

AN ACT concerning local government.

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

Section 5. The Counties Code is amended by changing Section 5-1006.8 as follows:

(55 ILCS 5/5-1006.8)

Sec. 5-1006.8. County Cannabis Retailers' Occupation Tax Law.

(a) This Section may be referred to as the County Cannabis Retailers' Occupation Tax Law. The corporate authorities of any county may, by ordinance, impose a tax upon all persons engaged in the business of selling cannabis, other than cannabis purchased under the Compassionate Use of Medical Cannabis Program Act, at retail in the county on the gross receipts from these sales made in the course of that business. If imposed, the tax shall be imposed only in 0.25% increments. The tax rate may not exceed: (i) 3.75% of the gross receipts of sales made in unincorporated areas of the county; and (ii) 3% of the gross receipts of sales made in a municipality located in the county. The tax imposed under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Department of Revenue. The Department of Revenue shall have full power to administer and

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

(b) Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with any State tax that sellers are required to collect.

(c) Whenever the Department of Revenue determines that a

refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department of Revenue shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department of Revenue.

(d) The Department of Revenue shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Local Cannabis Retailers' Occupation Tax Trust Fund.

(e) On or before the 25th day of each calendar month, the Department of Revenue shall prepare and certify to the Comptroller the amount of money to be disbursed from the Local Cannabis Retailers' Occupation Tax Trust Fund to counties from which retailers have paid taxes or penalties under this Section during the second preceding calendar month. The amount to be paid to each county shall be the amount (not including credit memoranda) collected under this Section from sales made in the county during the second preceding calendar month, plus an amount the Department of Revenue determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such county, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the county, less 1.5% of the

remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the counties, shall prepare and certify the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt by the Comptroller of the disbursement certification to the counties and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

(f) An ordinance or resolution imposing or discontinuing a tax under this Section or effecting a change in the rate thereof that is adopted on or after June 25, 2019 (the effective date of Public Act 101-27) and for which a certified copy is filed with the Department on or before April 1, 2020 shall be administered and enforced by the Department beginning on July 1, 2020. For ordinances filed with the Department after April 1, 2020, an ordinance or resolution imposing or discontinuing a tax under this Section or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (ii) be adopted and

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

(g) Notwithstanding any provision in this Section to the contrary, if an ordinance or resolution imposing a tax under this Section was adopted on or before October 1, 2020 and a certified copy thereof was filed with the Department of Revenue on or before November 1, 2020, then the Department shall proceed to administer and enforce this Section as of May 1, 2021 for such ordinances or resolutions.

(Source: P.A. 101-27, eff. 6-25-19; 101-363, eff. 8-9-19; 101-593, eff. 12-4-19.)

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