs, medical
8 appliances, and insulin, urine testing materials, syringes,
9 and needles used by diabetics. The tax imposed by the Board
10 under this Section and all civil penalties that may be assessed
11 as an incident of the tax shall be collected and enforced by
12 the Department of Revenue. The certificate of registration that
13 is issued by the Department to a retailer under the Retailers'
14 Occupation Tax Act shall permit the retailer to engage in a
15 business that is taxable without registering separately with
16 the Department under an ordinance or resolution under this
17 Section. The Department has full power to administer and
18 enforce this Section, to collect all taxes and penalties due
19 under this Section, to dispose of taxes and penalties so
20 collected in the manner provided in this Section, and to
21 determine all rights to credit memoranda arising on account of
22 the erroneous payment of a tax or penalty under this Section.
23 In the administration of and compliance with this Section, the
24 Department and persons who are subject to this Section shall
25 (i) have the same rights, remedies, privileges, immunities,
26 powers, and duties, (ii) be subject to the same conditions,

1 restrictions, limitations, penalties, and definitions of
2 terms, and (iii) employ the same modes of procedure as are
3 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
4 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions contained
5 in those Sections other than the State rate of tax), 2-15
6 through 2-70, 2a, 2b, 2c, 3 (except provisions relating to
7 transaction returns and quarter monthly payments), 4, 5, 5a,
8 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,
9 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act
10 and the Uniform Penalty and Interest Act as if those provisions
11 were set forth in this Section.

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

19 Whenever the Department determines that a refund should be
20 made under this Section 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 the State Metro-East Park and Recreation
26 District Fund.

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

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

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

24 Whenever the Department determines that a refund should be
25 made under this subsection 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 State Metro-East Park and Recreation
5 District Fund.

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

10 (c) The Department shall immediately pay over to the State
11 Treasurer, ex officio, as trustee, all taxes and penalties
12 collected under this Section to be deposited into the State
13 Metro-East Park and Recreation District Fund, which shall be an
14 unappropriated trust fund held outside of the State treasury.

15 As soon as possible after the first day of each month,
16 beginning January 1, 2011, upon certification of the Department
17 of Revenue, the Comptroller shall order transferred, and the
18 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
19 local sales tax increment, as defined in the Innovation
20 Development and Economy Act, collected under this Section
21 during the second preceding calendar month for sales within a
22 STAR bond district. The Department shall make this
23 certification only if the Metro East Park and Recreation
24 District imposes a tax on real property as provided in the
25 definition of "local sales taxes" under the Innovation
26 Development and Economy Act.

1 After the monthly transfer to the STAR Bonds Revenue Fund,
2 on ~~On~~ or before the 25th day of each calendar month, the
3 Department shall prepare and certify to the Comptroller the
4 disbursement of stated sums of money pursuant to Section 35 of
5 this Act to the District from which retailers have paid taxes
6 or penalties to the Department during the second preceding
7 calendar month. The amount to be paid to the District shall be
8 the amount (not including credit memoranda) collected under
9 this Section during the second preceding calendar month by the
10 Department plus an amount the Department determines is
11 necessary to offset any amounts that were erroneously paid to a
12 different taxing body, and not including (i) an amount equal to
13 the amount of refunds made during the second preceding calendar
14 month by the Department on behalf of the District, ~~and~~ (ii) any
15 amount that the Department determines is necessary to offset
16 any amounts that were payable to a different taxing body but
17 were erroneously paid to the District, and (iii) any amounts
18 that are transferred to the STAR Bonds Revenue Fund. Within 10
19 days after receipt by the Comptroller of the disbursement
20 certification to the District provided for in this Section to
21 be given to the Comptroller by the Department, the Comptroller
22 shall cause the orders to be drawn for the respective amounts
23 in accordance with directions contained in the certification.

24 (d) For the purpose of determining whether a tax authorized
25 under this Section is applicable, a retail sale by a producer
26 of coal or another mineral mined in Illinois is a sale at

1 retail at the place where the coal or other mineral mined in
2 Illinois is extracted from the earth. This paragraph does not
3 apply to coal or another mineral when it is delivered or
4 shipped by the seller to the purchaser at a point outside
5 Illinois so that the sale is exempt under the United States
6 Constitution as a sale in interstate or foreign commerce.

7 (e) Nothing in this Section shall be construed to authorize
8 the board to impose a tax upon the privilege of engaging in any
9 business that under the Constitution of the United States may
10 not be made the subject of taxation by this State.

11 (f) An ordinance imposing a tax under this Section or an
12 ordinance extending the imposition of a tax to an additional
13 county or counties shall be certified by the board and filed
14 with the Department of Revenue either (i) on or before the
15 first day of April, whereupon the Department shall proceed to
16 administer and enforce the tax as of the first day of July next
17 following the filing; or (ii) on or before the first day of
18 October, whereupon the Department shall proceed to administer
19 and enforce the tax as of the first day of January next
20 following the filing.

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

1 (Source: P.A. 91-103, eff. 7-13-99.)

2 Section 90. The Local Mass Transit District Act is amended
3 by changing Section 5.01 as follows:

4 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

5 Sec. 5.01. Metro East Mass Transit District; use and
6 occupation taxes.

7 (a) The Board of Trustees of any Metro East Mass Transit
8 District may, by ordinance adopted with the concurrence of
9 two-thirds of the then trustees, impose throughout the District
10 any or all of the taxes and fees provided in this Section. All
11 taxes and fees imposed under this Section shall be used only
12 for public mass transportation systems, and the amount used to
13 provide mass transit service to unserved areas of the District
14 shall be in the same proportion to the total proceeds as the
15 number of persons residing in the unserved areas is to the
16 total population of the District. Except as otherwise provided
17 in this Act, taxes imposed under this Section and civil
18 penalties imposed incident thereto shall be collected and
19 enforced by the State Department of Revenue. The Department
20 shall have the power to administer and enforce the taxes and to
21 determine all rights for refunds for erroneous payments of the
22 taxes.

23 (b) The Board may impose a Metro East Mass Transit District
24 Retailers' Occupation Tax upon all persons engaged in the

1 business of selling tangible personal property at retail in the
2 district at a rate of 1/4 of 1%, or as authorized under
3 subsection (d-5) of this Section, of the gross receipts from
4 the sales made in the course of such business within the
5 district. The tax imposed under this Section and all civil
6 penalties that may be assessed as an incident thereof shall be
7 collected and enforced by the State Department of Revenue. The
8 Department shall have full power to administer and enforce this
9 Section; to collect all taxes and penalties so collected in the
10 manner hereinafter provided; and to determine all rights to
11 credit memoranda arising on account of the erroneous payment of
12 tax or penalty hereunder. In the administration of, and
13 compliance with, this Section, the Department and persons who
14 are subject to this Section shall have the same rights,
15 remedies, privileges, immunities, powers and duties, and be
16 subject to the same conditions, restrictions, limitations,
17 penalties, exclusions, exemptions and definitions of terms and
18 employ the same modes of procedure, as are prescribed in
19 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
20 (in respect to all provisions therein other than the State rate
21 of tax), 2c, 3 (except as to the disposition of taxes and
22 penalties collected), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,
23 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the
24 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
25 Penalty and Interest Act, as fully as if those provisions were
26 set forth herein.

1 Persons subject to any tax imposed under the Section may
2 reimburse themselves for their seller's tax liability
3 hereunder 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 Section 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 Metro East Mass Transit District tax fund
15 established under paragraph (h) of this Section.

16 If a tax is imposed under this subsection (b), a tax shall
17 also be imposed under subsections (c) and (d) of this Section.

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

1 No tax shall be imposed or collected under this subsection
2 on the sale of a motor vehicle in this State to a resident of
3 another state if that motor vehicle will not be titled in this
4 State.

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

10 (c) If a tax has been imposed under subsection (b), a Metro
11 East Mass Transit District Service Occupation Tax shall also be
12 imposed upon all persons engaged, in the district, in the
13 business of making sales of service, who, as an incident to
14 making those sales of service, transfer tangible personal
15 property within the District, either in the form of tangible
16 personal property or in the form of real estate as an incident
17 to a sale of service. The tax rate shall be 1/4%, or as
18 authorized under subsection (d-5) of this Section, of the
19 selling price of tangible personal property so transferred
20 within the district. The tax imposed under this paragraph and
21 all civil penalties that may be assessed as an incident thereof
22 shall be collected and enforced by the State Department of
23 Revenue. The Department shall have full power to administer and
24 enforce this paragraph; to collect all taxes and penalties due
25 hereunder; to dispose of taxes and penalties so collected in
26 the manner hereinafter provided; and to determine all rights to

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

26 Persons subject to any tax imposed under the authority

1 granted in this paragraph may reimburse themselves for their
2 serviceman's tax liability hereunder by separately stating the
3 tax as an additional charge, which charge may be stated in
4 combination, in a single amount, with State tax that servicemen
5 are authorized to collect under the Service Use Tax 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 the Metro East Mass Transit District tax fund
15 established under paragraph (h) of this Section.

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

20 (d) If a tax has been imposed under subsection (b), a Metro
21 East Mass Transit District Use Tax shall also be imposed upon
22 the privilege of using, in the district, any item of tangible
23 personal property that is purchased outside the district at
24 retail from a retailer, and that is titled or registered with
25 an agency of this State's government, at a rate of 1/4%, or as
26 authorized under subsection (d-5) of this Section, of the

1 selling price of the tangible personal property within the
2 District, as "selling price" is defined in the Use Tax Act. The
3 tax shall be collected from persons whose Illinois address for
4 titling or registration purposes is given as being in the
5 District. The tax shall be collected by the Department of
6 Revenue for the Metro East Mass Transit District. The tax must
7 be paid to the State, or an exemption determination must be
8 obtained from the Department of Revenue, before the title or
9 certificate of registration for the property may be issued. The
10 tax or proof of exemption may be transmitted to the Department
11 by way of the State agency with which, or the State officer
12 with whom, the tangible personal property must be titled or
13 registered if the Department and the State agency or State
14 officer determine that this procedure will expedite the
15 processing of applications for 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), 4, 11, 12, 12a, 14, 15,
7 19 (except the portions pertaining to claims by retailers and
8 except the last paragraph concerning refunds), 20, 21 and 22 of
9 the Use Tax Act and Section 3-7 of the Uniform Penalty and
10 Interest Act, that are not inconsistent with this paragraph, as
11 fully as if those provisions were set forth herein.

12 Whenever the Department determines that a refund should be
13 made under this paragraph to a claimant instead of issuing a
14 credit memorandum, the Department shall notify the State
15 Comptroller, who shall cause the order to be drawn for the
16 amount specified, and to the person named, in the notification
17 from the Department. The refund shall be paid by the State
18 Treasurer out of the Metro East Mass Transit District tax fund
19 established under paragraph (h) of this Section.

20 (d-5) (A) The county board of any county participating in
21 the Metro East Mass Transit District may authorize, by
22 ordinance, a referendum on the question of whether the tax
23 rates for the Metro East Mass Transit District Retailers'
24 Occupation Tax, the Metro East Mass Transit District Service
25 Occupation Tax, and the Metro East Mass Transit District Use
26 Tax for the District should be increased from 0.25% to 0.75%.

1 Upon adopting the ordinance, the county board shall certify the
2 proposition to the proper election officials who shall submit
3 the proposition to the voters of the District at the next
4 election, in accordance with the general election law.

5 The proposition shall be in substantially the following
6 form:

7 Shall the tax rates for the Metro East Mass Transit
8 District Retailers' Occupation Tax, the Metro East Mass
9 Transit District Service Occupation Tax, and the Metro East
10 Mass Transit District Use Tax be increased from 0.25% to
11 0.75%?

12 (B) Two thousand five hundred electors of any Metro East
13 Mass Transit District may petition the Chief Judge of the
14 Circuit Court, or any judge of that Circuit designated by the
15 Chief Judge, in which that District is located to cause to be
16 submitted to a vote of the electors the question whether the
17 tax rates for the Metro East Mass Transit District Retailers'
18 Occupation Tax, the Metro East Mass Transit District Service
19 Occupation Tax, and the Metro East Mass Transit District Use
20 Tax for the District should be increased from 0.25% to 0.75%.

21 Upon submission of such petition the court shall set a date
22 not less than 10 nor more than 30 days thereafter for a hearing
23 on the sufficiency thereof. Notice of the filing of such
24 petition and of such date shall be given in writing to the
25 District and the County Clerk at least 7 days before the date
26 of such hearing.

1 If such petition is found sufficient, the court shall enter
2 an order to submit that proposition at the next election, in
3 accordance with general election law.

4 The form of the petition shall be in substantially the
5 following form: To the Circuit Court of the County of (name of
6 county):

7 We, the undersigned electors of the (name of transit
8 district), respectfully petition your honor to submit to a
9 vote of the electors of (name of transit district) the
10 following proposition:

11 Shall the tax rates for the Metro East Mass Transit
12 District Retailers' Occupation Tax, the Metro East Mass
13 Transit District Service Occupation Tax, and the Metro East
14 Mass Transit District Use Tax be increased from 0.25% to
15 0.75%?

Name	Address, with Street and Number.
.....
.....

19 (C) The votes shall be recorded as "YES" or "NO". If a
20 majority of all votes cast on the proposition are for the
21 increase in the tax rates, the Metro East Mass Transit District
22 shall begin imposing the increased rates in the District, and
23 the Department of Revenue shall begin collecting the increased
24 amounts, as provided under this Section. An ordinance imposing
25 or discontinuing a tax hereunder or effecting a change in the
26 rate thereof shall be adopted and a certified copy thereof

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

8 (D) If the voters have approved a referendum under this
9 subsection, before November 1, 1994, to increase the tax rate
10 under this subsection, the Metro East Mass Transit District
11 Board of Trustees may adopt by a majority vote an ordinance at
12 any time before January 1, 1995 that excludes from the rate
13 increase tangible personal property that is titled or
14 registered with an agency of this State's government. The
15 ordinance excluding titled or registered tangible personal
16 property from the rate increase must be filed with the
17 Department at least 15 days before its effective date. At any
18 time after adopting an ordinance excluding from the rate
19 increase tangible personal property that is titled or
20 registered with an agency of this State's government, the Metro
21 East Mass Transit District Board of Trustees may adopt an
22 ordinance applying the rate increase to that tangible personal
23 property. The ordinance shall be adopted, and a certified copy
24 of that ordinance shall be filed with the Department, on or
25 before October 1, whereupon the Department shall proceed to
26 administer and enforce the rate increase against tangible

1 personal property titled or registered with an agency of this
2 State's government as of the following January 1. After
3 December 31, 1995, any reimposed rate increase in effect under
4 this subsection shall no longer apply to tangible personal
5 property titled or registered with an agency of this State's
6 government. Beginning January 1, 1996, the Board of Trustees of
7 any Metro East Mass Transit District may never reimpose a
8 previously excluded tax rate increase on tangible personal
9 property titled or registered with an agency of this State's
10 government. After July 1, 2004, if the voters have approved a
11 referendum under this subsection to increase the tax rate under
12 this subsection, the Metro East Mass Transit District Board of
13 Trustees may adopt by a majority vote an ordinance that
14 excludes from the rate increase tangible personal property that
15 is titled or registered with an agency of this State's
16 government. The ordinance excluding titled or registered
17 tangible personal property from the rate increase shall be
18 adopted, and a certified copy of that ordinance shall be filed
19 with the Department on or before October 1, whereupon the
20 Department shall administer and enforce this exclusion from the
21 rate increase as of the following January 1, or on or before
22 April 1, whereupon the Department shall administer and enforce
23 this exclusion from the rate increase as of the following July
24 1. The Board of Trustees of any Metro East Mass Transit
25 District may never reimpose a previously excluded tax rate
26 increase on tangible personal property titled or registered

1 with an agency of this State's government.

2 (d-6) If the Board of Trustees of any Metro East Mass
3 Transit District has imposed a rate increase under subsection
4 (d-5) and filed an ordinance with the Department of Revenue
5 excluding titled property from the higher rate, then that Board
6 may, by ordinance adopted with the concurrence of two-thirds of
7 the then trustees, impose throughout the District a fee. The
8 fee on the excluded property shall not exceed \$20 per retail
9 transaction or an amount equal to the amount of tax excluded,
10 whichever is less, on tangible personal property that is titled
11 or registered with an agency of this State's government.
12 Beginning July 1, 2004, the fee shall apply only to titled
13 property that is subject to either the Metro East Mass Transit
14 District Retailers' Occupation Tax or the Metro East Mass
15 Transit District Service Occupation Tax. No fee shall be
16 imposed or collected under this subsection on the sale of a
17 motor vehicle in this State to a resident of another state if
18 that motor vehicle will not be titled in this State.

19 (d-7) Until June 30, 2004, if a fee has been imposed under
20 subsection (d-6), a fee shall also be imposed upon the
21 privilege of using, in the district, any item of tangible
22 personal property that is titled or registered with any agency
23 of this State's government, in an amount equal to the amount of
24 the fee imposed under subsection (d-6).

25 (d-7.1) Beginning July 1, 2004, any fee imposed by the
26 Board of Trustees of any Metro East Mass Transit District under

1 subsection (d-6) and all civil penalties that may be assessed
2 as an incident of the fees shall be collected and enforced by
3 the State Department of Revenue. Reference to "taxes" in this
4 Section shall be construed to apply to the administration,
5 payment, and remittance of all fees under this Section. For
6 purposes of any fee imposed under subsection (d-6), 4% of the
7 fee, penalty, and interest received by the Department in the
8 first 12 months that the fee is collected and enforced by the
9 Department and 2% of the fee, penalty, and interest following
10 the first 12 months shall be deposited into the Tax Compliance
11 and Administration Fund and shall be used by the Department,
12 subject to appropriation, to cover the costs of the Department.
13 No retailers' discount shall apply to any fee imposed under
14 subsection (d-6).

15 (d-8) No item of titled property shall be subject to both
16 the higher rate approved by referendum, as authorized under
17 subsection (d-5), and any fee imposed under subsection (d-6) or
18 (d-7).

19 (d-9) (Blank).

20 (d-10) (Blank).

21 (e) A certificate of registration issued by the State
22 Department of Revenue to a retailer under the Retailers'
23 Occupation Tax Act or under the Service Occupation Tax Act
24 shall permit the registrant to engage in a business that is
25 taxed under the tax imposed under paragraphs (b), (c) or (d) of
26 this Section and no additional registration shall be required

1 under the tax. A certificate issued under the Use Tax Act or
2 the Service Use Tax Act shall be applicable with regard to any
3 tax imposed under paragraph (c) of this Section.

4 (f) (Blank).

5 (g) Any ordinance imposing or discontinuing any tax under
6 this Section shall be adopted and a certified copy thereof
7 filed with the Department on or before June 1, whereupon the
8 Department of Revenue shall proceed to administer and enforce
9 this Section on behalf of the Metro East Mass Transit District
10 as of September 1 next following such adoption and filing.
11 Beginning January 1, 1992, an ordinance or resolution imposing
12 or discontinuing the tax hereunder shall be adopted and a
13 certified copy thereof filed with the Department on or before
14 the first day of July, whereupon the Department shall proceed
15 to administer and enforce this Section as of the first day of
16 October next following such adoption and filing. Beginning
17 January 1, 1993, except as provided in subsection (d-5) of this
18 Section, an ordinance or resolution imposing or discontinuing
19 the tax hereunder shall be adopted and a certified copy thereof
20 filed with the Department on or before the first day of
21 October, whereupon the Department shall proceed to administer
22 and enforce this Section as of the first day of January next
23 following such adoption and filing, or, beginning January 1,
24 2004, on or before the first day of April, whereupon the
25 Department shall proceed to administer and enforce this Section
26 as of the first day of July next following the adoption and

1 filing.

2 (h) Except as provided in subsection (d-7.1), the State
3 Department of Revenue shall, upon collecting any taxes as
4 provided in this Section, pay the taxes over to the State
5 Treasurer as trustee for the District. The taxes shall be held
6 in a trust fund outside the State Treasury.

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

18 After the monthly transfer to the STAR Bonds Revenue Fund,
19 on ~~or~~ or before the 25th day of each calendar month, the State
20 Department of Revenue shall prepare and certify to the
21 Comptroller of the State of Illinois the amount to be paid to
22 the District, which shall be the then balance in the fund, less
23 any amount determined by the Department to be necessary for the
24 payment of refunds, and less any amounts that are transferred
25 to the STAR Bonds Revenue Fund. Within 10 days after receipt by
26 the Comptroller of the certification of the amount to be paid

1 to the District, the Comptroller shall cause an order to be
2 drawn for payment for the amount in accordance with the
3 direction in the certification.

4 (Source: P.A. 95-331, eff. 8-21-07; 96-328, eff. 8-11-09.)

5 Section 100. The Regional Transportation Authority Act is
6 amended by changing Section 4.03 as follows:

7 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

8 (Text of Section before amendment by P.A. 96-339)

9 Sec. 4.03. Taxes.

10 (a) In order to carry out any of the powers or purposes of
11 the Authority, the Board may by ordinance adopted with the
12 concurrence of 12 of the then Directors, impose throughout the
13 metropolitan region any or all of the taxes provided in this
14 Section. Except as otherwise provided in this Act, taxes
15 imposed under this Section and civil penalties imposed incident
16 thereto shall be collected and enforced by the State Department
17 of Revenue. The Department shall have the power to administer
18 and enforce the taxes and to determine all rights for refunds
19 for erroneous payments of the taxes. Nothing in this amendatory
20 Act of the 95th General Assembly is intended to invalidate any
21 taxes currently imposed by the Authority. The increased vote
22 requirements to impose a tax shall only apply to actions taken
23 after the effective date of this amendatory Act of the 95th
24 General Assembly.

1 (b) The Board may impose a public transportation tax upon
2 all persons engaged in the metropolitan region in the business
3 of selling at retail motor fuel for operation of motor vehicles
4 upon public highways. The tax shall be at a rate not to exceed
5 5% of the gross receipts from the sales of motor fuel in the
6 course of the business. As used in this Act, the term "motor
7 fuel" shall have the same meaning as in the Motor Fuel Tax Law.
8 The Board may provide for details of the tax. The provisions of
9 any tax shall conform, as closely as may be practicable, to the
10 provisions of the Municipal Retailers Occupation Tax Act,
11 including without limitation, conformity to penalties with
12 respect to the tax imposed and as to the powers of the State
13 Department of Revenue to promulgate and enforce rules and
14 regulations relating to the administration and enforcement of
15 the provisions of the tax imposed, except that reference in the
16 Act to any municipality shall refer to the Authority and the
17 tax shall be imposed only with regard to receipts from sales of
18 motor fuel in the metropolitan region, at rates as limited by
19 this Section.

20 (c) In connection with the tax imposed under paragraph (b)
21 of this Section the Board may impose a tax upon the privilege
22 of using in the metropolitan region motor fuel for the
23 operation of a motor vehicle upon public highways, the tax to
24 be at a rate not in excess of the rate of tax imposed under
25 paragraph (b) of this Section. The Board may provide for
26 details of the tax.

1 (d) The Board may impose a motor vehicle parking tax upon
2 the privilege of parking motor vehicles at off-street parking
3 facilities in the metropolitan region at which a fee is
4 charged, and may provide for reasonable classifications in and
5 exemptions to the tax, for administration and enforcement
6 thereof and for civil penalties and refunds thereunder and may
7 provide criminal penalties thereunder, the maximum penalties
8 not to exceed the maximum criminal penalties provided in the
9 Retailers' Occupation Tax Act. The Authority may collect and
10 enforce the tax itself or by contract with any unit of local
11 government. The State Department of Revenue shall have no
12 responsibility for the collection and enforcement unless the
13 Department agrees with the Authority to undertake the
14 collection and enforcement. As used in this paragraph, the term
15 "parking facility" means a parking area or structure having
16 parking spaces for more than 2 vehicles at which motor vehicles
17 are permitted to park in return for an hourly, daily, or other
18 periodic fee, whether publicly or privately owned, but does not
19 include parking spaces on a public street, the use of which is
20 regulated by parking meters.

21 (e) The Board may impose a Regional Transportation
22 Authority Retailers' Occupation Tax upon all persons engaged in
23 the business of selling tangible personal property at retail in
24 the metropolitan region. In Cook County the tax rate shall be
25 1.25% of the gross receipts from sales of 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 that
2 has been prepared for immediate consumption) and prescription
3 and nonprescription medicines, drugs, medical appliances and
4 insulin, urine testing materials, syringes and needles used by
5 diabetics, and 1% of the gross receipts from other taxable
6 sales made in the course of that business. In DuPage, Kane,
7 Lake, McHenry, and Will Counties, the tax rate shall be 0.75%
8 of the gross receipts from all taxable sales made in the course
9 of that business. The tax imposed under this Section and all
10 civil penalties that may be assessed as an incident thereof
11 shall be collected and enforced by the State Department of
12 Revenue. The Department shall have full power to administer and
13 enforce this Section; to collect all taxes and penalties so
14 collected in the manner hereinafter provided; and to determine
15 all rights to credit memoranda arising on account of the
16 erroneous payment of tax or penalty hereunder. In the
17 administration of, and compliance with this Section, the
18 Department and persons who are subject to this Section shall
19 have the same rights, remedies, privileges, immunities, powers
20 and duties, and be subject to the same conditions,
21 restrictions, limitations, penalties, exclusions, exemptions
22 and definitions of terms, and employ the same modes of
23 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,
24 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
25 therein other than the State rate of tax), 2c, 3 (except as to
26 the disposition of taxes and penalties collected), 4, 5, 5a,

1 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,
2 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
3 Section 3-7 of the Uniform Penalty and Interest Act, as fully
4 as if those provisions were set forth herein.

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

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

20 If a tax is imposed under this subsection (e), a tax shall
21 also be imposed under subsections (f) and (g) of this Section.

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

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

5 No tax shall be imposed or collected under this subsection
6 on the sale of a motor vehicle in this State to a resident of
7 another state if that motor vehicle will not be titled in this
8 State.

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

14 (f) If a tax has been imposed under paragraph (e), a
15 Regional Transportation Authority Service Occupation Tax shall
16 also be imposed upon all persons engaged, in the metropolitan
17 region in the business of making sales of service, who as an
18 incident to making the sales of service, transfer tangible
19 personal property within the metropolitan region, either in the
20 form of tangible personal property or in the form of real
21 estate as an incident to a sale of service. In Cook County, the
22 tax rate shall be: (1) 1.25% of the serviceman's cost price of
23 food prepared for immediate consumption and transferred
24 incident to a sale of service subject to the service occupation
25 tax by an entity licensed under the Hospital Licensing Act or
26 the Nursing Home Care Act that is located in the metropolitan

1 region; (2) 1.25% of the selling price of food for human
2 consumption that is to be consumed off the premises where it is
3 sold (other than alcoholic beverages, soft drinks and food that
4 has been prepared for immediate consumption) and prescription
5 and nonprescription medicines, drugs, medical appliances and
6 insulin, urine testing materials, syringes and needles used by
7 diabetics; and (3) 1% of the selling price from other taxable
8 sales of tangible personal property transferred. In DuPage,
9 Kane, Lake, McHenry and Will Counties the rate shall be 0.75%
10 of the selling price of all tangible personal property
11 transferred.

12 The tax imposed under this paragraph and all civil
13 penalties that may be assessed as an incident thereof shall be
14 collected and enforced by the State Department of Revenue. The
15 Department shall have full power to administer and enforce this
16 paragraph; to collect all taxes and penalties due hereunder; to
17 dispose of taxes and penalties collected in the manner
18 hereinafter provided; and to determine all rights to credit
19 memoranda arising on account of the erroneous payment of tax or
20 penalty hereunder. In the administration of and compliance with
21 this paragraph, the Department and persons who are subject to
22 this paragraph shall have the same rights, remedies,
23 privileges, immunities, powers and duties, and be subject to
24 the same conditions, restrictions, limitations, penalties,
25 exclusions, exemptions and definitions of terms, and employ the
26 same modes of procedure, as are prescribed in Sections 1a-1, 2,

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

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

22 Whenever the Department determines that a refund should be
23 made under this paragraph 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 Regional Transportation Authority tax fund
3 established under paragraph (n) of this Section.

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

8 (g) If a tax has been imposed under paragraph (e), a tax
9 shall also be imposed upon the privilege of using in the
10 metropolitan region, any item of tangible personal property
11 that is purchased outside the metropolitan region at retail
12 from a retailer, and that is titled or registered with an
13 agency of this State's government. In Cook County the tax rate
14 shall be 1% of the selling price of the tangible personal
15 property, as "selling price" is defined in the Use Tax Act. In
16 DuPage, Kane, Lake, McHenry and Will counties the tax rate
17 shall be 0.75% of the selling price of the tangible personal
18 property, as "selling price" is defined in the Use Tax Act. The
19 tax shall be collected from persons whose Illinois address for
20 titling or registration purposes is given as being in the
21 metropolitan region. The tax shall be collected by the
22 Department of Revenue for the Regional Transportation
23 Authority. The tax must be paid to the State, or an exemption
24 determination must be obtained from the Department of Revenue,
25 before the title or certificate of registration for the
26 property may be issued. The tax or proof of exemption may be

1 transmitted to the Department by way of the State agency with
2 which, or the State officer with whom, the tangible personal
3 property must be titled or registered if the Department and the
4 State agency or State officer determine that this procedure
5 will expedite the processing of applications for title or
6 registration.

7 The Department shall have full power to administer and
8 enforce this paragraph; to collect all taxes, penalties and
9 interest due hereunder; to dispose of taxes, penalties and
10 interest collected in the manner hereinafter provided; and to
11 determine all rights to credit memoranda or refunds arising on
12 account of the erroneous payment of tax, penalty or interest
13 hereunder. In the administration of and compliance with this
14 paragraph, the Department and persons who are subject to this
15 paragraph 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 2 (except the
20 definition of "retailer maintaining a place of business in this
21 State"), 3 through 3-80 (except provisions pertaining to the
22 State rate of tax, and except provisions concerning collection
23 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,
24 19 (except the portions pertaining to claims by retailers and
25 except the last paragraph concerning refunds), 20, 21 and 22 of
26 the Use Tax Act, and are not inconsistent with this paragraph,

1 as fully as if those provisions were set forth herein.

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 order 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 the Regional Transportation Authority tax fund
9 established under paragraph (n) of this Section.

10 (h) The Authority may impose a replacement vehicle tax of
11 \$50 on any passenger car as defined in Section 1-157 of the
12 Illinois Vehicle Code purchased within the metropolitan region
13 by or on behalf of an insurance company to replace a passenger
14 car of an insured person in settlement of a total loss claim.
15 The tax imposed may not become effective before the first day
16 of the month following the passage of the ordinance imposing
17 the tax and receipt of a certified copy of the ordinance by the
18 Department of Revenue. The Department of Revenue shall collect
19 the tax for the Authority in accordance with Sections 3-2002
20 and 3-2003 of the Illinois Vehicle Code.

21 The Department shall immediately pay over to the State
22 Treasurer, ex officio, as trustee, all taxes collected
23 hereunder.

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

1 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
2 local sales tax increment, as defined in the Innovation
3 Development and Economy Act, collected under this Section
4 during the second preceding calendar month for sales within a
5 STAR bond district.

6 After the monthly transfer to the STAR Bonds Revenue Fund,
7 on ~~on~~ or before the 25th day of each calendar month, the
8 Department shall prepare and certify to the Comptroller the
9 disbursement of stated sums of money to the Authority. The
10 amount to be paid to the Authority shall be the amount
11 collected hereunder during the second preceding calendar month
12 by the Department, less any amount determined by the Department
13 to be necessary for the payment of refunds, and less any
14 amounts that are transferred to the STAR Bonds Revenue Fund.

15 Within 10 days after receipt by the Comptroller of the
16 disbursement certification to the Authority provided for in
17 this Section to be given to the Comptroller by the Department,
18 the Comptroller shall cause the orders to be drawn for that
19 amount in accordance with the directions contained in the
20 certification.

21 (i) The Board may not impose any other taxes except as it
22 may from time to time be authorized by law to impose.

23 (j) A certificate of registration issued by the State
24 Department of Revenue to a retailer under the Retailers'
25 Occupation Tax Act or under the Service Occupation Tax Act
26 shall permit the registrant to engage in a business that is

1 taxed under the tax imposed under paragraphs (b), (e), (f) or
2 (g) of this Section and no additional registration shall be
3 required under the tax. A certificate issued under the Use Tax
4 Act or the Service Use Tax Act shall be applicable with regard
5 to any tax imposed under paragraph (c) of this Section.

6 (k) The provisions of any tax imposed under paragraph (c)
7 of this Section shall conform as closely as may be practicable
8 to the provisions of the Use Tax Act, including without
9 limitation conformity as to penalties with respect to the tax
10 imposed and as to the powers of the State Department of Revenue
11 to promulgate and enforce rules and regulations relating to the
12 administration and enforcement of the provisions of the tax
13 imposed. The taxes shall be imposed only on use within the
14 metropolitan region and at rates as provided in the paragraph.

15 (l) The Board in imposing any tax as provided in paragraphs
16 (b) and (c) of this Section, shall, after seeking the advice of
17 the State Department of Revenue, provide means for retailers,
18 users or purchasers of motor fuel for purposes other than those
19 with regard to which the taxes may be imposed as provided in
20 those paragraphs to receive refunds of taxes improperly paid,
21 which provisions may be at variance with the refund provisions
22 as applicable under the Municipal Retailers Occupation Tax Act.
23 The State Department of Revenue may provide for certificates of
24 registration for users or purchasers of motor fuel for purposes
25 other than those with regard to which taxes may be imposed as
26 provided in paragraphs (b) and (c) of this Section to

1 facilitate the reporting and nontaxability of the exempt sales
2 or uses.

3 (m) Any ordinance imposing or discontinuing any tax under
4 this Section shall be adopted and a certified copy thereof
5 filed with the Department on or before June 1, whereupon the
6 Department of Revenue shall proceed to administer and enforce
7 this Section on behalf of the Regional Transportation Authority
8 as of September 1 next following such adoption and filing.
9 Beginning January 1, 1992, an ordinance or resolution imposing
10 or discontinuing the tax hereunder shall be adopted and a
11 certified copy thereof filed with the Department on or before
12 the first day of July, whereupon the Department shall proceed
13 to administer and enforce this Section as of the first day of
14 October next following such adoption and filing. Beginning
15 January 1, 1993, an ordinance or resolution imposing,
16 increasing, decreasing, or discontinuing the tax hereunder
17 shall be adopted and a certified copy thereof filed with the
18 Department, whereupon the Department shall proceed to
19 administer and enforce this Section as of the first day of the
20 first month to occur not less than 60 days following such
21 adoption and filing. Any ordinance or resolution of the
22 Authority imposing a tax under this Section and in effect on
23 August 1, 2007 shall remain in full force and effect and shall
24 be administered by the Department of Revenue under the terms
25 and conditions and rates of tax established by such ordinance
26 or resolution until the Department begins administering and

1 enforcing an increased tax under this Section as authorized by
2 this amendatory Act of the 95th General Assembly. The tax rates
3 authorized by this amendatory Act of the 95th General Assembly
4 are effective only if imposed by ordinance of the Authority.

5 (n) The State Department of Revenue shall, upon collecting
6 any taxes as provided in this Section, pay the taxes over to
7 the State Treasurer as trustee for the Authority. The taxes
8 shall be held in a trust fund outside the State Treasury. On or
9 before the 25th day of each calendar month, the State
10 Department of Revenue shall prepare and certify to the
11 Comptroller of the State of Illinois and to the Authority (i)
12 the amount of taxes collected in each County other than Cook
13 County in the metropolitan region, (ii) the amount of taxes
14 collected within the City of Chicago, and (iii) the amount
15 collected in that portion of Cook County outside of Chicago,
16 each amount less the amount necessary for the payment of
17 refunds to taxpayers located in those areas described in items
18 (i), (ii), and (iii). Within 10 days after receipt by the
19 Comptroller of the certification of the amounts, the
20 Comptroller shall cause an order to be drawn for the payment of
21 two-thirds of the amounts certified in item (i) of this
22 subsection to the Authority and one-third of the amounts
23 certified in item (i) of this subsection to the respective
24 counties other than Cook County and the amount certified in
25 items (ii) and (iii) of this subsection to the Authority.

26 In addition to the disbursement required by the preceding

1 paragraph, an allocation shall be made in July 1991 and each
2 year thereafter to the Regional Transportation Authority. The
3 allocation shall be made in an amount equal to the average
4 monthly distribution during the preceding calendar year
5 (excluding the 2 months of lowest receipts) and the allocation
6 shall include the amount of average monthly distribution from
7 the Regional Transportation Authority Occupation and Use Tax
8 Replacement Fund. The distribution made in July 1992 and each
9 year thereafter under this paragraph and the preceding
10 paragraph shall be reduced by the amount allocated and
11 disbursed under this paragraph in the preceding calendar year.
12 The Department of Revenue shall prepare and certify to the
13 Comptroller for disbursement the allocations made in
14 accordance with this paragraph.

15 (o) Failure to adopt a budget ordinance or otherwise to
16 comply with Section 4.01 of this Act or to adopt a Five-year
17 Capital Program or otherwise to comply with paragraph (b) of
18 Section 2.01 of this Act shall not affect the validity of any
19 tax imposed by the Authority otherwise in conformity with law.

20 (p) At no time shall a public transportation tax or motor
21 vehicle parking tax authorized under paragraphs (b), (c) and
22 (d) of this Section be in effect at the same time as any
23 retailers' occupation, use or service occupation tax
24 authorized under paragraphs (e), (f) and (g) of this Section is
25 in effect.

26 Any taxes imposed under the authority provided in

1 paragraphs (b), (c) and (d) shall remain in effect only until
2 the time as any tax authorized by paragraphs (e), (f) or (g) of
3 this Section are imposed and becomes effective. Once any tax
4 authorized by paragraphs (e), (f) or (g) is imposed the Board
5 may not reimpose taxes as authorized in paragraphs (b), (c) and
6 (d) of the Section unless any tax authorized by paragraphs (e),
7 (f) or (g) of this Section becomes ineffective by means other
8 than an ordinance of the Board.

9 (q) Any existing rights, remedies and obligations
10 (including enforcement by the Regional Transportation
11 Authority) arising under any tax imposed under paragraphs (b),
12 (c) or (d) of this Section shall not be affected by the
13 imposition of a tax under paragraphs (e), (f) or (g) of this
14 Section.

15 (Source: P.A. 95-708, eff. 1-18-08.)

16 (Text of Section after amendment by P.A. 96-339)

17 Sec. 4.03. Taxes.

18 (a) In order to carry out any of the powers or purposes of
19 the Authority, the Board may by ordinance adopted with the
20 concurrence of 12 of the then Directors, impose throughout the
21 metropolitan region any or all of the taxes provided in this
22 Section. Except as otherwise provided in this Act, taxes
23 imposed under this Section and civil penalties imposed incident
24 thereto shall be collected and enforced by the State Department
25 of Revenue. The Department shall have the power to administer

1 and enforce the taxes and to determine all rights for refunds
2 for erroneous payments of the taxes. Nothing in this amendatory
3 Act of the 95th General Assembly is intended to invalidate any
4 taxes currently imposed by the Authority. The increased vote
5 requirements to impose a tax shall only apply to actions taken
6 after the effective date of this amendatory Act of the 95th
7 General Assembly.

8 (b) The Board may impose a public transportation tax upon
9 all persons engaged in the metropolitan region in the business
10 of selling at retail motor fuel for operation of motor vehicles
11 upon public highways. The tax shall be at a rate not to exceed
12 5% of the gross receipts from the sales of motor fuel in the
13 course of the business. As used in this Act, the term "motor
14 fuel" shall have the same meaning as in the Motor Fuel Tax Law.
15 The Board may provide for details of the tax. The provisions of
16 any tax shall conform, as closely as may be practicable, to the
17 provisions of the Municipal Retailers Occupation Tax Act,
18 including without limitation, conformity to penalties with
19 respect to the tax imposed and as to the powers of the State
20 Department of Revenue to promulgate and enforce rules and
21 regulations relating to the administration and enforcement of
22 the provisions of the tax imposed, except that reference in the
23 Act to any municipality shall refer to the Authority and the
24 tax shall be imposed only with regard to receipts from sales of
25 motor fuel in the metropolitan region, at rates as limited by
26 this Section.

1 (c) In connection with the tax imposed under paragraph (b)
2 of this Section the Board may impose a tax upon the privilege
3 of using in the metropolitan region motor fuel for the
4 operation of a motor vehicle upon public highways, the tax to
5 be at a rate not in excess of the rate of tax imposed under
6 paragraph (b) of this Section. The Board may provide for
7 details of the tax.

8 (d) The Board may impose a motor vehicle parking tax upon
9 the privilege of parking motor vehicles at off-street parking
10 facilities in the metropolitan region at which a fee is
11 charged, and may provide for reasonable classifications in and
12 exemptions to the tax, for administration and enforcement
13 thereof and for civil penalties and refunds thereunder and may
14 provide criminal penalties thereunder, the maximum penalties
15 not to exceed the maximum criminal penalties provided in the
16 Retailers' Occupation Tax Act. The Authority may collect and
17 enforce the tax itself or by contract with any unit of local
18 government. The State Department of Revenue shall have no
19 responsibility for the collection and enforcement unless the
20 Department agrees with the Authority to undertake the
21 collection and enforcement. As used in this paragraph, the term
22 "parking facility" means a parking area or structure having
23 parking spaces for more than 2 vehicles at which motor vehicles
24 are permitted to park in return for an hourly, daily, or other
25 periodic fee, whether publicly or privately owned, but does not
26 include parking spaces on a public street, the use of which is

1 regulated by parking meters.

2 (e) The Board may impose a Regional Transportation
3 Authority Retailers' Occupation Tax upon all persons engaged in
4 the business of selling tangible personal property at retail in
5 the metropolitan region. In Cook County the tax rate shall be
6 1.25% of the gross receipts from sales of food for human
7 consumption that is to be consumed off the premises where it is
8 sold (other than alcoholic beverages, soft drinks and food that
9 has been prepared for immediate consumption) and prescription
10 and nonprescription medicines, drugs, medical appliances and
11 insulin, urine testing materials, syringes and needles used by
12 diabetics, and 1% of the gross receipts from other taxable
13 sales made in the course of that business. In DuPage, Kane,
14 Lake, McHenry, and Will Counties, the tax rate shall be 0.75%
15 of the gross receipts from all taxable sales made in the course
16 of that business. The tax imposed under this Section and all
17 civil penalties that may be assessed as an incident thereof
18 shall be collected and enforced by the State Department of
19 Revenue. The Department shall have full power to administer and
20 enforce this Section; to collect all 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 Section, the
25 Department and persons who are subject to this Section 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), 2c, 3 (except as to
7 the disposition of taxes and penalties collected), 4, 5, 5a,
8 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,
9 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
10 Section 3-7 of the Uniform Penalty and Interest Act, as fully
11 as if those provisions were set forth herein.

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

19 Whenever the Department determines that a refund should be
20 made under this Section to a claimant instead of issuing a
21 credit memorandum, the Department shall notify the State
22 Comptroller, who shall cause the warrant 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 the Regional Transportation Authority tax fund
26 established under paragraph (n) of this Section.

1 If a tax is imposed under this subsection (e), a tax shall
2 also be imposed under subsections (f) and (g) of this Section.

3 For the purpose of determining whether a tax authorized
4 under this Section is applicable, a retail sale by a producer
5 of coal or other mineral mined in Illinois, is a sale at retail
6 at the place where the coal or other mineral mined in Illinois
7 is extracted from the earth. This paragraph does not apply to
8 coal or other mineral when it is delivered or shipped by the
9 seller to the purchaser at a point outside Illinois so that the
10 sale is exempt under the Federal Constitution as a sale in
11 interstate or foreign commerce.

12 No tax shall be imposed or collected under this subsection
13 on the sale of a motor vehicle in this State to a resident of
14 another state if that motor vehicle will not be titled in this
15 State.

16 Nothing in this Section shall be construed to authorize the
17 Regional Transportation Authority to impose a tax upon the
18 privilege of engaging in any business that under the
19 Constitution of the United States may not be made the subject
20 of taxation by this State.

21 (f) If a tax has been imposed under paragraph (e), a
22 Regional Transportation Authority Service Occupation Tax shall
23 also be imposed upon all persons engaged, in the metropolitan
24 region in the business of making sales of service, who as an
25 incident to making the sales of service, transfer tangible
26 personal property within the metropolitan region, either in the

1 form of tangible personal property or in the form of real
2 estate as an incident to a sale of service. In Cook County, the
3 tax rate shall be: (1) 1.25% of the serviceman's cost price of
4 food prepared for immediate consumption and transferred
5 incident to a sale of service subject to the service occupation
6 tax by an entity licensed under the Hospital Licensing Act, the
7 Nursing Home Care Act, or the MR/DD Community Care Act that is
8 located in the metropolitan region; (2) 1.25% of the selling
9 price of food for human consumption that is to be consumed off
10 the premises where it is sold (other than alcoholic beverages,
11 soft drinks and food that has been prepared for immediate
12 consumption) and prescription and nonprescription medicines,
13 drugs, medical appliances and insulin, urine testing
14 materials, syringes and needles used by diabetics; and (3) 1%
15 of the selling price from other taxable sales of tangible
16 personal property transferred. In DuPage, Kane, Lake, McHenry
17 and Will Counties the rate shall be 0.75% of the selling price
18 of all tangible personal property transferred.

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

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

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

1 are authorized to collect under the Service Use Tax Act, under
2 any bracket schedules the Department may prescribe.

3 Whenever the Department determines that a refund should be
4 made under this paragraph 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 Regional Transportation Authority tax fund
10 established under paragraph (n) of this Section.

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

15 (g) If a tax has been imposed under paragraph (e), a tax
16 shall also be imposed upon the privilege of using in the
17 metropolitan region, any item of tangible personal property
18 that is purchased outside the metropolitan region at retail
19 from a retailer, and that is titled or registered with an
20 agency of this State's government. In Cook County the tax rate
21 shall be 1% of the selling price of the tangible personal
22 property, as "selling price" is defined in the Use Tax Act. In
23 DuPage, Kane, Lake, McHenry and Will counties the tax rate
24 shall be 0.75% of the selling price of the tangible personal
25 property, as "selling price" is defined in the Use Tax Act. The
26 tax shall be collected from persons whose Illinois address for

1 titling or registration purposes is given as being in the
2 metropolitan region. The tax shall be collected by the
3 Department of Revenue for the Regional Transportation
4 Authority. The tax must be paid to the State, or an exemption
5 determination must be obtained from the Department of Revenue,
6 before the title or certificate of registration for the
7 property may be issued. The tax or proof of exemption may be
8 transmitted to the Department by way of the State agency with
9 which, or the State officer with whom, the tangible personal
10 property must be titled or registered if the Department and the
11 State agency or State officer determine that this procedure
12 will expedite the processing of applications for title or
13 registration.

14 The Department shall have full power to administer and
15 enforce this paragraph; to collect all taxes, penalties and
16 interest due hereunder; to dispose of taxes, penalties and
17 interest collected in the manner hereinafter provided; and to
18 determine all rights to credit memoranda or refunds arising on
19 account of the erroneous payment of tax, penalty or interest
20 hereunder. In the administration of and compliance with this
21 paragraph, the Department and persons who are subject to this
22 paragraph shall have the same rights, remedies, privileges,
23 immunities, powers and duties, and be subject to the same
24 conditions, restrictions, limitations, penalties, exclusions,
25 exemptions and definitions of terms and employ the same modes
26 of procedure, as are prescribed in Sections 2 (except the

1 definition of "retailer maintaining a place of business in this
2 State"), 3 through 3-80 (except provisions pertaining to the
3 State rate of tax, and except provisions concerning collection
4 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,
5 19 (except the portions pertaining to claims by retailers and
6 except the last paragraph concerning refunds), 20, 21 and 22 of
7 the Use Tax Act, and are not inconsistent with this paragraph,
8 as fully as if those provisions were set forth herein.

9 Whenever the Department determines that a refund should be
10 made under this paragraph to a claimant instead of issuing a
11 credit memorandum, the Department shall notify the State
12 Comptroller, who shall cause the order to be drawn for the
13 amount specified, and to the person named in the notification
14 from the Department. The refund shall be paid by the State
15 Treasurer out of the Regional Transportation Authority tax fund
16 established under paragraph (n) of this Section.

17 (h) The Authority may impose a replacement vehicle tax of
18 \$50 on any passenger car as defined in Section 1-157 of the
19 Illinois Vehicle Code purchased within the metropolitan region
20 by or on behalf of an insurance company to replace a passenger
21 car of an insured person in settlement of a total loss claim.
22 The tax imposed may not become effective before the first day
23 of the month following the passage of the ordinance imposing
24 the tax and receipt of a certified copy of the ordinance by the
25 Department of Revenue. The Department of Revenue shall collect
26 the tax for the Authority in accordance with Sections 3-2002

1 and 3-2003 of the Illinois Vehicle Code.

2 The Department shall immediately pay over to the State
3 Treasurer, ex officio, as trustee, all taxes collected
4 hereunder.

5 As soon as possible after the first day of each month,
6 beginning January 1, 2011, upon certification of the Department
7 of Revenue, the Comptroller shall order transferred, and the
8 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
9 local sales tax increment, as defined in the Innovation
10 Development and Economy Act, collected under this Section
11 during the second preceding calendar month for sales within a
12 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
15 Department shall prepare and certify to the Comptroller the
16 disbursement of stated sums of money to the Authority. The
17 amount to be paid to the Authority shall be the amount
18 collected hereunder during the second preceding calendar month
19 by the Department, less any amount determined by the Department
20 to be necessary for the payment of refunds, and less any
21 amounts that are transferred to the STAR Bonds Revenue Fund.
22 Within 10 days after receipt by the Comptroller of the
23 disbursement certification to the Authority provided for in
24 this Section to be given to the Comptroller by the Department,
25 the Comptroller shall cause the orders to be drawn for that
26 amount in accordance with the directions contained in the

1 certification.

2 (i) The Board may not impose any other taxes except as it
3 may from time to time be authorized by law to impose.

4 (j) A certificate of registration issued by the State
5 Department of Revenue to a retailer under the Retailers'
6 Occupation Tax Act or under the Service Occupation Tax Act
7 shall permit the registrant to engage in a business that is
8 taxed under the tax imposed under paragraphs (b), (e), (f) or
9 (g) of this Section and no additional registration shall be
10 required under the tax. A certificate issued under the Use Tax
11 Act or the Service Use Tax Act shall be applicable with regard
12 to any tax imposed under paragraph (c) of this Section.

13 (k) The provisions of any tax imposed under paragraph (c)
14 of this Section shall conform as closely as may be practicable
15 to the provisions of the Use Tax Act, including without
16 limitation conformity as to penalties with respect to the tax
17 imposed and as to the powers of the State Department of Revenue
18 to promulgate and enforce rules and regulations relating to the
19 administration and enforcement of the provisions of the tax
20 imposed. The taxes shall be imposed only on use within the
21 metropolitan region and at rates as provided in the paragraph.

22 (l) The Board in imposing any tax as provided in paragraphs
23 (b) and (c) of this Section, shall, after seeking the advice of
24 the State Department of Revenue, provide means for retailers,
25 users or purchasers of motor fuel for purposes other than those
26 with regard to which the taxes may be imposed as provided in

1 those paragraphs to receive refunds of taxes improperly paid,
2 which provisions may be at variance with the refund provisions
3 as applicable under the Municipal Retailers Occupation Tax Act.
4 The State Department of Revenue may provide for certificates of
5 registration for users or purchasers of motor fuel for purposes
6 other than those with regard to which taxes may be imposed as
7 provided in paragraphs (b) and (c) of this Section to
8 facilitate the reporting and nontaxability of the exempt sales
9 or uses.

10 (m) 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 Regional Transportation Authority
15 as of September 1 next following such adoption and filing.
16 Beginning January 1, 1992, an ordinance or resolution imposing
17 or 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,
23 increasing, decreasing, or discontinuing the tax hereunder
24 shall be adopted and a certified copy thereof filed with the
25 Department, whereupon the Department shall proceed to
26 administer and enforce this Section as of the first day of the

1 first month to occur not less than 60 days following such
2 adoption and filing. Any ordinance or resolution of the
3 Authority imposing a tax under this Section and in effect on
4 August 1, 2007 shall remain in full force and effect and shall
5 be administered by the Department of Revenue under the terms
6 and conditions and rates of tax established by such ordinance
7 or resolution until the Department begins administering and
8 enforcing an increased tax under this Section as authorized by
9 this amendatory Act of the 95th General Assembly. The tax rates
10 authorized by this amendatory Act of the 95th General Assembly
11 are effective only if imposed by ordinance of the Authority.

12 (n) The State Department of Revenue shall, upon collecting
13 any taxes as provided in this Section, pay the taxes over to
14 the State Treasurer as trustee for the Authority. The taxes
15 shall be held in a trust fund outside the State Treasury. On or
16 before the 25th day of each calendar month, the State
17 Department of Revenue shall prepare and certify to the
18 Comptroller of the State of Illinois and to the Authority (i)
19 the amount of taxes collected in each County other than Cook
20 County in the metropolitan region, (ii) the amount of taxes
21 collected within the City of Chicago, and (iii) the amount
22 collected in that portion of Cook County outside of Chicago,
23 each amount less the amount necessary for the payment of
24 refunds to taxpayers located in those areas described in items
25 (i), (ii), and (iii). Within 10 days after receipt by the
26 Comptroller of the certification of the amounts, the

1 Comptroller shall cause an order to be drawn for the payment of
2 two-thirds of the amounts certified in item (i) of this
3 subsection to the Authority and one-third of the amounts
4 certified in item (i) of this subsection to the respective
5 counties other than Cook County and the amount certified in
6 items (ii) and (iii) of this subsection to the Authority.

7 In addition to the disbursement required by the preceding
8 paragraph, an allocation shall be made in July 1991 and each
9 year thereafter to the Regional Transportation Authority. The
10 allocation shall be made in an amount equal to the average
11 monthly distribution during the preceding calendar year
12 (excluding the 2 months of lowest receipts) and the allocation
13 shall include the amount of average monthly distribution from
14 the Regional Transportation Authority Occupation and Use Tax
15 Replacement Fund. The distribution made in July 1992 and each
16 year thereafter under this paragraph and the preceding
17 paragraph shall be reduced by the amount allocated and
18 disbursed under this paragraph in the preceding calendar year.
19 The Department of Revenue shall prepare and certify to the
20 Comptroller for disbursement the allocations made in
21 accordance with this paragraph.

22 (o) Failure to adopt a budget ordinance or otherwise to
23 comply with Section 4.01 of this Act or to adopt a Five-year
24 Capital Program or otherwise to comply with paragraph (b) of
25 Section 2.01 of this Act shall not affect the validity of any
26 tax imposed by the Authority otherwise in conformity with law.

1 (p) At no time shall a public transportation tax or motor
2 vehicle parking tax authorized under paragraphs (b), (c) and
3 (d) of this Section be in effect at the same time as any
4 retailers' occupation, use or service occupation tax
5 authorized under paragraphs (e), (f) and (g) of this Section is
6 in effect.

7 Any taxes imposed under the authority provided in
8 paragraphs (b), (c) and (d) shall remain in effect only until
9 the time as any tax authorized by paragraphs (e), (f) or (g) of
10 this Section are imposed and becomes effective. Once any tax
11 authorized by paragraphs (e), (f) or (g) is imposed the Board
12 may not reimpose taxes as authorized in paragraphs (b), (c) and
13 (d) of the Section unless any tax authorized by paragraphs (e),
14 (f) or (g) of this Section becomes ineffective by means other
15 than an ordinance of the Board.

16 (q) Any existing rights, remedies and obligations
17 (including enforcement by the Regional Transportation
18 Authority) arising under any tax imposed under paragraphs (b),
19 (c) or (d) of this Section shall not be affected by the
20 imposition of a tax under paragraphs (e), (f) or (g) of this
21 Section.

22 (Source: P.A. 95-708, eff. 1-18-08; 96-339, eff. 7-1-10.)

23 Section 105. The Water Commission Act of 1985 is amended by
24 changing Section 4 as follows:

1 (70 ILCS 3720/4) (from Ch. 111 2/3, par. 254)

2 Sec. 4. (a) The board of commissioners of any county water
3 commission may, by ordinance, impose throughout the territory
4 of the commission any or all of the taxes provided in this
5 Section for its corporate purposes. However, no county water
6 commission may impose any such tax unless the commission
7 certifies the proposition of imposing the tax to the proper
8 election officials, who shall submit the proposition to the
9 voters residing in the territory at an election in accordance
10 with the general election law, and the proposition has been
11 approved by a majority of those voting on the proposition.

12 The proposition shall be in the form provided in Section 5
13 or shall be substantially in the following form:

14 -----

15	Shall the (insert corporate	
16	name of county water commission)	YES
17	impose (state type of tax or	-----
18	taxes to be imposed) at the	NO
19	rate of 1/4%?	

20 -----

21 Taxes imposed under this Section and civil penalties
22 imposed incident thereto shall be collected and enforced by the
23 State Department of Revenue. The Department shall have the
24 power to administer and enforce the taxes and to determine all
25 rights for refunds for erroneous payments of the taxes.

26 (b) The board of commissioners may impose a County Water

1 Commission Retailers' Occupation Tax upon all persons engaged
2 in the business of selling tangible personal property at retail
3 in the territory of the commission at a rate of 1/4% of the
4 gross receipts from the sales made in the course of such
5 business within the territory. The tax imposed under this
6 paragraph and all civil penalties that may be assessed as an
7 incident thereof shall be collected and enforced by the State
8 Department of Revenue. The Department shall have full power to
9 administer and enforce this paragraph; to collect all taxes and
10 penalties due hereunder; to dispose of taxes and penalties so
11 collected in the manner hereinafter provided; and to determine
12 all rights to credit memoranda arising on account of the
13 erroneous payment of tax or penalty hereunder. In the
14 administration of, and compliance with, this paragraph, the
15 Department and persons who are subject to this paragraph shall
16 have the same rights, remedies, privileges, immunities, powers
17 and duties, and be subject to the same conditions,
18 restrictions, limitations, penalties, exclusions, exemptions
19 and definitions of terms, and employ the same modes of
20 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,
21 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
22 therein other than the State rate of tax except that food for
23 human consumption that is to be consumed off the premises where
24 it is sold (other than alcoholic beverages, soft drinks, and
25 food that has been prepared for immediate consumption) and
26 prescription and nonprescription medicine, drugs, medical

1 appliances and insulin, urine testing materials, syringes, and
2 needles used by diabetics, for human use, shall not be subject
3 to tax hereunder), 2c, 3 (except as to the disposition of taxes
4 and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h,
5 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the
6 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
7 Penalty and Interest Act, as fully as if those provisions were
8 set forth herein.

9 Persons subject to any tax imposed under the authority
10 granted in this paragraph may reimburse themselves for their
11 seller's tax liability hereunder by separately stating the tax
12 as an additional charge, which charge may be stated in
13 combination, in a single amount, with State taxes that sellers
14 are required to collect under the Use Tax Act and under
15 subsection (e) of Section 4.03 of the Regional Transportation
16 Authority Act, in accordance with such bracket schedules as the
17 Department may prescribe.

18 Whenever the Department determines that a refund should be
19 made under this paragraph to a claimant instead of issuing a
20 credit memorandum, the Department shall notify the State
21 Comptroller, who shall cause the warrant to be drawn for the
22 amount specified, and to the person named, in the notification
23 from the Department. The refund shall be paid by the State
24 Treasurer out of a county water commission tax fund established
25 under paragraph (g) of this Section.

26 For the purpose of determining whether a tax authorized

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

9 If a tax is imposed under this subsection (b) a tax shall
10 also be imposed under subsections (c) and (d) of this Section.

11 No tax shall be imposed or collected under this subsection
12 on the sale of a motor vehicle in this State to a resident of
13 another state if that motor vehicle will not be titled in this
14 State.

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

20 (c) If a tax has been imposed under subsection (b), a
21 County Water Commission Service Occupation Tax shall also be
22 imposed upon all persons engaged, in the territory of the
23 commission, in the business of making sales of service, who, as
24 an incident to making the sales of service, transfer tangible
25 personal property within the territory. The tax rate shall be
26 1/4% of the selling price of tangible personal property so

1 transferred within the territory. The tax imposed under this
2 paragraph and all civil penalties that may be assessed as an
3 incident thereof shall be collected and enforced by the State
4 Department of Revenue. The Department shall have full power to
5 administer and enforce this paragraph; to collect all taxes and
6 penalties due hereunder; to dispose of taxes and penalties so
7 collected in the manner hereinafter provided; and to determine
8 all rights to credit memoranda arising on account of the
9 erroneous payment of tax or penalty hereunder. In the
10 administration of, and compliance with, this paragraph, the
11 Department and persons who are subject to this paragraph shall
12 have the same rights, remedies, privileges, immunities, powers
13 and duties, and be subject to the same conditions,
14 restrictions, limitations, penalties, exclusions, exemptions
15 and definitions of terms, and employ the same modes of
16 procedure, as are prescribed in Sections 1a-1, 2 (except that
17 the reference to State in the definition of supplier
18 maintaining a place of business in this State shall mean the
19 territory of the commission), 2a, 3 through 3-50 (in respect to
20 all provisions therein other than the State rate of tax except
21 that food for human consumption that is to be consumed off the
22 premises where it is sold (other than alcoholic beverages, soft
23 drinks, and food that has been prepared for immediate
24 consumption) and prescription and nonprescription medicines,
25 drugs, medical appliances and insulin, urine testing
26 materials, syringes, and needles used by diabetics, for human

1 use, shall not be subject to tax hereunder), 4 (except that the
2 reference to the State shall be to the territory of the
3 commission), 5, 7, 8 (except that the jurisdiction to which the
4 tax shall be a debt to the extent indicated in that Section 8
5 shall be the commission), 9 (except as to the disposition of
6 taxes and penalties collected and except that the returned
7 merchandise credit for this 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 territory of the
11 commission), the first paragraph of Section 15, 15.5, 16, 17,
12 18, 19 and 20 of the Service Occupation Tax Act as fully as if
13 those provisions were set forth herein.

14 Persons subject to any tax imposed under the authority
15 granted in this paragraph may reimburse themselves for their
16 serviceman's tax liability hereunder by separately stating the
17 tax as an additional charge, which charge may be stated in
18 combination, in a single amount, with State tax that servicemen
19 are authorized to collect under the Service Use Tax Act, and
20 any tax for which servicemen may be liable under subsection (f)
21 of Sec. 4.03 of the Regional Transportation Authority Act, in
22 accordance with such bracket schedules as the Department may
23 prescribe.

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 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 a county water commission tax fund established
5 under paragraph (g) of this Section.

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

11 (d) If a tax has been imposed under subsection (b), a tax
12 shall also imposed upon the privilege of using, in the
13 territory of the commission, any item of tangible personal
14 property that is purchased outside the territory at retail from
15 a retailer, and that is titled or registered with an agency of
16 this State's government, at a rate of 1/4% of the selling price
17 of the tangible personal property within the territory, as
18 "selling price" is defined in the Use Tax Act. The tax shall be
19 collected from persons whose Illinois address for titling or
20 registration purposes is given as being in the territory. The
21 tax shall be collected by the Department of Revenue for a
22 county water commission. The tax must be paid to the State, or
23 an exemption determination must be obtained from the Department
24 of Revenue, before the title or certificate of registration for
25 the property may be issued. The tax or proof of exemption may
26 be transmitted to the Department by way of the State agency

1 with which, or the State officer with whom, the tangible
2 personal property must be titled or registered if the
3 Department and the State agency or State officer determine that
4 this procedure will expedite the processing of applications for
5 title or registration.

6 The Department shall have full power to administer and
7 enforce this paragraph; to collect all taxes, penalties and
8 interest due hereunder; to dispose of taxes, penalties and
9 interest so collected in the manner hereinafter provided; and
10 to determine all rights to credit memoranda or refunds arising
11 on account of the erroneous payment of tax, penalty or interest
12 hereunder. In the administration of, and compliance with this
13 paragraph, the Department and persons who are subject to this
14 paragraph shall have the same rights, remedies, privileges,
15 immunities, powers and duties, and be subject to the same
16 conditions, restrictions, limitations, penalties, exclusions,
17 exemptions and definitions of terms and employ the same modes
18 of procedure, as are prescribed in Sections 2 (except the
19 definition of "retailer maintaining a place of business in this
20 State"), 3 through 3-80 (except provisions pertaining to the
21 State rate of tax, and except provisions concerning collection
22 or refunding of the tax by retailers, and except that food for
23 human consumption that is to be consumed off the premises where
24 it is sold (other than alcoholic beverages, soft drinks, and
25 food that has been prepared for immediate consumption) and
26 prescription and nonprescription medicines, drugs, medical

1 appliances and insulin, urine testing materials, syringes, and
2 needles used by diabetics, for human use, shall not be subject
3 to tax hereunder), 4, 11, 12, 12a, 14, 15, 19 (except the
4 portions pertaining to claims by retailers and except the last
5 paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act
6 and Section 3-7 of the Uniform Penalty and Interest Act that
7 are not inconsistent with this paragraph, as fully as if those
8 provisions were set forth herein.

9 Whenever the Department determines that a refund should be
10 made under this paragraph to a claimant instead of issuing a
11 credit memorandum, the Department shall notify the State
12 Comptroller, who shall cause the order to be drawn for the
13 amount specified, and to the person named, in the notification
14 from the Department. The refund shall be paid by the State
15 Treasurer out of a county water commission tax fund established
16 under paragraph (g) of this Section.

17 (e) A certificate of registration issued by the State
18 Department of Revenue to a retailer under the Retailers'
19 Occupation Tax Act or under the Service Occupation Tax Act
20 shall permit the registrant to engage in a business that is
21 taxed under the tax imposed under paragraphs (b), (c) or (d) of
22 this Section and no additional registration shall be required
23 under the tax. A certificate issued under the Use Tax Act or
24 the Service Use Tax Act shall be applicable with regard to any
25 tax imposed under paragraph (c) of this Section.

26 (f) Any ordinance imposing or discontinuing any tax under

1 this Section shall be adopted and a certified copy thereof
2 filed with the Department on or before June 1, whereupon the
3 Department of Revenue shall proceed to administer and enforce
4 this Section on behalf of the county water commission as of
5 September 1 next following the adoption and filing. Beginning
6 January 1, 1992, an ordinance or resolution imposing or
7 discontinuing the tax hereunder shall be adopted and a
8 certified copy thereof filed with the Department on or before
9 the first day of July, whereupon the Department shall proceed
10 to administer and enforce this Section as of the first day of
11 October next following such adoption and filing. Beginning
12 January 1, 1993, an ordinance or resolution imposing or
13 discontinuing the tax hereunder shall be adopted and a
14 certified copy thereof filed with the Department on or before
15 the first day of October, whereupon the Department shall
16 proceed to administer and enforce this Section as of the first
17 day of January next following such adoption and filing.

18 (g) The State Department of Revenue shall, upon collecting
19 any taxes as provided in this Section, pay the taxes over to
20 the State Treasurer as trustee for the commission. The taxes
21 shall be held in a trust fund outside the State Treasury.

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

1 Development and Economy Act, collected under this Section
2 during the second preceding calendar month for sales within a
3 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 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 commission, which shall be the then balance in the fund,
9 less any amount determined by the Department to be necessary
10 for the payment of refunds, and less any amounts that are
11 transferred to the STAR Bonds Revenue Fund. Within 10 days
12 after receipt by the Comptroller of the certification of the
13 amount to be paid to the commission, the Comptroller shall
14 cause an order to be drawn for the payment for the amount in
15 accordance with the direction in the certification.

16 (Source: P.A. 92-221, eff. 8-2-01; 93-1068, eff. 1-15-05.)

17 Section 995. No acceleration or delay. Where this Act makes
18 changes in a statute that is represented in this Act by text
19 that is not yet or no longer in effect (for example, a Section
20 represented by multiple versions), the use of that text does
21 not accelerate or delay the taking effect of (i) the changes
22 made by this Act or (ii) provisions derived from any other
23 Public Act.

24 Section 999. Effective date. This Act takes effect upon

1 becoming law, except that Section 63 takes effect on July 1,
2 2010 and Section 66 takes effect January 1, 2011."