



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB5548

by Rep. John D. Cavaletto

SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-11-1.1	from Ch. 24, par. 8-11-1.1
65 ILCS 5/8-11-1.3	from Ch. 24, par. 8-11-1.3
65 ILCS 5/8-11-1.4	from Ch. 24, par. 8-11-1.4
65 ILCS 5/8-11-1.5	from Ch. 24, par. 8-11-1.5

Amends the Illinois Municipal Code. Provides that a revenue tax collected by a municipality may also be used towards costs associated with the abatement of unsafe or dilapidated structures (currently, only on municipal operation, public infrastructure, or property tax relief). Effective immediately.

LRB099 16810 AWJ 41157 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 8-11-1.1, 8-11-1.3, 8-11-1.4, and 8-11-1.5
6 as follows:

7 (65 ILCS 5/8-11-1.1) (from Ch. 24, par. 8-11-1.1)

8 Sec. 8-11-1.1. Non-home rule municipalities; imposition of
9 taxes.

10 (a) The corporate authorities of a non-home rule
11 municipality may, upon approval of the electors of the
12 municipality pursuant to subsection (b) of this Section, impose
13 by ordinance or resolution the tax authorized in Sections
14 8-11-1.3, 8-11-1.4 and 8-11-1.5 of this Act.

15 (b) The corporate authorities of the municipality may by
16 ordinance or resolution call for the submission to the electors
17 of the municipality the question of whether the municipality
18 shall impose such tax. Such question shall be certified by the
19 municipal clerk to the election authority in accordance with
20 Section 28-5 of the Election Code and shall be in a form in
21 accordance with Section 16-7 of the Election Code.

22 Notwithstanding any provision of law to the contrary, if
23 the proceeds of the tax may be used for municipal operations

1 pursuant to Section 8-11-1.3, 8-11-1.4, or 8-11-1.5, then the
2 election authority must submit the question in substantially
3 the following form:

4 Shall the corporate authorities of the municipality be
5 authorized to levy a tax at a rate of (rate)% for
6 expenditures on municipal operations, expenditures on
7 public infrastructure, ~~or~~ property tax relief, or for costs
8 associated with the abatement of unsafe or dilapidated
9 structures?

10 If a majority of the electors in the municipality voting
11 upon the question vote in the affirmative, such tax shall be
12 imposed.

13 Until January 1, 1992, an ordinance or resolution imposing
14 the tax of not more than 1% hereunder or discontinuing the same
15 shall be adopted and a certified copy thereof, together with a
16 certification that the ordinance or resolution received
17 referendum approval in the case of the imposition of such tax,
18 filed with the Department of Revenue, on or before the first
19 day of June, whereupon the Department shall proceed to
20 administer and enforce the additional tax or to discontinue the
21 tax, as the case may be, as of the first day of September next
22 following such adoption and filing.

23 Beginning January 1, 1992 and through December 31, 1992, an
24 ordinance or resolution imposing or discontinuing the tax
25 hereunder shall be adopted and a certified copy thereof filed
26 with the Department on or before the first day of July,

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

4 Beginning January 1, 1993, and through September 30, 2002,
5 an ordinance or resolution imposing or discontinuing the tax
6 hereunder shall be adopted and a certified copy thereof filed
7 with the Department on or before the first day of October,
8 whereupon the Department shall proceed to administer and
9 enforce this Section as of the first day of January next
10 following such adoption and filing.

11 Beginning October 1, 2002, and through December 31, 2013,
12 an ordinance or resolution imposing or discontinuing the tax
13 under this Section or effecting a change in the rate of tax
14 must either (i) be adopted and a certified copy of the
15 ordinance or resolution 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 of the ordinance or resolution filed with
20 the Department on or before the first day of October, whereupon
21 the Department shall proceed to administer and enforce this
22 Section as of the first day of January next following the
23 adoption and filing.

24 Beginning January 1, 2014, if an ordinance or resolution
25 imposing the tax under this Section, discontinuing the tax
26 under this Section, or effecting a change in the rate of tax

1 under this Section is adopted, a certified copy thereof,
2 together with a certification that the ordinance or resolution
3 received referendum approval in the case of the imposition of
4 or increase in the rate of such tax, shall be filed with the
5 Department of Revenue, either (i) on or before the first day of
6 May, 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) on or before the first day of
9 October, whereupon the Department shall proceed to administer
10 and enforce this Section as of the first day of January next
11 following the adoption and filing.

12 Notwithstanding any provision in this Section to the
13 contrary, if, in a non-home rule municipality with more than
14 150,000 but fewer than 200,000 inhabitants, as determined by
15 the last preceding federal decennial census, an ordinance or
16 resolution under this Section imposes or discontinues a tax or
17 changes the tax rate as of July 1, 2007, then that ordinance or
18 resolution, together with a certification that the ordinance or
19 resolution received referendum approval in the case of the
20 imposition of the tax, must be adopted and a certified copy of
21 that ordinance or resolution must be filed with the Department
22 on or before May 15, 2007, whereupon the Department shall
23 proceed to administer and enforce this Section as of July 1,
24 2007.

25 Notwithstanding any provision in this Section to the
26 contrary, if, in a non-home rule municipality with more than

1 6,500 but fewer than 7,000 inhabitants, as determined by the
2 last preceding federal decennial census, an ordinance or
3 resolution under this Section imposes or discontinues a tax or
4 changes the tax rate on or before May 20, 2009, then that
5 ordinance or resolution, together with a certification that the
6 ordinance or resolution received referendum approval in the
7 case of the imposition of the tax, must be adopted and a
8 certified copy of that ordinance or resolution must be filed
9 with the Department on or before May 20, 2009, whereupon the
10 Department shall proceed to administer and enforce this Section
11 as of July 1, 2009.

12 A non-home rule municipality may file a certified copy of
13 an ordinance or resolution, with a certification that the
14 ordinance or resolution received referendum approval in the
15 case of the imposition of the tax, with the Department of
16 Revenue, as required under this Section, only after October 2,
17 2000.

18 The tax authorized by this Section may not be more than 1%
19 and may be imposed only in 1/4% increments.

20 (Source: P.A. 98-584, eff. 8-27-13.)

21 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

22 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
23 Occupation Tax Act. The corporate authorities of a non-home
24 rule municipality may impose a tax upon all persons engaged in
25 the business of selling tangible personal property, other than

1 on an item of tangible personal property which is titled and
2 registered by an agency of this State's Government, at retail
3 in the municipality for expenditure for costs associated with
4 the abatement of unsafe or dilapidated structures, on public
5 infrastructure, or for property tax relief (the latter two ~~or~~
6 ~~both~~ as defined in Section 8-11-1.2), or all such expenditures
7 if approved by referendum as provided in Section 8-11-1.1, of
8 the gross receipts from such sales made in the course of such
9 business. If the tax is approved by referendum on or after July
10 14, 2010 (the effective date of Public Act 96-1057), the
11 corporate authorities of a non-home rule municipality may,
12 until December 31, 2020, use the proceeds of the tax for
13 expenditure on municipal operations, in addition to or in lieu
14 of any expenditure for costs associated with the abatement of
15 unsafe or dilapidated structures, on public infrastructure, or
16 for property tax relief. The tax imposed may not be more than
17 1% and may be imposed only in 1/4% increments. The tax may not
18 be imposed on the sale of food for human consumption that is to
19 be consumed off the premises where it is sold (other than
20 alcoholic beverages, soft drinks, and food that has been
21 prepared for immediate consumption) and prescription and
22 nonprescription medicines, drugs, medical appliances, and
23 insulin, urine testing materials, syringes, and needles used by
24 diabetics. The tax imposed by a municipality pursuant to this
25 Section and all civil penalties that may be assessed as an
26 incident thereof shall be collected and enforced by the State

1 Department of Revenue. The certificate of registration which is
2 issued by the Department to a retailer under the Retailers'
3 Occupation Tax Act shall permit such retailer to engage in a
4 business which is taxable under any ordinance or resolution
5 enacted pursuant to this Section without registering
6 separately with the Department under such ordinance or
7 resolution or under this Section. The Department shall have
8 full power to administer and enforce this Section; to collect
9 all taxes and penalties due hereunder; to dispose of taxes and
10 penalties so collected in the manner hereinafter provided, and
11 to determine all rights to credit memoranda, arising on account
12 of the erroneous payment of tax or penalty hereunder. In the
13 administration of, and compliance with, this Section, the
14 Department and persons who are subject to this Section shall
15 have the same rights, remedies, privileges, immunities, powers
16 and duties, and be subject to the same conditions,
17 restrictions, limitations, penalties and definitions of terms,
18 and employ the same modes of procedure, as are prescribed in
19 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in
20 respect to all provisions therein other than the State rate of
21 tax), 2c, 3 (except as to the disposition of taxes and
22 penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,
23 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 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 No municipality may impose a tax under this Section unless
2 the municipality also imposes a tax at the same rate under
3 Section 8-11-1.4 of this Code.

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

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

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

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

1 respective amounts in accordance with the directions contained
2 in such certification.

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

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

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

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

25 As used in this Section, "municipal" and "municipality"
26 means a city, village or incorporated town, including an

1 incorporated town which has superseded a civil township.

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

4 (Source: P.A. 99-217, eff. 7-31-15.)

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

6 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation
7 Tax Act. The corporate authorities of a non-home rule
8 municipality may impose a tax upon all persons engaged, in such
9 municipality, in the business of making sales of service for
10 expenditure for costs associated with the abatement of unsafe
11 or dilapidated structures, on public infrastructure, or for
12 property tax relief (the later two ~~or both~~ as defined in
13 Section 8-11-1.2), or all such expenditures 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 If the tax is approved by referendum on or after July 14, 2010
19 (the effective date of Public Act 96-1057), the corporate
20 authorities of a non-home rule municipality may, until December
21 31, 2020, use the proceeds of the tax for expenditure on
22 municipal operations, in addition to or in lieu of any
23 expenditure for costs associated with the abatement of unsafe
24 or dilapidated structures, on public infrastructure, or for
25 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 or under the Service Occupation Tax Act
14 shall permit such registrant to engage in a business which is
15 taxable under any ordinance or resolution enacted pursuant to
16 this Section without registering separately with the
17 Department under such ordinance or resolution or under this
18 Section. The Department shall have full power to administer and
19 enforce this Section; to collect all taxes and penalties due
20 hereunder; to dispose of taxes and penalties so collected in
21 the manner hereinafter provided, and to determine all rights to
22 credit memoranda arising on account of the erroneous payment of
23 tax or penalty hereunder. In the administration of, and
24 compliance with, this Section the Department and persons who
25 are subject to this Section shall have the same rights,
26 remedies, privileges, immunities, powers and duties, and be

1 subject to the same conditions, restrictions, limitations,
2 penalties and definitions of terms, and employ the same modes
3 of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3
4 through 3-50 (in respect to all provisions therein other than
5 the State rate of tax), 4 (except that the reference to the
6 State shall be to the taxing municipality), 5, 7, 8 (except
7 that the jurisdiction to which the tax shall be a debt to the
8 extent indicated in that Section 8 shall be the taxing
9 municipality), 9 (except as to the disposition of taxes and
10 penalties collected, and except that the returned merchandise
11 credit for this municipal tax may not be taken against any
12 State tax), 10, 11, 12 (except the reference therein to Section
13 2b of the Retailers' Occupation Tax Act), 13 (except that any
14 reference to the State shall mean the taxing municipality), the
15 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 municipality may impose a tax under this Section unless
20 the municipality also imposes a tax at the same rate under
21 Section 8-11-1.3 of this Code.

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 municipal 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 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 municipalities,
26 the municipalities to be those from which suppliers and

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

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

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

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

3 (Source: P.A. 96-939, eff. 6-24-10; 96-1057, eff. 7-14-10;
4 97-333, eff. 8-12-11; 97-837, eff. 7-20-12.)

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

6 Sec. 8-11-1.5. Non-Home Rule Municipal Use Tax Act. The
7 corporate authorities of a non-home rule municipality may
8 impose a tax upon the privilege of using, in such municipality,
9 any item of tangible personal property which is purchased at
10 retail from a retailer, and which is titled or registered with
11 an agency of this State's government, based on the selling
12 price of such tangible personal property, as "selling price" is
13 defined in the Use Tax Act, for expenditure for costs
14 associated with the abatement of unsafe or dilapidated
15 structures, on public infrastructure, or for property tax
16 relief (the latter two ~~or both~~ as defined in Section 8-11-1.2),
17 or all such expenditures if approved by referendum as provided
18 in Section 8-11-1.1. If the tax is approved by referendum on or
19 after the effective date of this amendatory Act of the 96th
20 General Assembly, the corporate authorities of a non-home rule
21 municipality may, until December 31, 2020, use the proceeds of
22 the tax for expenditure on municipal operations, in addition to
23 or in lieu of any expenditure for costs associated with the
24 abatement of unsafe or dilapidated structures, on public
25 infrastructure, or for property tax relief. The tax imposed may

1 not be more than 1% and may be imposed only in 1/4% increments.
2 Such tax shall be collected from persons whose Illinois address
3 for title or registration purposes is given as being in such
4 municipality. Such tax shall be collected by the municipality
5 imposing such tax. A non-home rule municipality may not impose
6 and collect the tax prior to January 1, 2002.

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

9 (Source: P.A. 96-1057, eff. 7-14-10; 97-837, eff. 7-20-12.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.