

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Municipal Code is amended by
5 changing Sections 8-11-1.3, 8-11-1.4, and 8-11-1.5 as follows:

6 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

7 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
8 Occupation Tax Act. The corporate authorities of a non-home
9 rule municipality may impose a tax upon all persons engaged in
10 the business of selling tangible personal property, other than
11 on an item of tangible personal property which is titled and
12 registered by an agency of this State's Government, at retail
13 in the municipality for expenditure on public infrastructure or
14 for property tax relief or both as defined in Section 8-11-1.2
15 if approved by referendum as provided in Section 8-11-1.1, of
16 the gross receipts from such sales made in the course of such
17 business. If the tax is approved by referendum on or after July
18 14, 2010 (the effective date of Public Act 96-1057), the
19 corporate authorities of a non-home rule municipality may,
20 until December 31, 2020 ~~December 31, 2015~~, use the proceeds of
21 the tax for expenditure on municipal operations, in addition to
22 or in lieu of any expenditure on public infrastructure or for
23 property tax relief. The tax imposed may not be more than 1%

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

1 restrictions, limitations, penalties and definitions of terms,
2 and employ the same modes of procedure, as are prescribed in
3 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in
4 respect to all provisions therein other than the State rate of
5 tax), 2c, 3 (except as to the disposition of taxes and
6 penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,
7 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the
8 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
9 Penalty and Interest Act as fully as if those provisions were
10 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 8-11-1.4 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 seller's tax liability hereunder by separately stating
17 such tax as an additional charge, which charge may be stated in
18 combination, in a single amount, with State tax which sellers
19 are required to collect under the Use Tax Act, pursuant to such
20 bracket schedules as the Department may prescribe.

21 Whenever the Department determines that a refund should be
22 made under this Section 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 such notification
26 from the Department. Such refund shall be paid by the State

1 Treasurer out of the non-home rule municipal retailers'
2 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 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 retailers have paid
19 taxes or penalties hereunder to the Department during the
20 second preceding calendar month. The amount to be paid to each
21 municipality shall be the amount (not including credit
22 memoranda) collected hereunder during the second preceding
23 calendar month by the Department 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 on behalf of such
2 municipality, and not including any amount which the Department
3 determines is necessary to offset any amounts which were
4 payable to a different taxing body but were erroneously paid to
5 the 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, provided for in this
9 Section to be given to the Comptroller by the Department, the
10 Comptroller shall cause the orders to be drawn for the
11 respective amounts in accordance with the directions contained
12 in such certification.

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

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

26 When certifying the amount of a monthly disbursement to a

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

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

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

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

14 (Source: P.A. 96-939, eff. 6-24-10; 96-1057, eff. 7-14-10;
15 97-333, eff. 8-12-11.)

16 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

17 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation
18 Tax Act. The corporate authorities of a non-home rule
19 municipality may impose a tax upon all persons engaged, in such
20 municipality, in the business of making sales of service for
21 expenditure on public infrastructure or for property tax relief
22 or both as defined in Section 8-11-1.2 if approved by
23 referendum as provided in Section 8-11-1.1, of the selling
24 price of all tangible personal property transferred by such
25 servicemen either in the form of tangible personal property or

1 in the form of real estate as an incident to a sale of service.
2 If the tax is approved by referendum on or after July 14, 2010
3 (the effective date of Public Act 96-1057), the corporate
4 authorities of a non-home rule municipality may, until December
5 31, 2020 ~~December 31, 2015~~, use the proceeds of the tax for
6 expenditure on municipal operations, in addition to or in lieu
7 of any expenditure on public infrastructure or for property tax
8 relief. The tax imposed may not be more than 1% and may be
9 imposed only in 1/4% increments. The tax may not be imposed on
10 the sale of food for human consumption that is to be consumed
11 off the premises where it is sold (other than alcoholic
12 beverages, soft drinks, and food that 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 municipality pursuant to 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 certificate of registration which is issued by the
20 Department to a retailer under the Retailers' Occupation Tax
21 Act or under the Service Occupation Tax Act shall permit such
22 registrant to engage in a business which is taxable under any
23 ordinance or resolution enacted pursuant to this Section
24 without registering separately with the Department under such
25 ordinance or resolution or under this Section. The Department
26 shall have full power to administer and enforce this Section;

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

26 No municipality may impose a tax under this Section unless

1 the municipality also imposes a tax at the same rate under
2 Section 8-11-1.3 of this Code.

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

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

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

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

1 during the second preceding calendar month for sales within a
2 STAR bond district.

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

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

26 Nothing in this Section shall be construed to authorize a

1 municipality to impose a tax upon the privilege of engaging in
2 any business which under the constitution of the United States
3 may not be made the subject of taxation by this State.

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

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

10 (Source: P.A. 96-939, eff. 6-24-10; 96-1057, eff. 7-14-10;
11 97-333, eff. 8-12-11.)

12 (65 ILCS 5/8-11-1.5) (from Ch. 24, par. 8-11-1.5)

13 Sec. 8-11-1.5. Non-Home Rule Municipal Use Tax Act. The
14 corporate authorities of a non-home rule municipality may
15 impose a tax upon the privilege of using, in such municipality,
16 any item of tangible personal property which is purchased at
17 retail from a retailer, and which is titled or registered with
18 an agency of this State's government, based on the selling
19 price of such tangible personal property, as "selling price" is
20 defined in the Use Tax Act, for expenditure on public
21 infrastructure or for property tax relief or both as defined in
22 Section 8-11-1.2, if approved by referendum as provided in
23 Section 8-11-1.1. If the tax is approved by referendum on or
24 after the effective date of this amendatory Act of the 96th
25 General Assembly, the corporate authorities of a non-home rule

1 municipality may, until December 31, 2020 ~~December 31, 2015~~,
2 use the proceeds of the tax for expenditure on municipal
3 operations, in addition to or in lieu of any expenditure on
4 public infrastructure or for property tax relief. The tax
5 imposed may not be more than 1% and may be imposed only in 1/4%
6 increments. Such tax shall be collected from persons whose
7 Illinois address for title or registration purposes is given as
8 being in such municipality. Such tax shall be collected by the
9 municipality imposing such tax. A non-home rule municipality
10 may not impose and collect the tax prior to January 1, 2002.

11 This Section shall be known and may be cited as the
12 "Non-Home Rule Municipal Use Tax Act".

13 (Source: P.A. 96-1057, eff. 7-14-10.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.