

1 AN ACT concerning taxes.

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 Section 8-11-6 as follows:

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

7 Sec. 8-11-6. Home Rule Municipal Use Tax Act.

8 (a) The corporate authorities of a home rule  
9 municipality may impose a tax upon the privilege of using, in  
10 such municipality, any item of tangible personal property  
11 which is purchased at retail from a retailer, and which is  
12 titled or registered at a location within the corporate  
13 limits of such home rule municipality with an agency of this  
14 State's government, at a rate which is an increment of 1/4%  
15 and based on the selling price of such tangible personal  
16 property, as "selling price" is defined in the Use Tax Act.  
17 In home rule municipalities with less than 2,000,000  
18 inhabitants, the tax shall be collected by the municipality  
19 imposing the tax from persons whose Illinois address for  
20 titling or registration purposes is given as being in such  
21 municipality.

22 (b) In home rule municipalities with 2,000,000 or more  
23 inhabitants, the corporate authorities of the municipality  
24 may additionally impose a tax beginning July 1, 1991 upon the  
25 privilege of using in the municipality, any item of tangible  
26 personal property, other than tangible personal property  
27 titled or registered with an agency of the State's  
28 government, that is purchased at retail from a retailer  
29 located outside the corporate limits of the municipality, at  
30 a rate that is an increment of 1/4% not to exceed 1% and  
31 based on the selling price of the tangible personal property,

1 as "selling price" is defined in the Use Tax Act. Such tax  
2 shall be collected from the purchaser ~~or the retailer~~ either  
3 by the municipality imposing such tax or by the Department of  
4 Revenue pursuant to an agreement between the Department and  
5 the municipality.

6 To prevent multiple home rule taxation, the use in a home  
7 rule municipality of tangible personal property that is  
8 acquired outside the municipality and caused to be brought  
9 into the municipality by a person who has already paid a home  
10 rule municipal tax in another municipality in respect to the  
11 sale, purchase, or use of that property, shall be exempt to  
12 the extent of the amount of the tax properly due and paid in  
13 the other home rule municipality.

14 (c) If a municipality having 2,000,000 or more  
15 inhabitants imposes the tax authorized by subsection (a),  
16 then the tax shall be collected by the Illinois Department of  
17 Revenue when the property is purchased at retail from a  
18 retailer in the county in which the home rule municipality  
19 imposing the tax is located, and in all contiguous counties.  
20 The tax shall be remitted to the State, or an exemption  
21 determination must be obtained from the Department before the  
22 title or certificate of registration for the property may be  
23 issued. The tax or proof of exemption may be transmitted to  
24 the Department by way of the State agency with which, or  
25 State officer with whom, the tangible personal property must  
26 be titled or registered if the Department and that agency or  
27 State officer determine that this procedure will expedite the  
28 processing of applications for title or registration.

29 The Department shall have full power to administer and  
30 enforce this Section to collect all taxes, penalties and  
31 interest due hereunder, to dispose of taxes, penalties and  
32 interest so collected in the manner hereinafter provided, and  
33 determine all rights to credit memoranda or refunds arising  
34 on account of the erroneous payment of tax, penalty or

1 interest hereunder. In the administration of and compliance  
2 with this Section the Department and persons who are subject  
3 to this Section shall have the same rights, remedies,  
4 privileges, immunities, powers and duties, and be subject to  
5 the same conditions, restrictions, limitations, penalties and  
6 definitions of terms, and employ the same modes of procedure  
7 as are prescribed in Sections 2 (except the definition of  
8 "retailer maintaining a place of business in this State"), 3  
9 (except provisions pertaining to the State rate of tax, and  
10 except provisions concerning collection or refunding of the  
11 tax by retailers), 4, 11, 12, 12a, 14, 15, 19, 20, 21 and 22  
12 of the Use Tax Act, which are not inconsistent with this  
13 Section, as fully as if provisions contained in those  
14 Sections of the Use Tax Act were set forth herein.

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

23 The Department shall forthwith pay over to the State  
24 Treasurer, ex officio, as trustee, all taxes, penalties and  
25 interest collected hereunder. On or before the 25th day of  
26 each calendar month, the Department shall prepare and certify  
27 to the State Comptroller the disbursement of stated sums of  
28 money to named municipalities, the municipality in each  
29 instance to be that municipality from which the Department  
30 during the second preceding calendar month, collected  
31 municipal use tax from any person whose Illinois address for  
32 titling or registration purposes is given as being in such  
33 municipality. The amount to be paid to each municipality  
34 shall be the amount (not including credit memoranda)

1 collected hereunder during the second preceding calendar  
2 month by the Department, and not including an amount equal to  
3 the amount of refunds made during the second preceding  
4 calendar month by the Department on behalf of such  
5 municipality, less the amount expended during the second  
6 preceding month by the Department to be paid from the  
7 appropriation to the Department from the Home Rule Municipal  
8 Retailers' Occupation Tax Trust Fund. The appropriation to  
9 cover the costs incurred by the Department in administering  
10 and enforcing this Section shall not exceed 2% of the amount  
11 estimated to be deposited into the Home Rule Municipal  
12 Retailers' Occupation Tax Trust Fund during the fiscal year  
13 for which the appropriation is made. Within 10 days after  
14 receipt by the State Comptroller of the disbursement  
15 certification to the municipalities provided for in this  
16 Section to be given to the State Comptroller by the  
17 Department, the State Comptroller shall cause the orders to  
18 be drawn for the respective amounts in accordance with the  
19 directions contained in that certification.

20 Any ordinance imposing or discontinuing any tax to be  
21 collected and enforced by the Department under this Section  
22 shall be adopted and a certified copy thereof filed with the  
23 Department on or before October 1, whereupon the Department  
24 of Revenue shall proceed to administer and enforce this  
25 Section on behalf of the municipalities as of January 1 next  
26 following such adoption and filing. Beginning April 1, 1998,  
27 any ordinance imposing or discontinuing any tax to be  
28 collected and enforced by the Department under this Section  
29 shall either (i) be adopted and a certified copy thereof  
30 filed with the Department on or before April 1, whereupon the  
31 Department of Revenue shall proceed to administer and enforce  
32 this Section on behalf of the municipalities as of July 1  
33 next following the adoption and filing; or (ii) be adopted  
34 and a certified copy thereof filed with the Department on or

1 before October 1, whereupon the Department of Revenue shall  
2 proceed to administer and enforce this Section on behalf of  
3 the municipalities as of January 1 next following the  
4 adoption and filing.

5 Nothing in this subsection (c) shall prevent a home rule  
6 municipality from collecting the tax pursuant to subsection  
7 (a) in any situation where such tax is not collected by the  
8 Department of Revenue under this subsection (c).

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

23 (e) As used in this Section, "Municipal" and  
24 "Municipality" means a city, village or incorporated town,  
25 including an incorporated town which has superseded a civil  
26 township.

27 (f) This Section shall be known and may be cited as the  
28 Home Rule Municipal Use Tax Act.

29 (Source: P.A. 91-51, eff. 6-30-99; 92-221, eff. 8-2-01.)

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