

1 AN ACT concerning municipalities.

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, 8-11-1.2, 8-11-1.3, 8-11-1.4, and
6 8-11-1.5 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
9 of 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,
13 impose by ordinance or resolution the ~~1/2--of--1%~~ tax
14 authorized in Sections 8-11-1.3, 8-11-1.4 and 8-11-1.5 of
15 this Act.

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

24 If a majority of the electors in the municipality voting
25 upon the question vote in the affirmative, such tax shall be
26 imposed.

27 An ordinance or resolution imposing the tax of not more
28 than 1/2 of 1% tax hereunder or discontinuing the same shall
29 be adopted and a certified copy thereof, together with a
30 certification that the ordinance or resolution received
31 referendum approval in the case of the imposition of such

1 tax, filed with the Department of Revenue, on or before the
2 first day of June, whereupon the Department shall proceed to
3 administer and enforce the additional tax or to discontinue
4 the tax, as the case may be, as of the first day of September
5 next following such adoption and filing. Beginning January 1,
6 1992, an ordinance or resolution imposing or discontinuing
7 the tax hereunder shall be adopted and a certified copy
8 thereof filed with the Department on or before the first day
9 of July, whereupon the Department shall proceed to administer
10 and enforce this Section as of the first day of October next
11 following such adoption and filing. Beginning January 1,
12 1993, an ordinance or resolution imposing or discontinuing
13 the tax hereunder shall be adopted and a certified copy
14 thereof filed with the Department on or before the first day
15 of October, whereupon the Department shall proceed to
16 administer and enforce this Section as of the first day of
17 January next following such adoption and filing. Beginning
18 October 1, 2002, an ordinance or resolution imposing or
19 discontinuing the tax under this Section or effecting a
20 change in the rate of tax must either (i) be adopted and a
21 certified copy of the ordinance or resolution filed with the
22 Department on or before the first day of April, whereupon the
23 Department shall proceed to administer and enforce this
24 Section as of the first day of July next following the
25 adoption and filing; or (ii) be adopted and a certified copy
26 of the ordinance or resolution filed with the Department on
27 or before the first day of October, whereupon the Department
28 shall proceed to administer and enforce this Section as of
29 the first day of January next following the adoption and
30 filing. A non-home rule municipality may file a certified
31 copy of an ordinance or resolution, with a certification that
32 the ordinance or resolution received referendum approval in
33 the case of the imposition of the tax, with the Department of
34 Revenue, as required under this Section, only after October

1 2, 2000.

2 The tax authorized by this Section may not be more than
3 1/2 of 1% and may be imposed only in 1/4% increments.

4 (Source: P.A. 91-51, eff. 6-30-99; 91-649, eff. 1-1-00.)

5 (65 ILCS 5/8-11-1.2) (from Ch. 24, par. 8-11-1.2)

6 Sec. 8-11-1.2. Definition. As used in Sections
7 8-11-1.3, 8-11-1.4 and 8-11-1.5 of this Act:

8 (a) "Public infrastructure" means municipal roads and
9 streets, access roads, bridges, and sidewalks; waste disposal
10 systems; and water and sewer line extensions, water
11 distribution and purification facilities, storm water
12 drainage and retention facilities, and sewage treatment
13 facilities.

14 (b) "Property tax relief" means the action of a
15 municipality to reduce the levy for real estate taxes or
16 avoid an increase in the levy for real estate taxes that
17 would otherwise have been required. Property tax relief or
18 the avoidance of property tax must uniformly apply to all
19 classes of property.

20 (Source: P.A. 91-51, eff. 6-30-99.)

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
25 in the business of selling tangible personal property, other
26 than on an item of tangible personal property which is titled
27 and registered by an agency of this State's Government, at
28 retail in the municipality ~~at--the--rate--of--1/2--of--1%~~ for
29 expenditure on public infrastructure or for property tax
30 relief or both as defined in Section 8-11-1.2 if approved by
31 referendum as provided in Section 8-11-1.1, of the gross
32 receipts from such sales made in the course of such business.

1 The tax imposed may not be more than 1/2 of 1% and may be
2 imposed only in 1/4% increments. The tax may not be imposed
3 on the sale of food for human consumption that is to be
4 consumed off the premises where it is sold (other than
5 alcoholic beverages, soft drinks, and food that has been
6 prepared for immediate consumption) and prescription and
7 nonprescription medicines, drugs, medical appliances, and
8 insulin, urine testing materials, syringes, and needles used
9 by diabetics. The tax imposed by a municipality pursuant to
10 this Section and all civil penalties that may be assessed as
11 an incident thereof shall be collected and enforced by the
12 State Department of Revenue. The certificate of registration
13 which is issued by the Department to a retailer under the
14 Retailers' Occupation Tax Act shall permit such retailer to
15 engage in a business which is taxable under any ordinance or
16 resolution enacted pursuant to this Section without
17 registering separately with the Department under such
18 ordinance or resolution or under this Section. The
19 Department shall have full power to administer and enforce
20 this Section; to collect all taxes and penalties due
21 hereunder; to dispose of taxes and penalties so collected in
22 the manner hereinafter provided, and to determine all rights
23 to credit memoranda, arising on account of the erroneous
24 payment of tax or penalty hereunder. In the administration
25 of, and compliance with, this Section, the Department and
26 persons who are subject to this Section shall have the same
27 rights, remedies, privileges, immunities, powers and duties,
28 and be subject to the same conditions, restrictions,
29 limitations, penalties and definitions of terms, and employ
30 the same modes of procedure, as are prescribed in Sections 1,
31 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to
32 all provisions therein other than the State rate of tax), 2c,
33 3 (except as to the disposition of taxes and penalties
34 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,

1 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the
2 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
3 Penalty and Interest Act as fully as if those provisions were
4 set forth herein.

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

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

16 Whenever the Department determines that a refund should
17 be 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 such
21 notification from the Department. Such refund shall be paid
22 by the State Treasurer out of the non-home rule municipal
23 retailers' occupation tax fund.

24 The Department shall forthwith pay over to the State
25 Treasurer, ex officio, as trustee, all taxes and penalties
26 collected hereunder. On or before the 25th day of each
27 calendar month, the Department shall prepare and certify to
28 the Comptroller the disbursement of stated sums of money to
29 named municipalities, the municipalities to be those from
30 which retailers have paid taxes or penalties hereunder to the
31 Department during the second preceding calendar month. The
32 amount to be paid to each municipality shall be the amount
33 (not including credit memoranda) collected hereunder during
34 the second preceding calendar month by the Department plus an

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

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

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

29 When certifying the amount of a monthly disbursement to a
30 municipality under this Section, the Department shall
31 increase or decrease such amount by an amount necessary to
32 offset any misallocation of previous disbursements. The
33 offset amount shall be the amount erroneously disbursed
34 within the previous 6 months from the time a misallocation is

1 discovered.

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

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

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

10 (Source: P.A. 91-51, eff. 6-30-99; 91-649, eff. 1-1-00.)

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

12 Sec. 8-11-1.4. Non-Home Rule Municipal Service
13 Occupation Tax Act. The corporate authorities of a non-home
14 rule municipality may impose a tax upon all persons engaged,
15 in such municipality, in the business of making sales of
16 service ~~at the rate of 1/2 of 1%~~ for expenditure on public
17 infrastructure or for property tax relief or both as defined
18 in Section 8-11-1.2 if approved by referendum as provided in
19 Section 8-11-1.1, of the selling price of all tangible
20 personal property transferred by such servicemen either in
21 the form of tangible personal property or in the form of real
22 estate as an incident to a sale of service. The tax imposed
23 may not be more than 1/2 of 1% and may be imposed only in
24 1/4% increments. The tax may not be imposed on the sale of
25 food for human consumption that is to be consumed off the
26 premises where it is sold (other than alcoholic beverages,
27 soft drinks, and food that has been prepared for immediate
28 consumption) and prescription and nonprescription medicines,
29 drugs, medical appliances, and insulin, urine testing
30 materials, syringes, and needles used by diabetics. The tax
31 imposed by a municipality pursuant to this Section and all
32 civil penalties that may be assessed as an incident thereof
33 shall be collected and enforced by the State Department of

1 Revenue. The certificate of registration which is issued by
2 the Department to a retailer under the Retailers' Occupation
3 Tax Act or under the Service Occupation Tax Act shall permit
4 such registrant to engage in a business which is taxable
5 under any ordinance or resolution enacted pursuant to this
6 Section without registering separately with the Department
7 under such ordinance or resolution or under this Section. The
8 Department shall have full power to administer and enforce
9 this Section; to collect all taxes and penalties due
10 hereunder; to dispose of taxes and penalties so collected in
11 the manner hereinafter provided, and to determine all rights
12 to credit memoranda arising on account of the erroneous
13 payment of tax or penalty hereunder. In the administration
14 of, and compliance with, this Section the Department and
15 persons who are subject to this Section shall have the same
16 rights, remedies, privileges, immunities, powers and duties,
17 and be subject to the same conditions, restrictions,
18 limitations, penalties and definitions of terms, and employ
19 the same modes of procedure, as are prescribed in Sections
20 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions
21 therein other than the State rate of tax), 4 (except that the
22 reference to the State shall be to the taxing municipality),
23 5, 7, 8 (except that the jurisdiction to which the tax shall
24 be a debt to the extent indicated in that Section 8 shall be
25 the taxing municipality), 9 (except as to the disposition of
26 taxes and penalties collected, and except that the returned
27 merchandise credit for this municipal tax may not be taken
28 against any State tax), 10, 11, 12 (except the reference
29 therein to Section 2b of the Retailers' Occupation Tax Act),
30 13 (except that any reference to the State shall mean the
31 taxing municipality), the first paragraph of Section 15, 16,
32 17, 18, 19 and 20 of the Service Occupation Tax Act and
33 Section 3-7 of the Uniform Penalty and Interest Act, as fully
34 as if those provisions were set forth herein.

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

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

12 Whenever the Department determines that a refund should
13 be made under this Section to a claimant instead of issuing
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 such
17 notification from the Department. Such refund shall be paid
18 by the State Treasurer out of the municipal retailers'
19 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. On or before the 25th day of each
23 calendar month, the Department shall prepare and certify to
24 the Comptroller the disbursement of stated sums of money to
25 named municipalities, the municipalities to be those from
26 which suppliers and servicemen have paid taxes or penalties
27 hereunder to the Department during the second preceding
28 calendar month. The amount to be paid to each municipality
29 shall be the amount (not including credit memoranda)
30 collected hereunder during the second preceding calendar
31 month by the Department, and not including an amount equal to
32 the amount of refunds made during the second preceding
33 calendar month by the Department on behalf of such
34 municipality. Within 10 days after receipt, by the

1 Comptroller, of the disbursement certification to the
2 municipalities and the General Revenue Fund, provided for in
3 this Section to be given to the Comptroller by the
4 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.

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

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

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

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

20 (Source: P.A. 91-51, eff. 6-30-99; 91-649, eff. 1-1-00.)

21 (65 ILCS 5/8-11-1.5) (from Ch. 24, par. 8-11-1.5)

22 Sec. 8-11-1.5. Non-Home Rule Municipal Use Tax Act. The
23 corporate authorities of a non-home rule municipality may
24 impose a tax upon the privilege of using, in such
25 municipality, any item of tangible personal property which is
26 purchased at retail from a retailer, and which is titled or
27 registered with an agency of this State's government, at--a
28 rate--of--1/2--of--1%--and based on the selling price of such
29 tangible personal property, as "selling price" is defined in
30 the Use Tax Act, for expenditure on public infrastructure or
31 for property tax relief or both as defined in Section
32 8-11-1.2, if approved by referendum as provided in Section
33 8-11-1.1. The tax imposed may not be more than 1/2 of 1% and

1 may be imposed only in 1/4% increments. Such tax shall be
2 collected from persons whose Illinois address for title or
3 registration purposes is given as being in such municipality.
4 Such tax shall be collected by the municipality imposing such
5 tax. A non-home rule municipality may not impose and collect
6 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. 91-649, eff. 1-1-00.)