

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 Section 8-11-1.3 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 July 1, 2030 ~~December 31, 2020~~, use the proceeds of the  
21 tax for expenditure on municipal operations, in addition to or  
22 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 tangible personal property taxed at the 1% rate  
3 under the Retailers' Occupation Tax Act. The tax imposed by a  
4 municipality pursuant to this Section and all civil penalties  
5 that may be assessed as an incident thereof shall be collected  
6 and enforced by the State Department of Revenue. The  
7 certificate of registration which is issued by the Department  
8 to a retailer under the Retailers' Occupation Tax Act shall  
9 permit such retailer to engage in a business which is taxable  
10 under any ordinance or resolution enacted pursuant to this  
11 Section without registering separately with the Department  
12 under such ordinance or resolution or under this Section. The  
13 Department shall have full power to administer and enforce this  
14 Section; to collect all taxes and penalties due hereunder; to  
15 dispose of taxes and penalties so collected in the manner  
16 hereinafter provided, and to determine all rights to credit  
17 memoranda, arising on account of the erroneous payment of tax  
18 or penalty hereunder. In the administration of, and compliance  
19 with, this Section, the Department and persons who are subject  
20 to this Section shall have the same rights, remedies,  
21 privileges, immunities, powers and duties, and be subject to  
22 the same conditions, restrictions, limitations, penalties and  
23 definitions of terms, and employ the same modes of procedure,  
24 as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,  
25 2 through 2-65 (in respect to all provisions therein other than  
26 the State rate of tax), 2c, 3 (except as to the disposition of

1 taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,  
2 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12  
3 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of  
4 the Uniform Penalty and Interest Act as fully as if those  
5 provisions were set forth herein.

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

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

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

1           As soon as possible after the first day of each month,  
2 beginning January 1, 2011, upon certification of the Department  
3 of Revenue, the Comptroller shall order transferred, and the  
4 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
5 local sales tax increment, as defined in the Innovation  
6 Development and Economy Act, collected under this Section  
7 during the second preceding calendar month for sales within a  
8 STAR bond district.

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

1 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
2 remainder, which the Department shall transfer into the Tax  
3 Compliance and Administration Fund. The Department, at the time  
4 of each monthly disbursement to the municipalities, shall  
5 prepare and certify to the State Comptroller the amount to be  
6 transferred into the Tax Compliance and Administration Fund  
7 under this Section. Within 10 days after receipt, by the  
8 Comptroller, of the disbursement certification to the  
9 municipalities and the Tax Compliance and Administration Fund  
10 provided for in this Section to be given to the Comptroller by  
11 the Department, the Comptroller shall cause the orders to be  
12 drawn for the respective amounts in accordance with the  
13 directions contained in such certification.

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

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

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

7           The Department of Revenue shall implement Public Act 91-649  
8 ~~this amendatory Act of the 91st General Assembly~~ so as to  
9 collect the tax on and after January 1, 2002.

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

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

15           (Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17;  
16 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; revised 1-9-19.)