



Rep. Jay Hoffman

Filed: 5/28/2025

10400SB2008ham001

LRB104 11383 HLH 26912 a

1 AMENDMENT TO SENATE BILL 2008

2 AMENDMENT NO. _____. Amend Senate Bill 2008 by replacing
3 everything after the enacting clause with the following:

4 "ARTICLE 5

5 Section 5-1. Short title. This Act may be cited as the
6 Statewide Innovation Development and Economy Act. References
7 in this Article to "this Act" mean this Article.

8 Section 5-5. Purpose. The General Assembly finds and
9 declares that the purpose of this Act is to promote,
10 stimulate, and develop the general and economic welfare of the
11 State of Illinois and its communities and to assist in the
12 development and redevelopment of major tourism, entertainment,
13 retail, and related projects within eligible areas of the
14 State, thereby creating new jobs, stimulating significant
15 capital investment, and promoting the general welfare of the

1 citizens of this State, by authorizing municipalities and
2 counties to issue sales tax and revenue (STAR) bonds for the
3 financing of STAR bond projects as defined in Section 5-10,
4 and to otherwise exercise the powers and authorities granted
5 to municipalities. The General Assembly further finds and
6 declares to be the policy of the State, in the interest of
7 promoting the health, safety, morals, and general welfare of
8 all the people of the State, to provide incentives to create
9 new job opportunities and to promote major tourism,
10 entertainment, retail, and related projects within the State.
11 The General Assembly further finds and declares that:

12 (1) it is in the public interest to limit the portion of
13 the aggregate proceeds of STAR bonds issued that are derived
14 from the State sales tax increment pledged to pay STAR bonds in
15 any STAR bond district to not more than 50% of the total
16 development costs for a STAR bond project in the STAR bond
17 district as set forth in subsection (g) of Section 5-30;

18 (2) as a result of the costs of land assemblage,
19 financing, infrastructure, and other project costs, the
20 private sector, without the assistance contemplated in this
21 Act, is unable to develop major tourism, entertainment,
22 retail, and related projects in some parts of the State;

23 (3) the type of projects for which this Act is intended
24 must be of a certain size and scope, and must be developed in a
25 cohesive and comprehensive manner;

26 (4) the eligible tracts of land are more likely to remain

1 underutilized and undeveloped, or developed in a piecemeal
2 manner resulting in inefficient and poorly planned
3 developments that do not maximize job creation, job retention,
4 and tax revenue generation within the State;

5 (5) there are multiple eligible areas in the State that
6 could benefit from this Act;

7 (6) investment in major tourism, entertainment, retail,
8 and related development within the State would stimulate
9 economic activity in the State, including the creation and
10 maintenance of jobs, the creation of new and lasting
11 infrastructure and other improvements, and the attraction and
12 retention of interstate tourists and entertainment events that
13 generate significant economic activity;

14 (7) the continual encouragement, development, growth, and
15 expansion of major tourism, entertainment, retail, and related
16 projects within the State requires a cooperative and
17 continuous partnership between government and the private
18 sector;

19 (8) the State has a responsibility to help create a
20 favorable climate for new and improved job opportunities for
21 its citizens and to increase the tax base of the State and its
22 political subdivisions by encouraging development by the
23 private sector of major retail within the State;

24 (9) the provision of additional incentives by the State
25 and its political subdivisions will relieve conditions of
26 unemployment, maintain existing levels of employment, create

1 new job opportunities, retain jobs within the State, increase
2 commerce within the State, and increase the tax base of the
3 State and its political subdivisions;

4 (10) the powers conferred by this Act promote and protect
5 the health, safety, morals, and welfare of the State, and are
6 for a public purpose and public use for which public money and
7 resources may be expended; and

8 (11) the necessity in the public interest for the
9 provisions of this Act is hereby declared as a matter of
10 legislative determination.

11 Section 5-10. Definitions. In this Act:

12 "Base year" means the calendar year immediately prior to
13 the calendar year in which the Office of the Governor approves
14 the first STAR bond project within the STAR bond district.

15 "Commence work" means the manifest commencement of actual
16 operations on the development site, such as, erecting a
17 building, general on-site and off-site grading and utility
18 installations, commencing design and construction
19 documentation, ordering lead-time materials, excavating the
20 ground to lay a foundation or a basement, or work of like
21 description which a reasonable person would recognize as being
22 done with the intention and purpose to continue work until the
23 project is completed.

24 "Corporate authority" or "corporate authorities" means the
25 county board of a county, the mayor and alderpersons or

1 similar body when the reference is to cities, the president
2 and trustees or similar body when the reference is to villages
3 or incorporated towns, and the council when the reference is
4 to municipalities under the commission form of government.

5 "Department of Commerce and Economic Opportunity (DCEO)
6 Underserved Area" means any underserved area as defined in
7 Section 5-5 of the Economic Development for a Growing Economy
8 Tax Credit Act.

9 "De minimis" means an amount less than 15% of the land area
10 within a STAR bond district.

11 "Department" means the Department of Commerce and Economic
12 Opportunity of the state of Illinois.

13 "Department of Revenue" means the Department of Revenue of
14 the state of Illinois.

15 "Development user" means an owner, operator, licensee,
16 co-developer, sub-developer, or tenant that (i) operates a
17 business within a STAR bond district that is a retail store,
18 hotel, or entertainment venue; (ii) at the time of opening
19 does not have another Illinois location within a 30-mile
20 radius; and (iii) makes an initial capital investment,
21 including project costs and other direct costs, of not less
22 than \$30,000,000 for the business.

23 "Destination hotel" means a hotel (as that term is defined
24 in Section 2 of the Hotel Operators' Occupation Tax Act)
25 complex having at least 150 guest rooms and which also
26 includes a venue for entertainment attractions, rides, or

1 other activities oriented toward the entertainment and
2 amusement of its guests and other patrons.

3 "Developer" means any individual, corporation, trust,
4 estate, partnership, limited liability partnership, limited
5 liability company, or other entity. The term does not include
6 a not-for-profit entity, political subdivision, or other
7 agency or instrumentality of the State.

8 "Director" means the Director of Commerce and Economic
9 Opportunity.

10 "Economic development region" means the counties
11 encompassed within one of the 10 economic development regions
12 recognized by the Department of Commerce and Economic
13 Opportunity.

14 "Eligible area" means any area that (i) is contiguous and
15 includes only parcels of real property directly and
16 substantially benefited by the proposed STAR bond district
17 plan, (ii) includes, but shall not be limited to, one or more
18 parcels located within an underserved area defined by the
19 Department of Commerce and Economic Opportunity at the time of
20 submission of a STAR bond district plan, (iii) is located in an
21 area with not less than 10,000 residents within a 5-mile
22 radius of the proposed district, and (iv) is 15 miles or less
23 from either a state highway or federal interstate highway. The
24 area may be bisected by streets, highways, roads, alleys,
25 railways, bike paths, streams, rivers, and other waterways and
26 still be deemed contiguous. For an area to be an eligible area,

1 the governing body of the political subdivision must find
2 that:

3 (1) the use, condition, and character of the buildings
4 in the district are not consistent with the purposes set
5 forth in Section 5-5;

6 (2) a STAR bond district within the area is expected
7 to create or retain job opportunities within the political
8 subdivision;

9 (3) a STAR bond district within the area will serve to
10 further the development of adjacent areas;

11 (4) without the availability of STAR bonds, the
12 projects described in the STAR bond district plan would
13 not be possible in the area;

14 (5) a STAR bond district will strengthen the
15 commercial sector of the political subdivision;

16 (6) a STAR bond district will enhance the tax base of
17 the political subdivision; and

18 (7) the formation of a STAR bond district is in the
19 best interest of the political subdivision.

20 These findings are subject to the review process provided
21 in subsections (d) and (e) of Section 5-15.

22 "Entertainment venue" means a business that has a primary
23 use of providing a venue for entertainment attractions, rides,
24 or other activities oriented toward the entertainment and
25 amusement of its patrons.

26 "Feasibility study" means a feasibility study as defined

1 in subsection (b) of Section 5-20.

2 "Hotel" has the same meaning as provided in Section 2 of
3 the Hotel Operators' Occupation Tax Act.

4 "Infrastructure" means the public improvements and private
5 improvements that serve the public purposes set forth in
6 Section 5-5 of this Act and that benefit the STAR bond district
7 or any STAR bond projects, including, but not limited to,
8 streets, drives and driveways, traffic and directional signs
9 and signals, parking lots and parking facilities,
10 interchanges, highways, sidewalks, bridges, underpasses and
11 overpasses, bike and walking trails, sanitary storm sewers and
12 lift stations, drainage conduits, channels, levees, canals,
13 storm water detention and retention facilities, utilities and
14 utility connections, water mains and extensions, and street
15 and parking lot lighting and connections.

16 "Local sales taxes" means any locally imposed taxes
17 received by a municipality, county, or other local
18 governmental entity arising from sales by retailers and
19 servicemen within a STAR bond district. "Local sales taxes"
20 includes business district sales taxes, STAR bond occupation
21 taxes, and that portion of the net revenue of the
22 municipality, county, or other governmental entity realized
23 under the Retailers' Occupation Tax Act, the Use Tax Act, the
24 Service Use Tax Act, and the Service Occupation Tax Act from
25 transactions at places of business located within a STAR bond
26 district allocated from the Local Government Tax Fund and the

1 County and Mass Transit District Fund. "Local sales taxes"
2 does not include (i) any taxes authorized pursuant to the
3 Local Mass Transit District Act or the Metro-East Park and
4 Recreation District Act for so long as the applicable taxing
5 district does not impose a tax on real property, (ii) county
6 school facility and resources occupation taxes imposed under
7 Section 5-1006.7 of the Counties Code, (iii) any taxes
8 authorized under the Flood Prevention District Act, (iv) any
9 taxes authorized under the Special County Occupation Tax For
10 Public Safety, Public Facilities, Mental Health, Substance
11 Abuse, or Transportation Law, (v) any taxes authorized
12 pursuant to the Regional Transportation Authority Act, (vi)
13 any taxes authorized under the County Motor Fuel Tax Law, or
14 (vii) any taxes authorized under the Municipal Motor Fuel Tax
15 Law.

16 "Local sales tax increment" means:

17 (1) with respect to local sales taxes administered by
18 a municipality, county, or other unit of local government,
19 that portion of the local sales tax that is in excess of
20 the aggregate local sales tax in the district for the same
21 month in the base year, as determined by the respective
22 municipality, county, or other unit of local government.
23 The Department of Revenue shall allocate the local sales
24 tax increment only if the local sales tax is administered
25 by the Department; and

26 (2) with respect to local sales taxes administered by

1 the Department of Revenue:

2 (A) except with respect to the 0.25% county
3 portion of the 6.25% State rate, all of the local sales
4 tax paid by taxpayers in the district that is in excess
5 of the aggregate local sales tax paid by taxpayers in
6 the district for the same month in the base year, as
7 determined by the Department of Revenue; and

8 (B) with respect to the 0.25% county portion of
9 the 6.25% State rate, in the case of a STAR bond
10 district that is partially or wholly within a
11 municipality, that portion of the 0.25% county portion
12 of the 6.25% rate paid by taxpayers in the district for
13 sales made within the corporate limits of the
14 municipality that is in excess of the aggregate local
15 sales tax paid by taxpayers in the district for sales
16 made within the corporate limits of the municipality
17 for the same month in the base year, as determined by
18 the Department of Revenue, but only if the corporate
19 authorities of the county adopt an ordinance, and file
20 a copy of the ordinance with the Department of Revenue
21 within the same time frames as required for STAR bond
22 occupation taxes under Section 5-31, that designates
23 the taxes as part of the local sales tax increment
24 under this Act.

25 "Market study" means a study to determine the ability of
26 the proposed STAR bond project to gain market share locally

1 and regionally and to remain profitable past the term of
2 repayment of STAR bonds.

3 "Master developer" means a developer cooperating with a
4 political subdivision to plan, develop, and implement a STAR
5 bond project plan for a STAR bond district. Subject to the
6 limitations of Section 5-25, the master developer may work
7 with and transfer certain development rights to other
8 developers for the purpose of implementing STAR bond project
9 plans and achieving the purposes of this Act. A master
10 developer for a STAR bond district shall be appointed by a
11 political subdivision in the resolution establishing the STAR
12 bond district, and the master developer or its affiliate must,
13 at the time of appointment, own or have control of, through
14 purchase agreements, option contracts, or other means, not
15 less than 50% of the acreage within the STAR bond district.

16 "Master developer" also means any successor developer who has
17 assumed the role and responsibilities of the original master
18 developer through the execution of an amended master
19 development agreement and has been approved as the master
20 developer through resolution by the applicable political
21 subdivision.

22 "Master development agreement" means an agreement between
23 the master developer (or any approved successor developers)
24 and the political subdivision to govern a STAR bond district
25 and any STAR bond projects.

26 "Municipality" means the city, village, or incorporated

1 town in which a proposed STAR bond district is located.

2 "Pledged STAR revenues" means those sales tax and revenues
3 and other sources of funds pledged to pay debt service on STAR
4 bonds or to pay project costs pursuant to Section 5-30.
5 Notwithstanding any provision to the contrary, the following
6 revenues shall not constitute pledged STAR revenues or be
7 available to pay principal and interest on STAR bonds: any
8 State sales tax increment or local sales tax increment from a
9 retail entity initiating operations in a STAR bond district
10 while terminating operations at another Illinois location
11 within 25 miles of the STAR bond district. For purposes of this
12 paragraph, "terminating operations" means a closing of a
13 retail operation that is directly related to the opening of
14 the same operation or like retail entity owned or operated by
15 more than 50% of the original ownership in a STAR bond district
16 within one year before or after initiating operations in the
17 STAR bond district, but it does not mean closing an operation
18 for reasons beyond the control of the retail entity, as
19 documented by the retail entity, subject to a reasonable
20 finding by the municipality (or county if such retail
21 operation is not located within a municipality) in which the
22 terminated operations were located that the closed location
23 contained inadequate space, had become economically obsolete,
24 or was no longer a viable location for the retailer or
25 serviceperson.

26 "Political subdivision" means a municipality or county

1 which undertakes to establish a STAR bond district pursuant to
2 the provisions of this Act.

3 "Project costs" means the sum total of all costs incurred
4 or estimated to be incurred on or following the date of
5 establishment of a STAR bond district that are reasonable or
6 necessary to implement a STAR bond district plan or any STAR
7 bond project plans, or both, including costs incurred for
8 public improvements and private improvements that serve the
9 public purposes set forth in Section 5-5 of this Act. "Project
10 costs" includes, without limitation:

11 (1) costs of studies, surveys, development of plans
12 and specifications, formation, implementation, and
13 administration of a STAR bond district, STAR bond district
14 plan, any STAR bond projects, or any STAR bond project
15 plans, including, but not limited to, staff and
16 professional service costs for architectural, engineering,
17 legal, financial, planning, or other services, provided,
18 however, that no charges for professional services may be
19 based on a percentage of the tax increment collected and
20 no contracts for professional services, excluding
21 architectural and engineering services, may be entered
22 into if the terms of the contract extend beyond a period of
23 3 years;

24 (2) property assembly costs, including, but not
25 limited to, acquisition of land and other real property or
26 rights or interests therein, located within the boundaries

1 of a STAR bond district, demolition of buildings, site
2 preparation, site improvements that serve as an engineered
3 barrier addressing ground level or below ground
4 environmental contamination, including, but not limited
5 to, parking lots and other concrete or asphalt barriers,
6 the clearing and grading of land, and importing additional
7 soil and fill materials, or removal of soil and fill
8 materials from the site;

9 (3) subject to paragraph (6), costs of buildings and
10 other vertical improvements that are located within the
11 boundaries of a STAR bond district and owned by a
12 political subdivision or other public entity, including
13 without limitation police and fire stations, educational
14 facilities, and public restrooms and rest areas;

15 (4) costs of buildings and other vertical improvements
16 that are located within the boundaries of a STAR bond
17 district and owned by a development user except that only
18 4 development users, other than a hotel or entertainment
19 venue, in a STAR bond district and one hotel are eligible
20 to include the cost of those vertical improvements as
21 project costs;

22 (5) costs of buildings; rides and attractions, which
23 include carousels, slides, roller coasters, displays,
24 models, towers, works of art, and similar theme and
25 amusement park improvements; and other vertical
26 improvements that are located within the boundaries of a

1 STAR bond district and owned by an entertainment venue;
2 except that only one entertainment venue in a STAR bond
3 district is eligible to include the cost of those vertical
4 improvements as project costs;

5 (6) costs of the design and construction of
6 infrastructure and public works located within the
7 boundaries of a STAR bond district that are reasonable or
8 necessary to implement a STAR bond district plan or any
9 STAR bond project plans, or both, except that project
10 costs shall not include the cost of constructing a new
11 municipal public building principally used to provide
12 offices, storage space, or conference facilities or
13 vehicle storage, maintenance, or repair for
14 administrative, public safety, or public works personnel
15 and that is not intended to replace an existing public
16 building unless the political subdivision makes a
17 reasonable determination in a STAR bond district plan or
18 any STAR bond project plans, supported by information that
19 provides the basis for that determination, that the new
20 municipal building is required to meet an increase in the
21 need for public safety purposes anticipated to result from
22 the implementation of the STAR bond district plan or any
23 STAR bond project plans;

24 (7) costs of the design and construction of the
25 following improvements located outside the boundaries of a
26 STAR bond district, provided that the costs are essential

1 to further the purpose and development of a STAR bond
2 district plan and either (i) part of and connected to
3 sewer, water, or utility service lines that physically
4 connect to the STAR bond district or (ii) significant
5 improvements for adjacent offsite highways, streets,
6 roadways, and interchanges that are approved by the
7 Department of Transportation. No other cost of
8 infrastructure and public works improvements located
9 outside the boundaries of a STAR bond district may be
10 deemed project costs;

11 (8) costs of job training and retraining projects for
12 current and future employees of development users,
13 including programs implemented by businesses located
14 within a STAR bond district;

15 (9) financing costs, including, but not limited to,
16 all necessary and incidental expenses related to the
17 issuance of obligations and which may include payment of
18 interest on any obligations issued hereunder including
19 interest accruing during the estimated period of
20 construction of any improvements in a STAR bond district
21 or any STAR bond projects for which such obligations are
22 issued and for not exceeding 36 months thereafter and
23 including reasonable reserves related thereto;

24 (10) interest cost incurred by a developer for project
25 costs related to the acquisition, formation,
26 implementation, development, construction, and

1 administration of a STAR bond district, STAR bond district
2 plan, STAR bond projects, or any STAR bond project plans
3 provided that:

4 (A) payment of such costs in any one year may not
5 exceed 30% of the annual interest costs incurred by
6 the developer with regard to the STAR bond district or
7 any STAR bond projects during that year; and

8 (B) the total of such interest payments paid
9 pursuant to this Act may not exceed 30% of the total
10 cost paid or incurred by the developer for a STAR bond
11 district or STAR bond projects, plus project costs,
12 excluding any property assembly costs incurred by a
13 political subdivision pursuant to this Act;

14 (11) to the extent the political subdivision by
15 written agreement accepts and approves the same, all or a
16 portion of a taxing district's capital costs resulting
17 from a STAR bond district or STAR bond projects
18 necessarily incurred or to be incurred within a taxing
19 district in furtherance of the objectives of a STAR bond
20 district plan or STAR bond project plans;

21 (12) costs of common areas located within the
22 boundaries of a STAR bond district;

23 (13) costs of landscaping and plantings, retaining
24 walls and fences, man-made lakes and ponds, shelters,
25 benches, lighting, and similar amenities located within
26 the boundaries of a STAR bond district;

1 (14) costs of mounted building signs, site monument,
2 and pylon signs located within the boundaries of a STAR
3 bond district; or

4 (15) if included in the STAR bond district plan and
5 approved in writing by the Director, salaries or a portion
6 of salaries for local government employees to the extent
7 the same are directly attributable to the work of such
8 employees on the establishment and management of a STAR
9 bond district or any STAR bond projects.

10 Except as specified in items (1) through (15) of this
11 definition, "project costs" shall not include:

12 (A) the cost of construction of buildings that are
13 privately owned or owned by a municipality or county and
14 leased to a development user for uses other than as a
15 retail store, hotel, or entertainment venue;

16 (B) moving expenses for employees of the businesses
17 locating within the STAR bond district;

18 (C) property taxes for property located in the STAR
19 bond district;

20 (D) lobbying costs; and

21 (E) general overhead or administrative costs of the
22 political subdivision that would still have been incurred
23 by the political subdivision if the political subdivision
24 had not established a STAR bond district.

25 "Project development agreement" means any one or more
26 agreements, including any amendments thereto, between a master

1 developer and any co-developer or subdeveloper in connection
2 with a STAR bond project, which project development agreement
3 may include the political subdivision as a party.

4 "Projected market area" means any area within the State in
5 which a STAR bond district or STAR bond project is projected to
6 have a significant fiscal or market impact as determined by
7 the Director.

8 "Resolution" means a resolution, order, ordinance, or
9 other appropriate form of legislative action of a political
10 subdivision or other applicable public entity approved by a
11 vote of a majority of a quorum at a meeting of the governing
12 body of the political subdivision or applicable public entity.

13 "STAR bond" means a sales tax and revenue bond, note, or
14 other obligation payable from pledged STAR revenues and issued
15 by a political subdivision, the proceeds of which shall be
16 used only to pay project costs as defined in this Act.

17 "STAR bond district" means the specific area declared to
18 be an eligible area as determined by the political
19 subdivision, and that has received approval by the State, in
20 which the political subdivision may develop one or more STAR
21 bond projects.

22 "STAR bond district plan" means the preliminary or
23 conceptual plan that generally identifies the proposed STAR
24 bond project areas and identifies in a general manner the
25 buildings, facilities, and improvements to be constructed or
26 improved in each STAR bond project area.

1 "STAR bond project" means a project within a STAR bond
2 district which is approved pursuant to Section 5-20.

3 "STAR bond project area" means the geographic area within
4 a STAR bond district in which there may be one or more STAR
5 bond projects.

6 "STAR bond project plan" means the written plan adopted by
7 a political subdivision for the development of a STAR bond
8 project in a STAR bond district; the plan may include, but is
9 not limited to, (i) project costs incurred prior to the date of
10 the STAR bond project plan and estimated future STAR bond
11 project costs, (ii) proposed sources of funds to pay those
12 costs, (iii) the nature and estimated term of any obligations
13 to be issued by the political subdivision to pay those costs,
14 (iv) the most recent equalized assessed valuation of the STAR
15 bond project area, (v) an estimate of the equalized assessed
16 valuation of the STAR bond district or applicable project area
17 after completion of a STAR bond project, (vi) a general
18 description of the types of any known or proposed developers,
19 users, or tenants of the STAR bond project or projects
20 included in the plan, (vii) a general description of the type,
21 structure, and character of the property or facilities to be
22 developed or improved, (viii) a description of the general
23 land uses to apply to the STAR bond project, and (ix) a general
24 description or an estimate of the type, class, and number of
25 employees to be employed in the operation of the STAR bond
26 project.

1 "State sales tax" means all of the net revenue realized
2 under the Retailers' Occupation Tax Act, the Use Tax Act, the
3 Service Use Tax Act, and the Service Occupation Tax Act from
4 transactions at places of business located within a STAR bond
5 district, excluding that portion of the net revenue realized
6 under the Retailers' Occupation Tax Act, the Use Tax Act, the
7 Service Use Tax Act, and the Service Occupation Tax Act from
8 transactions at places of business located within a STAR bond
9 district that is deposited into the Local Government Tax Fund
10 and the County and Mass Transit District Fund.

11 "State sales tax increment" means (i) 100% of that portion
12 of the aggregate State sales tax that is in excess of the
13 aggregate State sales tax for the same month in the base year,
14 as determined by the Department of Revenue, from transactions
15 at up to 4 development users located within a STAR bond
16 district, which development users shall be designated by the
17 master developer and approved by the political subdivision and
18 the Director of the Department of Revenue in conjunction with
19 the applicable STAR bond project approval, and (ii) 25% of
20 that portion of the aggregate State sales tax that is in excess
21 of the aggregate State sales tax for the same month in the base
22 year, as determined by the Department of Revenue, from all
23 other transactions within a STAR bond district.

24 "Substantial change" means a change wherein the proposed
25 STAR bond project plan differs substantially in size, scope,
26 or use from the approved STAR bond district plan or STAR bond

1 project plan.

2 "Taxpayer" means an individual, partnership, corporation,
3 limited liability company, trust, estate, or other entity that
4 is subject to the Illinois Income Tax Act.

5 "Total development costs" means the aggregate public and
6 private investment in a STAR bond district, including project
7 costs and other direct and indirect costs related to the
8 development of the STAR bond district.

9 "Vacant" means that portion of the land in a proposed STAR
10 bond district that is not occupied by a building, facility, or
11 other vertical improvement.

12 Section 5-12. Limitations on STAR bond districts. The
13 Office of the Governor, in consultation with the Department of
14 Commerce and Economic Opportunity, the Department of Revenue,
15 and the Governor's Office of Management and Budget, shall have
16 final approval of all STAR bond districts and STAR bond
17 projects established under this Act, which may be established
18 throughout the 10 Economic Development Regions in the State as
19 established by the Department of Commerce and Economic
20 Opportunity. Regardless of the number of STAR bond districts
21 established within any Economic Development Region, only one
22 STAR bond project may be approved for each Economic
23 Development Region having a population of less than 600,000,
24 up to 2 STAR bond projects may be approved for each Economic
25 Development Region having a population between 600,000 and

1 999,999, and up to 4 STAR bond projects may be approved for
2 each Economic Development Region having a population of
3 1,000,000 or more, if the STAR bond projects are in separate
4 STAR bond districts, excluding projects located in STAR bond
5 districts established under the Innovation Development and
6 Economy Act. Each approved STAR bond project in a STAR bond
7 district may only receive 50% of the total development costs
8 up to \$75,000,000 in State sales tax increment. If the STAR
9 bond project commits to create 500 new jobs, then the STAR bond
10 project may only receive 50% of the total development costs up
11 to \$150,000 in State sales tax. A STAR bond district under this
12 Act may not be located either entirely or partially inside of a
13 municipality with a population in excess of 2,000,000.

14 Section 5-15. Establishment of STAR bond district. The
15 corporate authorities of a municipality may establish a STAR
16 bond district within an eligible area within the municipality
17 or partially outside the boundaries of the municipality in an
18 unincorporated area of the county. A STAR bond district which
19 is partially outside the boundaries of the municipality must
20 also be approved by the corporate authorities of the county by
21 the passage of a resolution. The corporate authorities of a
22 county may establish a STAR bond district in an eligible area
23 in any unincorporated area of the county.

24 (a) When a political subdivision is interested in
25 establishing a STAR bond district, the political subdivision

1 must first provide notice to the Director of the Department of
2 Commerce and Economic Opportunity and the Director of the
3 Department of Revenue by July 1, 2026, of its intention to
4 establish a STAR bond district. After filing notice, the
5 political subdivision shall determine whether it satisfies the
6 statutory criteria to establish a STAR bond district
7 consistent with this Act. The corporate authorities of the
8 political subdivision shall adopt a resolution stating that
9 the political subdivision is considering the establishment of
10 a STAR bond district. The resolution shall:

11 (1) give notice, in the same manner as set forth in
12 item (2) of subsection (e) of Section 5-20, that a public
13 hearing will be held to consider the establishment of a
14 STAR bond district and fix the date, hour, and place of the
15 public hearing, which shall be at a location that is
16 within 20 miles of the STAR bond district, in a facility
17 that can accommodate a large crowd, and in a facility that
18 is accessible to persons with disabilities;

19 (2) describe the proposed general boundaries of the
20 STAR bond district;

21 (3) describe the STAR bond district plan;

22 (4) require that a description and map of the proposed
23 STAR bond district are available for inspection at a time
24 and place designated;

25 (5) identify the master developer for the STAR bond
26 district; and

1 (6) require that the corporate authorities consider
2 findings necessary for the establishment of a STAR bond
3 district.

4 (b) Upon the conclusion of the public hearing the
5 corporate authorities of the political subdivision may
6 consider a resolution to establish the STAR bond district.

7 (1) A resolution to establish a STAR bond district
8 shall:

9 (A) make findings that the proposed STAR bond
10 district is to be developed with a STAR bond project;

11 (B) make findings that the STAR bond district is
12 an eligible area;

13 (C) contain a STAR bond district plan that
14 identifies in a general manner the buildings and
15 facilities that are proposed to be constructed or
16 improved in the subsequent STAR bond project and that
17 includes plans for at least one development user;

18 (D) contain the legal description of the STAR bond
19 district;

20 (E) appoint the master developer for the STAR bond
21 district; and

22 (F) establish the STAR bond district, contingent
23 upon approval of the State as set forth in subsection
24 (d) .

25 The master developer appointed for the STAR bond district
26 shall meet high standards of creditworthiness and financial

1 strength as demonstrated by one or more of the following: (i)
2 corporate debenture ratings of BBB or higher by Standard &
3 Poor's Corporation or Baa or higher by Moody's Investors
4 Service, Inc.; (ii) a letter from a financial institution with
5 assets of \$10,000,000 or more attesting to the financial
6 strength of the master developer; or (iii) specific evidence
7 of equity financing for not less than 10% of the estimated
8 total STAR bond project costs;

9 (2) If the resolution to establish a STAR bond
10 district is not adopted by the political subdivision
11 within 60 days from the conclusion of the public hearing,
12 then the STAR bond district shall not be established.

13 (3) Upon adoption of a resolution to establish a STAR
14 bond district, the political subdivision shall send a
15 certified copy of the resolution to the Directors of the
16 Department of Commerce and Economic Opportunity,
17 Department of Revenue, and the Governor's Office of
18 Management and Budget within 60 days of the adoption of
19 the resolution.

20 (c) Upon adoption of a resolution to establish a STAR bond
21 district, the STAR bond district and any STAR bond project
22 shall be governed by a master development agreement between
23 the political subdivision and the master developer. A STAR
24 bond district that is partially outside the boundaries of a
25 municipality shall only require one master development
26 agreement; the agreement shall be between the municipality and

1 the master developer. In no event shall there be more than one
2 master development agreement governing the terms and
3 conditions of a STAR bond district. The master development
4 agreement shall require the master developer to ensure
5 compliance with the following requirements to reduce the
6 ecological impact of the STAR bond district development: (i)
7 inclusion of pollution prevention, erosion, and sedimentation
8 control plans during construction; (ii) protection of
9 endangered species' habitat and wetlands mitigation; (iii)
10 preservation of at least 20% of the STAR bond district as green
11 space, including lawns, parks, landscaped areas, paths, lakes,
12 ponds, and other water features; (iv) promotion of the use of
13 renewable energy to the extent commercially feasible; (v)
14 implementation of recycling programs during construction and
15 at completed STAR bond projects; (vi) preservation of water
16 quality and promotion of water conservation through the use of
17 techniques such as reusing storm water and landscaping with
18 native and low-maintenance vegetation to reduce the need for
19 irrigation and fertilization; (vii) inclusion of comprehensive
20 lighting programs that reduce light pollution within the STAR
21 bond district; and (viii) promotion of shared parking between
22 different users to reduce the impact on project sites.

23 (d) Upon adoption of a resolution to establish a STAR bond
24 district, the political subdivision shall submit the proposed
25 STAR bond district plan to the Department of Commerce and
26 Economic Opportunity, the Department of Revenue, and the

1 Governor's Office of Management and Budget for consideration.
2 All proposed STAR bond district plans must be submitted on or
3 before July 1, 2027 for consideration. The Department of
4 Commerce and Economic Opportunity, the Department of Revenue,
5 and the Governor's Office of Management and Budget shall make
6 a joint recommendation to approve a STAR bond district if the
7 agencies find that: (i) the proposed STAR bond district is an
8 eligible area; (ii) the STAR bond district plan includes a
9 STAR bond project that would entail a projected capital
10 investment of at least \$30,000,000; (iii) the STAR bond
11 district plan includes a STAR bond project that would be
12 reasonably projected to produce at least \$60,000,000 of annual
13 gross sales revenues and at least 300 new jobs; (iv) the STAR
14 bond district plan includes potential development users; (v)
15 the creation of the STAR bond district and STAR bond district
16 plan are in accordance with the purpose of this Act and the
17 public interest; and (vi) the STAR bond district and STAR bond
18 district plan meet any other requirement that the State deems
19 appropriate. The agencies shall send a copy of their written
20 findings and recommendation for approval or denial of a STAR
21 bond district to the Office of the Governor for review and
22 final action.

23 (e) Upon receipt of the written findings and
24 recommendation, the Office of the Governor shall review the
25 submission and issue a final approval or denial of the STAR
26 bond district and send written notice of its approval or

1 denial to the requesting political subdivision and to the
2 agencies.

3 (f) Starting on the fifth anniversary of the first date of
4 distribution of State sales tax increment from the approved
5 STAR bond project in the STAR bond district and continuing
6 each anniversary thereafter, the Director shall, in
7 consultation with the political subdivision and the master
8 developer, determine the total number of new jobs created
9 within the STAR bond district, the total development cost to
10 date, and the master developer's compliance with its
11 obligations under any written agreements with the State. If,
12 on the fifth anniversary of the first date of distribution of
13 State sales tax increment from the approved STAR bond project
14 in the STAR bond district, the Director determines that the
15 total development cost to date is not equal to or greater than
16 \$30,000,000, or that the master developer is in breach of any
17 written agreement with the State, then no new STAR bonds may be
18 issued in the STAR bond district until the total development
19 cost exceeds \$30,000,000 or the breach of agreement is cured,
20 or both. If, on the fifth anniversary of the first date of
21 distribution of State sales tax increment from the approved
22 STAR bond project in the STAR bond district, there are not at
23 least 300 new jobs existing in the STAR bond district, the
24 State may require the master developer to pay the State a
25 penalty of \$1,500 per job under 300 each year until the earlier
26 of (i) the twenty-third anniversary of the first date of

1 distribution of State sales tax increment from the approved
2 STAR bond project in the STAR bond district, (ii) the date that
3 all STAR bonds issued in the STAR bond district have been paid
4 off, or (iii) the date that at least 300 jobs have been created
5 in the STAR bond district. Upon creation of 300 jobs in the
6 STAR bond district, there shall not be an ongoing obligation
7 to maintain those jobs after the fifth anniversary of the
8 first date of distribution of State sales tax increment from
9 the approved STAR bond project in the STAR bond district, and
10 the master developer shall be relieved of any liability with
11 respect to job creation under this subsection. Notwithstanding
12 anything to the contrary in this subsection, the master
13 developer shall not be liable for the penalties set forth
14 under this subsection if the breach of agreement, failure to
15 reach at least \$30,000,000 in total development costs, or
16 failure to create 300 jobs is due to delays caused by force
17 majeure, as that term shall be defined in the master
18 development agreement.

19 Section 5-20. Approval of STAR bond projects. The
20 Department of Commerce and Economic Opportunity, the
21 Department of Revenue, and the Governor's Office of Management
22 and Budget may recommend the approval of only one STAR bond
23 project for each Economic Development Region having a
24 population of less than 600,000, up to 2 STAR bond projects for
25 each Economic Development Region having a population between

1 600,000 and 999,999, and up to 4 STAR bond projects for each
2 Economic Development Region having a population of 1,000,000
3 or more, if the STAR bond projects are in separate STAR bond
4 districts, regardless of the total number of approved STAR
5 bond districts located within a Region. Only one STAR bond
6 project may be approved in a STAR bond district. The agencies
7 shall not make a recommendation to approve a STAR bond project
8 in an Economic Development Region prior to the receipt of a
9 proposed STAR bond project from each STAR bond district in
10 that Economic Development Region, or before July 1, 2029,
11 whichever date comes first. In making the recommendation, the
12 agencies shall consider the proximity of a proposed STAR bond
13 project to another proposed or existing STAR bond project. The
14 corporate authorities of a political subdivision seeking to
15 establish a STAR bond project in an approved STAR bond
16 district must submit a proposed STAR bond project plan to the
17 Department of Commerce and Economic Opportunity, the
18 Department of Revenue, and the Governor's Office of Management
19 and Budget by July 1, 2029. A STAR bond project which is
20 partially outside the boundaries of a municipality must also
21 be approved by the corporate authorities of the county by
22 resolution.

23 (a) After the establishment of a STAR bond district, the
24 master developer may propose a STAR bond project to a
25 political subdivision and the master developer shall, in
26 cooperation with the political subdivision, prepare a STAR

1 bond project plan in consultation with the planning commission
2 of the political subdivision, if any. The STAR bond project
3 plan may be implemented in separate development stages.

4 (b) Any political subdivision considering a STAR bond
5 project within a STAR bond district shall cause to be prepared
6 an independent feasibility study. The feasibility study shall
7 be prepared by a feasibility consultant approved by the
8 Department. The feasibility consultant shall provide certified
9 copies of the feasibility study to the political subdivision,
10 the Department of Commerce and Economic Opportunity, the
11 Department of Revenue, and the Governor's Office of Management
12 and Budget. The feasibility study shall include the following:

13 (1) the estimated amount of pledged STAR revenues
14 expected to be collected in each year through the maturity
15 date of the proposed STAR bonds;

16 (2) a statement of how the jobs and taxes obtained
17 from the STAR bond project will contribute significantly
18 to the economic development of the State and region;

19 (3) visitation expectations;

20 (4) the unique quality of the project;

21 (5) an economic impact study;

22 (6) a market study;

23 (7) current and anticipated infrastructure analysis;

24 (8) integration and collaboration with other resources
25 or businesses;

26 (9) the quality of service and experience provided, as

1 measured against national consumer standards for the
2 specific target market;

3 (10) project accountability, measured according to
4 best industry practices;

5 (11) the expected return on State and local investment
6 that the STAR bond project is anticipated to produce; and

7 (12) an anticipated principal and interest payment
8 schedule on the STAR bonds.

9 The feasibility consultant, along with any other
10 consultants commissioned to perform the studies and other
11 analysis required by the feasibility study, shall be approved
12 by the Department of Commerce and Economic Opportunity. The
13 consultants shall be retained by the political subdivision.
14 The political subdivision may seek reimbursement from the
15 master developer.

16 The failure to include all information enumerated in this
17 subsection in the feasibility study for a STAR bond project
18 shall not affect the validity of STAR bonds issued pursuant to
19 this Act.

20 (c) If the political subdivision determines the STAR bond
21 project is feasible, the STAR bond project plan shall include:

22 (1) a summary of the feasibility study;

23 (2) a reference to the STAR bond district plan that
24 identifies the STAR bond project area that is set forth in
25 the STAR bond project plan that is being considered;

26 (3) a legal description and map of the STAR bond

1 project area to be developed or redeveloped;

2 (4) a description of the buildings and facilities
3 proposed to be constructed or improved in such STAR bond
4 project area, including development users, as applicable;

5 (5) a copy of letters of intent to locate within the
6 STAR bond district signed by both the master developer and
7 the appropriate corporate officer of at least one
8 development user for the STAR bond project proposed within
9 the district;

10 (6) if the anticipated initial capital investment,
11 including project costs and other direct costs, is
12 \$50,000,000 or more, a copy of a project labor agreement
13 entered into by the master developer and a commitment by
14 the master developer, other developers, contractors, and
15 subcontractors to comply with the requirements of Section
16 30-22 of the Procurement Code as they apply to responsible
17 bidders; and

18 (7) any other information the corporate authorities of
19 the political subdivision deems reasonable and necessary
20 to advise the public of the intent of the STAR bond project
21 plan.

22 (d) Before a political subdivision may hold a public
23 hearing to consider a STAR bond project plan, the political
24 subdivision must apply to the Department of Commerce and
25 Economic Opportunity, the Department of Revenue, and the
26 Governor's Office of Management and Budget for joint review

1 and recommendation and ultimate approval or denial by the
2 Office of the Governor of the STAR bond project plan. The
3 corporate authorities of a political subdivision seeking to
4 establish a STAR bond project in an approved STAR bond
5 district must submit a proposed STAR bond project plan to the
6 Department of Commerce and Economic Opportunity, the
7 Department of Revenue, and the Governor's Office of Management
8 and Budget by July 1, 2029 for consideration.

9 An application for approval of a STAR bond project plan
10 must not be approved by the State unless all of the components
11 of the feasibility study set forth in paragraphs (1) through
12 (12) of subsection (b) have been completed and submitted for
13 review and recommendation for approval or denial. In addition
14 to reviewing all of the other elements of the STAR bond project
15 plan required under subsection (c), which must be included in
16 the application and include a letter of intent as required
17 under paragraph (5) of subsection (c) in order to receive
18 State approval, the Department of Commerce and Economic
19 Opportunity, the Department of Revenue, and the Governor's
20 Office of Management and Budget must review the feasibility
21 study and consider all of the components of the feasibility
22 study set forth in paragraphs (1) through (12) of subsection
23 (b), including, without limitation, the economic impact study
24 and the financial benefit of the proposed STAR bond project to
25 the local, regional, and State economies, the proposed adverse
26 impacts on similar businesses and projects as well as

1 municipalities within the market area, and the net effect of
2 the proposed STAR bond project on the local, regional, and
3 State economies. In addition to the economic impact study, the
4 political subdivision must also submit to the agencies, as
5 part of its application, the financial and other information
6 that substantiates the basis for the conclusion of the
7 economic impact study, in the form and manner as required by
8 the agencies, so that the agencies can verify the results of
9 the study. In addition to any other criteria in this
10 subsection, for the State to approve the STAR bond project
11 plan, the agencies must be satisfied that the proposed
12 development users are in fact true development users and find
13 that the STAR bond project plan is in accordance with the
14 purpose of this Act and the public interest. As part of the
15 review, the agencies shall evaluate the conclusions of the
16 feasibility study as it relates to the projected State and
17 local sales tax increments expected to be generated in the
18 STAR bond district. The Department of Commerce and Economic
19 Opportunity, the Department of Revenue, and the Governor's
20 Office of Management and Budget shall jointly recommend the
21 approval of up to one STAR bond project plan for each Economic
22 Development Region having a population of less than 600,000,
23 up to 2 STAR bond projects for each Economic Development
24 Region having a population between 600,000 and 999,999, and up
25 to 4 STAR bond projects for each Economic Development Region
26 having a population of 1,000,000 or more, if the STAR bond

1 projects are in separate STAR bond districts, based on the
2 criteria in this subsection, subject to an aggregate
3 limitation on State sales tax increment of \$75,000,000 per
4 approved STAR bond project. In the event the STAR bond project
5 commits s to create 500 new jobs, then the STAR bond project is
6 subject to an aggregate limitation on State sales tax
7 increment of \$150,000,000 for that project. In making the
8 recommendation, the agencies shall consider the proximity of a
9 proposed STAR bond project to another proposed or existing
10 STAR bond project. The agencies shall send a copy of their
11 written findings and recommended approval or denial of a STAR
12 bond project plan to the Office of the Governor for final
13 action. Upon receipt of the Director's written findings and
14 recommendation, the Office of the Governor shall issue a final
15 approval or denial of up to one STAR bond project plan for each
16 Economic Development Region having a population of less than
17 600,000, up to 2 STAR bond projects for each Economic
18 Development Region having a population between 600,000 and
19 999,999, and up to 4 STAR bond projects for each Economic
20 Development Region having a population of 1,000,000 or more,
21 if the STAR bond projects are in separate STAR bond districts,
22 based on the criteria in this subsection, subject to an
23 aggregate limitation on State sales tax increment of
24 \$75,000,000 per approved STAR bond project. If the STAR bond
25 project commits to create 500 new jobs, then the STAR bond
26 project is subject to an aggregate limitation on State sales

1 tax increment of \$150,000,000 for that project. In granting
2 its approval, the Office of the Governor may require the
3 political subdivision to execute a binding agreement or
4 memorandum of understanding with the State. The terms of the
5 agreement or memorandum may include, among other things, the
6 political subdivision's repayment of the State sales tax
7 increment distributed to it should any violation of the
8 agreement or memorandum or this Act occur.

9 (e) Upon a finding by the planning and zoning commission
10 of the political subdivision, if any, that the STAR bond
11 project plan is consistent with the intent of the
12 comprehensive plan for the development of the political
13 subdivision and upon issuance of written approval of the STAR
14 bond project plan from the Office of the Governor pursuant to
15 subsection (d) of this Section 5-20, the corporate authorities
16 of the political subdivision shall adopt a resolution stating
17 that the political subdivision is considering the adoption of
18 the STAR bond project plan. The resolution shall:

19 (1) give notice that a public hearing will be held to
20 consider the adoption of the STAR bond project plan and
21 fix the date, hour, and place of the public hearing;

22 (2) describe the general boundaries of the STAR bond
23 district within which the STAR bond project will be
24 located and the date of establishment of the STAR bond
25 district;

26 (3) describe the general boundaries of the area

1 proposed to be included within the STAR bond project area;

2 (4) provide that the STAR bond project plan and map of
3 the area to be redeveloped or developed are available for
4 inspection during regular office hours in the offices of
5 the political subdivision; and

6 (5) contain a summary of the terms and conditions of
7 any proposed project development agreement with the
8 political subdivision.

9 (f) A public hearing shall be conducted to consider the
10 adoption of any STAR bond project plan.

11 (1) The date fixed for the public hearing to consider
12 the adoption of the STAR bond project plan shall be not
13 less than 20 nor more than 90 days following the date of
14 the adoption of the resolution fixing the date of the
15 hearing.

16 (2) A copy of the political subdivision's resolution
17 providing for the public hearing shall be sent by
18 certified mail, return receipt requested, to the corporate
19 authorities of the county. A copy of the political
20 subdivision's resolution providing for the public hearing
21 shall be sent by certified mail, return receipt requested,
22 to each person or persons in whose name the general taxes
23 for the last preceding year were paid on each parcel of
24 land lying within the proposed STAR bond project area
25 within 10 days following the date of the adoption of the
26 resolution. The resolution shall be published once in a

1 newspaper of general circulation in the political
2 subdivision not less than one week nor more than 3 weeks
3 preceding the date fixed for the public hearing. A map or
4 aerial photo clearly delineating the area of land proposed
5 to be included within the STAR bond project area shall be
6 published with the resolution.

7 (3) The hearing shall be held at a location that is
8 within 20 miles of the STAR bond district, in a facility
9 that can accommodate a large crowd, and in a facility that
10 is accessible to persons with disabilities.

11 (4) At the public hearing, a representative of the
12 political subdivision or master developer shall present
13 the STAR bond project plan. Following the presentation of
14 the STAR bond project plan, all interested persons shall
15 be given an opportunity to be heard. The corporate
16 authorities may continue the date and time of the public
17 hearing.

18 (g) Upon conclusion of the public hearing, the governing
19 body of the political subdivision may adopt the STAR bond
20 project plan by a resolution approving the STAR bond project
21 plan.

22 (h) After the adoption by the corporate authorities of the
23 political subdivision of a STAR bond project plan, the
24 political subdivision may enter into a project development
25 agreement if the master developer has requested the political
26 subdivision to be a party to the project development agreement

1 pursuant to subsection (b) of Section 5-25.

2 (i) Within 30 days after the adoption by the political
3 subdivision of a STAR bond project plan, the clerk of the
4 political subdivision shall transmit a copy of the legal
5 description of the land and a list of all new and existing
6 mailing addresses within the STAR bond district, a copy of the
7 resolution adopting the STAR bond project plan, and a map or
8 plat indicating the boundaries of the STAR bond project area
9 and STAR bond district to the clerk, treasurer, and governing
10 body of the county and to the Department and Department of
11 Revenue. Within 30 days of creation of any new mailing
12 addresses within a STAR bond district, the clerk of the
13 political subdivision shall provide written notice of such new
14 addresses to the Department and the Department of Revenue.

15 If a certified copy of the resolution adopting the STAR
16 bond project plan is filed with the Department of Revenue on or
17 before the first day of April, the Department of Revenue, if
18 all other requirements of this subsection are met, shall
19 proceed to collect and allocate any local sales tax increment
20 and any State sales tax increment in accordance with the
21 provisions of this Act as of the first day of July next
22 following the adoption and filing. If a certified copy of the
23 resolution adopting the STAR bond project plan is filed with
24 the Department of Revenue after April 1 but on or before the
25 first day of October, the Department of Revenue, if all other
26 requirements of this subsection are met, shall proceed to

1 collect and allocate any local sales tax increment and any
2 State sales tax increment in accordance with the provisions of
3 this Act as of the first day of January next following the
4 adoption and filing.

5 Any substantial changes to a STAR bond project plan as
6 adopted shall be subject to a public hearing following
7 publication of notice thereof in a newspaper of general
8 circulation in the political subdivision and approval by
9 resolution of the governing body of the political subdivision.

10 The Department of Revenue shall not collect or allocate
11 any local sales tax increment or State sales tax increment
12 until the political subdivision also provides, in the manner
13 prescribed by the Department of Revenue, the boundaries of the
14 STAR bond district and each address in the STAR bond district
15 in such a way that the Department of Revenue can determine by
16 its address whether a business is located in the STAR bond
17 district. The political subdivision must provide this boundary
18 and address information to the Department of Revenue, with a
19 copy to the Department, on or before April 1 for
20 administration and enforcement under this Act by the
21 Department of Revenue beginning on the following July 1 and on
22 or before October 1 for administration and enforcement under
23 this Act by the Department of Revenue beginning on the
24 following January 1. The Department of Revenue shall not
25 administer or enforce any change made to the boundaries of a
26 STAR bond district or any address change, addition, or

1 deletion until the political subdivision reports the boundary
2 change or address change, addition, or deletion to the
3 Department of Revenue, with a copy to the Department, in the
4 manner prescribed by the Department of Revenue. The political
5 subdivision must provide this boundary change or address
6 change, addition, or deletion information to the Department of
7 Revenue, with a copy to the Department, on or before April 1
8 for administration and enforcement by the Department of
9 Revenue of the change, addition, or deletion beginning on the
10 following July 1 and on or before October 1 for administration
11 and enforcement by the Department of Revenue of the change,
12 addition, or deletion beginning on the following January 1. If
13 a retailer is incorrectly included or excluded from the list
14 of those located in the STAR bond district, the Department of
15 Revenue shall be held harmless if it reasonably relied on
16 information provided by the political subdivision.

17 (j) Any STAR bond project must be approved by the
18 political subdivision within 23 years after the date of the
19 approval of the STAR bond district, provided, however, that
20 any amendments to such STAR bond project may occur following
21 such date.

22 (k) Any developer of a STAR bond project shall commence
23 work on the STAR bond project within 3 years from the date of
24 adoption of the STAR bond project plan. If the developer fails
25 to commence work on the STAR bond project within the 3-year
26 period, funding for the project shall cease and the developer

1 of the project or complex shall have one year to appeal to the
2 political subdivision for a one-time reapproval of the project
3 and funding. If the project is reapproved, the 3-year period
4 for commencement shall begin again on the date of the
5 reapproval. If the project is not reapproved or if the
6 developer again fails to commence work on the STAR bond
7 project within the second 3-year period, the project shall be
8 terminated, and the Department may accept applications for a
9 new STAR bond project in the Economic Development Region.

10 (l) After the adoption by the corporate authorities of the
11 political subdivision of a STAR bond project plan and approval
12 of the Office of the Governor pursuant to subsection (d), the
13 political subdivision may authorize the issuance of STAR bonds
14 in one or more series to finance the STAR bond project in
15 accordance with the provisions of this Act.

16 (m) The maximum maturity of STAR bonds issued to finance a
17 STAR bond project shall not exceed 23 years from the first date
18 of distribution of State sales tax increment from such STAR
19 bond project to the political subdivision unless the political
20 subdivision extends such maturity by resolution up to a
21 maximum of 35 years from such first distribution date. Any
22 such extension shall require the approval of the Office of the
23 Governor, upon the recommendation of the Directors. In no
24 event shall the maximum maturity date for any STAR bonds
25 exceed that date which is 35 years from the first distribution
26 date of the first STAR bonds issued in a STAR bond district.

1 Section 5-25. Co-developers and sub-developers. Upon
2 approval of a STAR bond project by the political subdivision,
3 the master developer may, subject to the approval of the State
4 and the political subdivision, develop the STAR bond project
5 on its own or it may develop the STAR bond project with another
6 developer, which may include an assignment or transfer of
7 development rights.

8 (a) A master developer may sell, lease, or otherwise
9 convey its property interest in the STAR bond project area to a
10 co-developer or sub-developer.

11 (b) A master developer may enter into one or more
12 agreements with a co-developer or sub-developer in connection
13 with a STAR bond project, and the master developer may request
14 that the political subdivision become a party to the project
15 development agreement, or the master developer may request
16 that the political subdivision amend its master development
17 agreement to provide for certain terms and conditions that may
18 be related to the co-developer or sub-developer and the STAR
19 bond project. For any project development agreement to which
20 the political subdivision would be a party or for any
21 amendments to the master development agreement, the terms and
22 conditions must be acceptable to both the master developer and
23 the political subdivision. The Director shall receive a copy
24 of the master development agreement and any amendments.

1 Section 5-30. STAR bonds; source of payment. Any political
2 subdivision shall have the power to issue STAR bonds in one or
3 more series to finance the undertaking of any STAR bond
4 project in accordance with the provisions of this Act and the
5 Omnibus Bond Acts. STAR bonds may be issued as revenue bonds,
6 alternate bonds, or general obligation bonds as defined in and
7 subject to the procedures provided in the Local Government
8 Debt Reform Act.

9 (a) STAR bonds may be made payable, both as to principal
10 and interest, from the following revenues, which to the extent
11 pledged by each respective political subdivision or other
12 public entity for such purpose shall constitute pledged STAR
13 revenues:

14 (1) revenues of the political subdivision derived from
15 or held in connection with the undertaking and carrying
16 out of any STAR bond project or projects under this Act;

17 (2) available private funds and contributions, grants,
18 tax credits, or other financial assistance from the State
19 or federal government;

20 (3) STAR bond occupation taxes created pursuant to
21 Section 5-31 and designated as pledged STAR revenues by
22 the political subdivision;

23 (4) all of the local sales tax increment of a
24 municipality, county, or other unit of local government;

25 (5) any special service area taxes collected within
26 the STAR bond district under the Special Service Area Tax

1 Act, may be used for the purposes of funding project costs
2 or paying debt service on STAR bonds in addition to the
3 purposes contained in the special service area plan;

4 (6) all of the State sales tax increment;

5 (7) any other revenues appropriated by the political
6 subdivision; and

7 (8) any combination of these methods.

8 (b) The political subdivision may pledge the pledged STAR
9 revenues to the repayment of STAR bonds prior to,
10 simultaneously with, or subsequent to the issuance of the STAR
11 bonds.

12 (c) Bonds issued as revenue bonds shall not be general
13 obligations of the political subdivision, nor in any event
14 shall they give rise to a charge against its general credit or
15 taxing powers, or be payable out of any funds or properties
16 other than those set forth in subsection (a) and the bonds
17 shall so state on their face.

18 (d) For each STAR bond project financed with STAR bonds
19 payable from the pledged STAR revenues, the political
20 subdivision shall prepare and submit to the Department, the
21 Department of Revenue, the Office of the Governor, and the
22 Governor's Office of Management and Budget by June 1 of each
23 year a report describing the status of the STAR bond project,
24 any expenditures of the proceeds of STAR bonds that have
25 occurred for the preceding calendar year, and any expenditures
26 of the proceeds of the bonds expected to occur in the future,

1 including the amount of pledged STAR revenue, the amount of
2 revenue that has been spent, the projected amount of the
3 revenue, and the anticipated use of the revenue. Each annual
4 report shall be accompanied by an affidavit of the master
5 developer certifying the contents of the report as true to the
6 best of the master developer's knowledge. The Department shall
7 have the right, but not the obligation, to request the Auditor
8 General to review the annual report and the political
9 subdivision's records containing the source information for
10 the report for the purpose of verifying the report's contents.
11 If the Auditor General declines the request for review, the
12 Department shall have the right to select an independent
13 third-party auditor to conduct an audit of the annual report
14 and the political subdivision's records containing the source
15 information for the report. The reasonable cost of the audit
16 shall be paid by the master developer. The master development
17 agreement shall grant the Department and the Auditor General
18 the right to review the records of the political subdivision
19 containing the source information for the report.

20 (e) As soon as possible after the first day of each month,
21 upon certification of the Department of Revenue, the
22 Comptroller shall order transferred, and the Treasurer shall
23 transfer, from the General Revenue Fund to the STAR Bonds
24 Revenue Fund the State sales tax increment for the second
25 preceding month, less 3% of that amount, which shall be
26 transferred into the Tax Compliance and Administration Fund

1 and shall be used by the Department of Revenue, subject to
2 appropriation, to cover the costs of the Department of Revenue
3 in administering the Statewide Innovation Development and
4 Economy Act. As soon as possible after the first day of each
5 month, upon certification of the Department of Revenue, the
6 Comptroller shall order transferred, and the Treasurer shall
7 transfer, from the Local Government Tax Fund to the STAR Bonds
8 Revenue Fund the local sales tax increment for the second
9 preceding month, as provided in Section 6z-18 of the State
10 Finance Act and from the County and Mass Transit District Fund
11 to the STAR Bonds Revenue Fund the local sales tax increment
12 for the second preceding month, as provided in Section 6z-20
13 of the State Finance Act. On or before the 25th day of each
14 calendar month, the Department of Revenue shall prepare and
15 certify to the Comptroller the disbursement of stated sums of
16 money out of the STAR Bonds Revenue Fund to named
17 municipalities and counties, the municipalities and counties
18 to be those entitled to distribution of taxes or penalties
19 paid to the Department of Revenue during the second preceding
20 calendar month. The amount to be paid to each municipality or
21 county shall be the amount of the State sales tax increment and
22 the local sales tax increment (not including credit memoranda
23 or the amount transferred into the Tax Compliance and
24 Administration Fund) collected during the second preceding
25 calendar month by the Department of Revenue from retailers and
26 servicepersons on transactions at places of business located

1 within a STAR bond district in that municipality or county,
2 plus an amount the Department of Revenue determines is
3 necessary to offset any amounts which were erroneously paid to
4 a different taxing body, and not including an amount equal to
5 the amount of refunds made during the second preceding
6 calendar month by the Department of Revenue, and not including
7 any amount which the Department of Revenue determines is
8 necessary to offset any amounts which are payable to a
9 different taxing body but were erroneously paid to the
10 municipality or county. Within 10 days after receipt by the
11 Comptroller of the disbursement certification to the
12 municipalities and counties, provided for in this Section to
13 be given to the Comptroller by the Department of Revenue, the
14 Comptroller shall cause the orders to be drawn for the
15 respective amounts in accordance with the directions contained
16 in such certification. When certifying the amount of monthly
17 disbursement to a municipality or county under this
18 subsection, the Department of Revenue shall increase or
19 decrease that amount by an amount necessary to offset any
20 misallocation of previous disbursements. The offset amount
21 shall be the amount erroneously disbursed within the 6 months
22 preceding the time a misallocation is discovered.

23 (f) The corporate authorities of the political subdivision
24 shall deposit the proceeds for the STAR Bonds Revenue Fund
25 into a special fund of the political subdivision called the
26 "[Name of political subdivision] STAR Bond District Revenue

1 Fund" for the purpose of paying or reimbursing STAR bond
2 project costs and obligations incurred in the payment of those
3 costs. If the political subdivision fails to issue STAR bonds
4 within 180 days after the first distribution to the political
5 subdivision from the STAR Bonds Revenue Fund, the Department
6 of Revenue shall cease distribution of the State sales tax
7 increment to the political subdivision, shall transfer any
8 State sales tax increment in the STAR Bonds Revenue Fund to the
9 General Revenue Fund, and shall cease deposits of State sales
10 tax increment amounts into the STAR Bonds Revenue Fund. The
11 political subdivision shall repay all of the State sales tax
12 increment distributed to the political subdivision to date,
13 which amounts shall be deposited into the General Revenue
14 Fund. If not repaid within 90 days after notice from the State,
15 the Department of Revenue shall withhold distributions to the
16 political subdivision from the Local Government Tax Fund until
17 the excess amount is repaid, which withheld amounts shall be
18 transferred to the General Revenue Fund. At such time as the
19 political subdivision notifies the Department of Revenue in
20 writing that it has issued STAR Bonds in accordance with this
21 Act and provides the Department with a copy of the political
22 subdivision's official statement, bond purchase agreements,
23 indenture, or other evidence of bond sale, the Department of
24 Revenue shall resume deposits of the State sales tax increment
25 into the STAR Bonds Revenue Fund and distribution of the State
26 sales tax increment to the political subdivision in accordance

1 with this Section.

2 (g) If at any time after the seventh anniversary of the
3 date of distribution of State sales tax increment from a STAR
4 bond project the Auditor General determines that the
5 percentage of the aggregate proceeds of STAR bonds issued to
6 date that is derived from the State sales tax increment has
7 exceeded 50% of the total development costs of that STAR Bonds
8 project, no additional STAR bonds may be issued for that STAR
9 Bonds project until that percentage is reduced to 50% or
10 below. When the percentage has been reduced to 50% or below,
11 the master developer shall have the right, at its own cost, to
12 obtain a new audit prepared by an independent third-party
13 auditor verifying compliance and shall provide such audit to
14 the Auditor General for review and approval. Upon the Auditor
15 General's determination from the audit that the percentage has
16 been reduced to 50% or below, STAR bonds may again be issued
17 for the STAR bond project.

18 (h) Notwithstanding the provisions of the Tax Increment
19 Allocation Redevelopment Act, if any portion of property taxes
20 attributable to the increase in equalized assessed value
21 within a STAR bond district are, at the time of formation of
22 the STAR bond district, already subject to tax increment
23 financing under the Tax Increment Allocation Redevelopment
24 Act, then the tax increment for such portion shall be frozen at
25 the base year established in accordance with this Act, and all
26 future incremental increases over the base year shall not be

1 subject to tax increment financing under the Tax Increment
2 Allocation Redevelopment Act. Any party otherwise entitled to
3 receipt of incremental tax revenues through an existing tax
4 increment financing district shall be entitled to continue to
5 receive such revenues up to the amount frozen in the base year.
6 Nothing in this Act shall affect the prior qualification of
7 existing redevelopment project costs incurred that are
8 eligible for reimbursement under the Tax Increment Allocation
9 Redevelopment Act. In such event, prior to approving a STAR
10 bond district, the political subdivision forming the STAR bond
11 district shall take such action as is necessary, including
12 amending the existing tax increment financing district
13 redevelopment plan, to carry out the provisions of this Act.

14 Section 5-31. STAR bond occupation taxes.

15 (a) If the corporate authorities of a political
16 subdivision have established a STAR bond district and have
17 elected to impose a tax by ordinance pursuant to subsection
18 (b) or (c) of this Section, each year after the date of the
19 adoption of the ordinance and until all STAR bond project
20 costs and all political subdivision obligations financing the
21 STAR bond project costs, if any, have been paid in accordance
22 with the STAR bond project plans, but in no event longer than
23 the maximum maturity date of the last of the STAR bonds issued
24 for projects in the STAR bond district, all amounts generated
25 by the retailers' occupation tax and service occupation tax

1 shall be collected and the tax shall be enforced by the
2 Department of Revenue in the same manner as all retailers'
3 occupation taxes and service occupation taxes imposed in the
4 political subdivision imposing the tax. The corporate
5 authorities of the political subdivision shall deposit the
6 proceeds of the taxes imposed under subsections (b) and (c)
7 into either (i) a special fund held by the corporate
8 authorities of the political subdivision called the STAR Bonds
9 Tax Allocation Fund for the purpose of paying STAR bond
10 project costs and obligations incurred in the payment of those
11 costs if such taxes are designated as pledged STAR revenues by
12 resolution or ordinance of the political subdivision or (ii)
13 the political subdivision's general corporate fund if such
14 taxes are not designated as pledged STAR revenues by
15 resolution or ordinance.

16 The tax imposed under this Section by a municipality may
17 be imposed only on the portion of a STAR bond district that is
18 within the boundaries of the municipality. For any part of a
19 STAR bond district that lies outside of the boundaries of that
20 municipality, the municipality in which the other part of the
21 STAR bond district lies (or the county, in cases where a
22 portion of the STAR bond district lies in the unincorporated
23 area of a county) is authorized to impose the tax under this
24 Section on that part of the STAR bond district.

25 (b) The corporate authorities of a political subdivision
26 that has established a STAR bond district under this Act may,

1 by ordinance or resolution, impose a STAR Bond Retailers'
2 Occupation Tax upon all persons engaged in the business of
3 selling tangible personal property, other than an item of
4 tangible personal property titled or registered with an agency
5 of this State's government, at retail in the STAR bond
6 district at a rate not to exceed 1% of the gross receipts from
7 the sales made in the course of that business, to be imposed
8 only in 0.25% increments. The tax may not be imposed on
9 tangible personal property taxed at the 1% rate under the
10 Retailers' Occupation Tax Act. The tax may not be imposed on
11 aviation fuel for so long as the revenue use requirements of 49
12 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
13 political subdivision.

14 The tax imposed under this subsection and all civil
15 penalties that may be assessed as an incident thereof shall be
16 collected and enforced by the Department of Revenue. The
17 certificate of registration that is issued by the Department
18 of Revenue to a retailer under the Retailers' Occupation Tax
19 Act shall permit the retailer to engage in a business that is
20 taxable under any ordinance or resolution enacted pursuant to
21 this subsection without registering separately with the
22 Department of Revenue under such ordinance or resolution or
23 under this subsection. The Department of Revenue shall have
24 full power to administer and enforce this subsection, to
25 collect all taxes and penalties due under this subsection in
26 the manner hereinafter provided, and to determine all rights

1 to credit memoranda arising on account of the erroneous
2 payment of tax or penalty under this subsection. In the
3 administration of, and compliance with, this subsection, the
4 Department of Revenue and persons who are subject to this
5 subsection shall have the same rights, remedies, privileges,
6 immunities, powers, and duties, and be subject to the same
7 conditions, restrictions, limitations, penalties, exclusions,
8 exemptions, and definitions of terms and employ the same modes
9 of procedure, as are prescribed in Sections 1, 1a through 1o, 2
10 through 2-65 (in respect to all provisions therein other than
11 the State rate of tax), 2c through 2h, 3 (except as to the
12 disposition of taxes and penalties collected), 4, 5, 5a, 5b,
13 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10,
14 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all
15 provisions of the Uniform Penalty and Interest Act, as fully
16 as if those provisions were set forth herein.

17 If a tax is imposed under this subsection (b), a tax shall
18 also be imposed under subsection (c) of this Section.

19 (c) If a tax has been imposed under subsection (b), a STAR
20 Bond Service Occupation Tax shall also be imposed upon all
21 persons engaged, in the STAR bond district, in the business of
22 making sales of service, who, as an incident to making those
23 sales of service, transfer tangible personal property within
24 the STAR bond district, either in the form of tangible
25 personal property or in the form of real estate as an incident
26 to a sale of service. The tax shall be imposed at the same rate

1 as the tax imposed in subsection (b) and shall not exceed 1% of
2 the selling price of tangible personal property so transferred
3 within the STAR bond district, to be imposed only in 0.25%
4 increments. The tax may not be imposed on tangible personal
5 property taxed at the 1% rate under the Service Occupation Tax
6 Act. The tax may not be imposed on aviation fuel for so long as
7 the revenue use requirements of 49 U.S.C. 47107(b) and 49
8 U.S.C. 47133 are binding on the political subdivision.

9 The tax imposed under this subsection and all civil
10 penalties that may be assessed as an incident thereof shall be
11 collected and enforced by the Department of Revenue. The
12 certificate of registration that is issued by the Department
13 of Revenue to a retailer under the Retailers' Occupation Tax
14 Act or under the Service Occupation Tax Act shall permit the
15 registrant to engage in a business that is taxable under any
16 ordinance or resolution enacted pursuant to this subsection
17 without registering separately with the Department of Revenue
18 under that ordinance or resolution or under this subsection.
19 The Department of Revenue shall have full power to administer
20 and enforce this subsection, to collect all taxes and
21 penalties due under this subsection, to dispose of taxes and
22 penalties so collected in the manner hereinafter provided, and
23 to determine all rights to credit memoranda arising on account
24 of the erroneous payment of tax or penalty under this
25 subsection. In the administration of, and compliance with this
26 subsection, the Department of Revenue and persons who are

1 subject to this subsection shall have the same rights,
2 remedies, privileges, immunities, powers, and duties, and be
3 subject to the same conditions, restrictions, limitations,
4 penalties, exclusions, exemptions, and definitions of terms
5 and employ the same modes of procedure as are prescribed in
6 Sections 2, 2a through 2d, 3 through 3-50 (in respect to all
7 provisions therein other than the State rate of tax), 4
8 (except that the reference to the State shall be to the STAR
9 bond district), 5, 7, 8 (except that the jurisdiction to which
10 the tax shall be a debt to the extent indicated in that Section
11 8 shall be the political subdivision), 9 (except as to the
12 disposition of taxes and penalties collected, and except that
13 the returned merchandise credit for this tax may not be taken
14 against any State tax), 10, 11, 12 (except the reference
15 therein to Section 2b of the Retailers' Occupation Tax Act),
16 13 (except that any reference to the State shall mean the
17 political subdivision), the first paragraph of Section 15, and
18 Sections 16, 17, 18, 19 and 20 of the Service Occupation Tax
19 Act and all provisions of the Uniform Penalty and Interest
20 Act, as fully as if those provisions were set forth herein.

21 If a tax is imposed under this subsection (c), a tax shall
22 also be imposed under subsection (b) of this Section.

23 (d) Persons subject to any tax imposed under this Section
24 may reimburse themselves for their seller's tax liability
25 under this Section by separately stating the tax as an
26 additional charge, which charge may be stated in combination,

1 in a single amount, with State taxes that sellers are required
2 to collect under the Use Tax Act, in accordance with such
3 bracket schedules as the Department may prescribe.

4 Whenever the Department of Revenue determines that a
5 refund should be made under this Section to a claimant the
6 Department of Revenue shall not issue a credit memorandum. The
7 Department of Revenue shall notify the State Comptroller, who
8 shall cause the order to be drawn for the amount specified and
9 to the person named in the notification from the Department of
10 Revenue. The refund shall be paid by the State Treasurer out of
11 the STAR Bond Retailers' Occupation Tax Fund.

12 Except as otherwise provided in this paragraph, the
13 Department of Revenue shall immediately pay over to the State
14 Treasurer, ex officio, as trustee, all taxes, penalties, and
15 interest collected under this Section for deposit into the
16 STAR Bond Retailers' Occupation Tax Fund. On or before the
17 25th day of each calendar month, the Department of Revenue
18 shall prepare and certify to the Comptroller the disbursement
19 of stated sums of money to named political subdivisions from
20 the STAR Bond Retailers' Occupation Tax Fund, the political
21 subdivisions to be those from which retailers have paid taxes
22 or penalties under this Section to the Department of Revenue
23 during the second preceding calendar month. The amount to be
24 paid to each political subdivision shall be the amount (not
25 including credit memoranda) collected under this Section
26 during the second preceding calendar month by the Department

1 of Revenue plus an amount the Department of Revenue determines
2 is necessary to offset any amounts that were erroneously paid
3 to a different taxing body, and not including an amount equal
4 to the amount of refunds made during the second preceding
5 calendar month by the Department of Revenue, less 3% of that
6 amount, which shall be deposited into the Tax Compliance and
7 Administration Fund and shall be used by the Department of
8 Revenue, subject to appropriation, to cover the costs of the
9 Department of Revenue in administering and enforcing the
10 provisions of this Section, on behalf of such political
11 subdivision, and not including any amount that the Department
12 of Revenue determines is necessary to offset any amounts that
13 were payable to a different taxing body but were erroneously
14 paid to the political subdivision. Within 10 days after
15 receipt by the Comptroller of the disbursement certification
16 to the political subdivisions provided for in this Section to
17 be given to the Comptroller by the Department, the Comptroller
18 shall cause the orders to be drawn for the respective amounts
19 in accordance with the directions contained in the
20 certification. The proceeds of the tax paid to political
21 subdivisions under this Section shall be deposited into either
22 (i) the STAR Bonds Tax Allocation Fund by the political
23 subdivision if the political subdivision has designated them
24 as pledged STAR revenues by resolution or ordinance or (ii)
25 the political subdivision's general corporate fund if the
26 political subdivision has not designated them as pledged STAR

1 revenues.

2 An ordinance or resolution imposing or discontinuing the
3 tax under this Section or effecting a change in the rate
4 thereof shall either (i) be adopted and a certified copy
5 thereof filed with the Department of Revenue on or before the
6 first day of April, whereupon the Department of Revenue, if
7 all other requirements of this Section are met, shall proceed
8 to administer and enforce this Section as of the first day of
9 July next following the adoption and filing; or (ii) be
10 adopted and a certified copy thereof filed with the Department
11 of Revenue on or before the first day of October, whereupon, if
12 all other requirements of this Section are met, the Department
13 of Revenue shall proceed to administer and enforce this
14 Section as of the first day of January next following the
15 adoption and filing.

16 The Department of Revenue shall not administer or enforce
17 an ordinance imposing, discontinuing, or changing the rate of
18 the tax under this Section until the political subdivision
19 also provides, in the manner prescribed by the Department of
20 Revenue, the boundaries of the STAR bond district and each
21 address in the STAR bond district in such a way that the
22 Department of Revenue can determine by its address whether a
23 business is located in the STAR bond district. The political
24 subdivision must provide this boundary and address information
25 to the Department of Revenue on or before April 1 for
26 administration and enforcement of the tax under this Section

1 by the Department of Revenue beginning on the following July 1
2 and on or before October 1 for administration and enforcement
3 of the tax under this Section by the Department of Revenue
4 beginning on the following January 1. The Department of
5 Revenue shall not administer or enforce any change made to the
6 boundaries of a STAR bond district or any address change,
7 addition, or deletion until the political subdivision reports
8 the boundary change or address change, addition, or deletion
9 to the Department of Revenue in the manner prescribed by the
10 Department of Revenue. The political subdivision must provide
11 this boundary change or address change, addition, or deletion
12 information to the Department of Revenue on or before April 1
13 for administration and enforcement by the Department of
14 Revenue of the change, addition, or deletion beginning on the
15 following July 1 and on or before October 1 for administration
16 and enforcement by the Department of Revenue of the change,
17 addition, or deletion beginning on the following January 1.
18 The retailers in the STAR bond district shall be responsible
19 for charging the tax imposed under this Section. If a retailer
20 is incorrectly included or excluded from the list of those
21 required to collect the tax under this Section, both the
22 Department of Revenue and the retailer shall be held harmless
23 if they reasonably relied on information provided by the
24 political subdivision.

25 A political subdivision that imposes the tax under this
26 Section must submit to the Department of Revenue any other

1 information as the Department of Revenue may require that is
2 necessary for the administration and enforcement of the tax.

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

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

15 (e) When STAR bond project costs, including, without
16 limitation, all political subdivision obligations financing
17 STAR bond project costs, have been paid, any surplus funds
18 then remaining in the STAR Bonds Tax Allocation Fund shall be
19 distributed to the treasurer of the political subdivision for
20 deposit into the political subdivision's general corporate
21 fund. Upon payment of all STAR bond project costs and
22 retirement of obligations, but in no event later than the
23 maximum maturity date of the last of the STAR bonds issued in
24 the STAR bond district, the political subdivision shall adopt
25 an ordinance immediately rescinding the taxes imposed pursuant
26 to this Section and file a certified copy of the ordinance with

1 the Department of Revenue in the form and manner as described
2 in this Section.

3 Section 5-33. STAR Bonds School Improvement and Operations
4 Trust Fund.

5 (a) Deposits into the STAR Bonds School Improvement and
6 Operations Trust Fund, established under Section 33 of the
7 Innovation Development and Economy Act, shall be made as
8 provided under this Section. Moneys in the Trust Fund shall be
9 used by the Department of Revenue only for the purpose of
10 making payments to regional superintendents of schools to make
11 distributions to school districts in educational service
12 regions that include the STAR bond district. Moneys in the
13 Trust Fund are not subject to appropriation and shall be used
14 solely as provided in this Section. All deposits into the
15 Trust Fund shall be held in the Trust Fund by the State
16 Treasurer as ex officio custodian separate and apart from all
17 public moneys or funds of this State and shall be distributed
18 by the Department of Revenue exclusively for the purposes set
19 forth in this Section. All moneys in the Trust Fund shall be
20 invested and reinvested by the State Treasurer. All interest
21 accruing from these investments shall be deposited in the
22 Trust Fund.

23 (b) Upon approval of a STAR bond district, the political
24 subdivision shall immediately transmit to the county clerk of
25 the county in which the district is located a certified copy of

1 the ordinance creating the district, a legal description of
2 the district, a map of the district, identification of the
3 year that the county clerk shall use for determining the total
4 initial equalized assessed value of the district consistent
5 with subsection (c), and a list of the parcel or tax
6 identification number of each parcel of property included in
7 the district.

8 (c) Upon approval of a STAR bond district, the county
9 clerk immediately thereafter shall determine (i) the most
10 recently ascertained equalized assessed value of each lot,
11 block, tract, or parcel of real property within the STAR bond
12 district, from which shall be deducted the homestead
13 exemptions under Article 15 of the Property Tax Code, which
14 value shall be the initial equalized assessed value of each
15 such piece of property, and (ii) the total equalized assessed
16 value of all taxable real property within the district by
17 adding together the most recently ascertained equalized
18 assessed value of each taxable lot, block, tract, or parcel of
19 real property within the district, from which shall be
20 deducted the homestead exemptions under Article 15 of the
21 Property Tax Code, and shall certify that amount as the total
22 initial equalized assessed value of the taxable real property
23 within the STAR bond district.

24 (d) In reference to any STAR bond district created within
25 any political subdivision, and in respect to which the county
26 clerk has certified the total initial equalized assessed value

1 of the property in the area, the political subdivision may
2 thereafter request the clerk in writing to adjust the initial
3 equalized value of all taxable real property within the STAR
4 bond district by deducting therefrom the exemptions under
5 Article 15 of the Property Tax Code applicable to each lot,
6 block, tract, or parcel of real property within the STAR bond
7 district. The county clerk shall immediately, after the
8 written request to adjust the total initial equalized value is
9 received, determine the total homestead exemptions in the STAR
10 bond district as provided under Article 15 of the Property Tax
11 Code by adding together the homestead exemptions provided by
12 said Article on each lot, block, tract, or parcel of real
13 property within the STAR bond district and then shall deduct
14 the total of said exemptions from the total initial equalized
15 assessed value. The county clerk shall then promptly certify
16 that amount as the total initial equalized assessed value as
17 adjusted of the taxable real property within the STAR bond
18 district.

19 (e) The county clerk or other person authorized by law
20 shall compute the tax rates for each taxing district with all
21 or a portion of its equalized assessed value located in the
22 STAR bond district. The rate per cent of tax determined shall
23 be extended to the current equalized assessed value of all
24 property in the district in the same manner as the rate per
25 cent of tax is extended to all other taxable property in the
26 taxing district.

1 (f) Beginning with the assessment year in which the first
2 development user in the first STAR bond project in a STAR bond
3 district makes its first retail sales and for each assessment
4 year thereafter until final maturity of the last STAR bonds
5 issued in the district, the county clerk or other person
6 authorized by law shall determine the increase in equalized
7 assessed value of all real property within the STAR bond
8 district by subtracting the initial equalized assessed value
9 of all property in the district certified under subsection (c)
10 from the current equalized assessed value of all property in
11 the district. Each year, the property taxes arising from the
12 increase in equalized assessed value in the STAR bond district
13 shall be determined for each taxing district and shall be
14 certified to the county collector.

15 (g) Beginning with the year in which taxes are collected
16 based on the assessment year in which the first development
17 user in the first STAR bond project in a STAR bond district
18 makes its first retail sales and for each year thereafter
19 until final maturity of the last STAR bonds issued in the
20 district, the county collector shall, within 30 days after
21 receipt of property taxes, transmit to the Department of
22 Revenue to be deposited into the STAR Bonds School Improvement
23 and Operations Trust Fund 15% of property taxes attributable
24 to the increase in equalized assessed value within the STAR
25 bond district from each taxing district as certified in
26 subsection (f).

1 (h) The Department of Revenue shall pay to the regional
2 superintendent of schools whose educational service region
3 includes a STAR bond district, for each year for which money is
4 remitted to the Department of Revenue and paid into the STAR
5 Bonds School Improvement and Operations Trust Fund, the money
6 in the Fund as provided in this Section. The amount paid to
7 each school district shall be allocated proportionately by the
8 regional superintendent of schools, based on each qualifying
9 school district's fall enrollment for the then-current school
10 year, such that the school district with the largest fall
11 enrollment receives the largest proportionate share of money
12 paid out of the Fund or by any other method or formula that the
13 regional superintendent of schools deems fit, equitable, and
14 in the public interest. The regional superintendent may
15 allocate moneys to school districts that are outside of the
16 regional superintendent's educational service region or to
17 other regional superintendents.

18 The Department of Revenue shall be held harmless for the
19 distributions made under this Section and all distributions
20 shall be final.

21 (i) In any year that an assessment appeal is filed, the
22 extension of taxes on any assessment so appealed shall not be
23 delayed. In the case of an assessment that is altered, any
24 taxes extended upon the unauthorized assessment or part
25 thereof shall be abated, or, if already paid, shall be
26 refunded with interest as provided in Section 23-20 of the

1 Property Tax Code. In the case of an assessment appeal, the
2 county collector shall notify the Department of Revenue that
3 an assessment appeal has been filed and the amount of the tax
4 that would have been deposited in the STAR Bonds School
5 Improvement and Operations Trust Fund. The county collector
6 shall hold that amount in a separate fund until the appeal
7 process is final. After the appeal process is finalized, the
8 county collector shall transmit to the Department of Revenue
9 the amount of tax that remains, if any, after all required
10 refunds are made.

11 (j) In any year that ad valorem taxes are allocated to the
12 STAR Bonds School Improvement and Operations Trust Fund, that
13 allocation shall not reduce or otherwise impact the school aid
14 provided to any school district under the general State school
15 aid formula provided for in Section 18-8.05 of the School Code
16 or the evidence-based funding formula provided for in Section
17 18-8.15 of the School Code.

18 Section 5-35. Alternate bonds and general obligation
19 bonds. A political subdivision shall have the power to issue
20 alternate revenue and other general obligation bonds to
21 finance the undertaking, establishment, or redevelopment of
22 any STAR bond project as provided and pursuant to the
23 procedures set forth in the Local Government Debt Reform Act.
24 A political subdivision shall have the power to issue general
25 obligation bonds to finance the undertaking, establishment, or

1 redevelopment of any STAR bond project on approval by the
2 voters of the political subdivision of a proposition
3 authorizing the issue of such bonds.

4 The full faith and credit of the State, any department,
5 authority, public corporation or quasi-public corporation of
6 the State, any State college or university, or any other
7 public agency created by the State shall not be pledged for any
8 payment under any obligation authorized by this Act.

9 Section 5-40. Amendments to STAR bond district. Any
10 addition of real property to a STAR bond district or any
11 substantial change to a STAR bond district plan shall be
12 subject to the same procedure for public notice, hearing, and
13 approval - including approval by the Department and the Office
14 of the Governor - as is required for the establishment of the
15 STAR bond district pursuant to this Act.

16 (a) The addition or removal of land to or from a STAR bond
17 district shall require the consent of the master developer of
18 the STAR bond district.

19 (b) Any land that is outside of, but is contiguous to an
20 established STAR bond district and is subsequently owned,
21 leased, or controlled by the master developer shall be added
22 to a STAR bond district at the request of the master developer
23 and by approval of the political subdivision, provided that
24 the land becomes a part of a STAR bond project area.

25 (c) If a political subdivision has undertaken a STAR bond

1 project within a STAR bond district, and the political
2 subdivision desires to subsequently remove more than a de
3 minimis amount of real property from the STAR bond district,
4 then prior to any removal of property the political
5 subdivision must provide a revised feasibility study showing
6 that the pledged STAR revenues from the resulting STAR bond
7 district within which the STAR bond project is located are
8 estimated to be sufficient to pay the project costs. If the
9 revenue from the resulting STAR bond district is insufficient
10 to pay the project costs, then the property may not be removed
11 from the STAR bond district. Any removal of real property from
12 a STAR bond district shall be approved by a resolution of the
13 corporate authorities of the political subdivision.

14 Section 5-45. Restrictions. STAR bond districts may lie
15 within an enterprise zone. STAR bond districts may overlay and
16 benefit from existing tax increment financing districts
17 created pursuant to the Tax Increment Allocation Redevelopment
18 Act, but no portion of a STAR bond project shall be financed
19 with tax increment financing under said Act. During any period
20 of time that STAR bonds are outstanding for a STAR bond
21 district, a developer may not use any land located in the STAR
22 bond district for any (i) retail store whose primary business
23 is the sale of automobiles, including trucks and other
24 automotive vehicles with 4 wheels designed for passenger
25 transportation on public streets and thoroughfares or (ii)

1 multi-screen motion picture theater complexes containing more
2 than 12 auditoriums for viewing motion pictures. No STAR bond
3 district may contain more than 900,000 square feet of floor
4 space devoted to traditional retail use, which shall not
5 include space devoted to entertainment venues, hotels,
6 warehouse space, or storage space.

7 Section 5-50. Reporting taxes. Notwithstanding any other
8 provisions of law to the contrary, the Department of Revenue
9 shall provide a certified report of the State sales tax
10 increment and local sales tax increment from all taxpayers
11 within a STAR bond district to the bond trustee, escrow agent,
12 or paying agent for such bonds upon the written request of the
13 political subdivision on or before the 25th day of each month.
14 Such report shall provide a detailed allocation of State sales
15 tax increment and local sales tax increment from each local
16 sales tax and State sales tax reported to the Department of
17 Revenue.

18 (a) The bond trustee, escrow agent, or paying agent shall
19 keep such sales and use tax reports and the information
20 contained therein confidential, but may use such information
21 for purposes of allocating and depositing the sales and use
22 tax revenues in connection with the bonds used to finance
23 project costs in such STAR bond district. Except as otherwise
24 provided herein, the sales and use tax reports received by the
25 bond trustee, escrow agent, or paying agent shall be subject

1 to the confidentiality provisions of Section 11 of the
2 Retailers' Occupation Tax Act.

3 (b) The political subdivision shall determine when the
4 amount of sales tax and other revenues that have been
5 collected and distributed to the bond debt service or reserve
6 fund is sufficient to satisfy all principal and interest costs
7 to the maturity date or dates of any STAR bond issued by a
8 political subdivision to finance a STAR bond project and shall
9 give the Department of Revenue written notice of such
10 determination. The notice shall include a date certain on
11 which deposits into the STAR Bonds Revenue Fund for that STAR
12 bond project shall terminate and shall be provided to the
13 Department of Revenue at least 60 days prior to that date.
14 Thereafter, all sales tax and other revenues shall be
15 collected and distributed in accordance with applicable law.

16 If the political subdivision fails to give timely notice
17 under this subsection (b), the Department of Revenue, upon
18 discovery of this failure, shall cease distribution of the
19 State sales tax increment to the political subdivision, shall
20 transfer any State sales tax increment in the STAR Bonds
21 Revenue Fund to the General Revenue Fund, and shall cease
22 deposits of State sales tax increment amounts into the STAR
23 Bonds Revenue Fund. Any amount of State sales tax increment
24 distributed to the political subdivision from the STAR Bonds
25 Revenue Fund in excess of the amount sufficient to satisfy all
26 principal and interest costs to the maturity date or dates of

1 any STAR bond issued by the political subdivision to finance a
2 STAR bond project shall be repaid to the Department of Revenue
3 and deposited into the General Revenue Fund. If not repaid
4 within 90 days after notice from the State, the Department of
5 Revenue shall withhold distributions to the political
6 subdivision from the Local Government Tax Fund until the
7 excess amount is repaid, which withheld amounts shall be
8 transferred to the General Revenue Fund.

9 Section 5-52. Review committee. Upon the seventh
10 anniversary of the first date of distribution of State sales
11 tax increment from the first STAR bond project in the State
12 under this Act, a 7-member STAR bonds review committee shall
13 be formed consisting of one appointee of each of the Director,
14 the Director of the Governor's Office of Management and
15 Budget, the Director of the Department of Revenue, the
16 President of the Senate, the Senate Minority Leader, the
17 Speaker of the House, and the House Minority Leader. The
18 review committee shall evaluate the success of all STAR bond
19 districts then existing in the State and make a determination
20 of the comprehensive economic benefits and detriments of STAR
21 bonds in the State as a whole. In making its determination, the
22 review committee shall examine available data regarding job
23 creation, sales revenues, and capital investment in STAR bond
24 districts; development that has occurred and is planned in
25 areas adjacent to STAR bond districts that will not be

1 directly financed with STAR bonds; effects of market
2 conditions on STAR bond districts and the likelihood of future
3 successes based on improving or declining market conditions;
4 retail sales migration and cannibalization of retail sales due
5 to STAR bond districts; and other relevant economic factors.
6 The review committee shall provide the Director, the Director
7 of the Governor's Office of Management and Budget, the
8 Director of the Department of Revenue, the General Assembly,
9 and the Governor with a written report detailing its findings
10 and shall make a final determination of whether STAR bonds
11 have had, and are likely to continue having, a negative or
12 positive economic impact on the State as a whole. Upon
13 completing and filing its written report, the review committee
14 shall be dissolved.

15 Section 5-55. Severability. If any provision of this Act
16 or the application thereof to any persons or circumstances is
17 held invalid, such invalidity shall not affect other
18 provisions or application of the Act that can be given effect
19 without the invalid provisions or application and to this end
20 the provisions of this Act are declared to be severable.

21 Section 5-57. Rules. The Department and the Department of
22 Revenue shall have the authority to adopt such rules as are
23 reasonable and necessary to implement the provisions of this
24 Act. Notwithstanding the foregoing, the Department and the

1 Department of Revenue shall have the authority, prior to
2 adoption and approval of those rules, to consult on and
3 recommend approval of a STAR bond district in accordance with
4 subsection (d) of Section 5-20 and to otherwise administer the
5 Act while those rules are pending adoption and approval.

6 Section 5-60. Open meetings and freedom of information.
7 All public hearings related to the administration, formation,
8 implementation, development, or construction of a STAR bond
9 district, STAR bond district plan, STAR bond project, or STAR
10 bond project plan, including but not limited to the public
11 hearings required by Sections 5-15, 5-20, and 5-40 of this
12 Act, shall be held in compliance with the Open Meetings Act.
13 The public hearing records, feasibility study, and other
14 documents that do not otherwise meet a confidentiality
15 exemption shall be subject to disclosure under the Freedom of
16 Information Act.

17 Section 5-62. Powers of political subdivisions. The
18 provisions of this Act are intended to be supplemental and in
19 addition to all other power or authority granted to political
20 subdivisions, shall be construed liberally, and shall not be
21 construed as a limitation of any power or authority otherwise
22 granted. In addition to the powers a political subdivision may
23 have under other provisions of law, a political subdivision
24 shall have all of the following powers in connection with a

1 STAR bond district:

2 (a) To make and enter into all contracts necessary or
3 incidental to the implementation and furtherance of a STAR
4 bond district plan.

5 (b) Within a STAR bond district, to acquire by purchase,
6 donation, or lease, and to own, convey, lease, mortgage, or
7 dispose of land and other real or personal property or rights
8 or interests in property and to grant or acquire licenses,
9 easements, and options with respect to property, all in the
10 manner and at a price the political subdivision determines is
11 reasonably necessary to achieve the objectives of the STAR
12 bond project.

13 (c) To clear any area within a STAR bond district by
14 demolition or removal of any existing buildings, structures,
15 fixtures, utilities, or improvements and to clear and grade
16 land.

17 (d) To install, repair, construct, reconstruct, extend or
18 relocate public streets, public utilities, and other public
19 site improvements located both within and outside the
20 boundaries of a STAR bond district that are essential to the
21 preparation of a STAR bond district for use in accordance with
22 a STAR bond district plan.

23 (e) To renovate, rehabilitate, reconstruct, relocate,
24 repair, or remodel any existing buildings, improvements, and
25 fixtures within a STAR bond district.

26 (f) To install or construct any public buildings,

1 structures, works, streets, improvements, utilities, or
2 fixtures within a STAR bond district.

3 (g) To issue STAR bonds as provided in this Act.

4 (h) Subject to the limitations set forth in the definition
5 of "project costs" in Section 5-10 of this Act, to fix, charge,
6 and collect fees, rents, and charges for the use of any
7 building, facility, or property or any portion of a building,
8 facility, or property owned or leased by the political
9 subdivision in furtherance of a STAR bond project under this
10 Act within a STAR bond district.

11 (i) To accept grants, guarantees, donations of property or
12 labor, or any other thing of value for use in connection with a
13 STAR bond project.

14 (j) To pay or cause to be paid STAR bond project costs,
15 including, specifically, to reimburse any developer or
16 nongovernmental person for STAR bond project costs incurred by
17 that person. A political subdivision is not required to obtain
18 any right, title, or interest in any real or personal property
19 in order to pay STAR bond project costs associated with the
20 property. The political subdivision shall adopt accounting
21 procedures necessary to determine that the STAR bond project
22 costs are properly paid.

23 (k) To exercise any and all other powers necessary to
24 effectuate the purposes of this Act.

25 Section 5-905. The Illinois State Auditing Act is amended

1 by changing Section 3-1 as follows:

2 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

3 Sec. 3-1. Jurisdiction of Auditor General. The Auditor
4 General has jurisdiction over all State agencies to make post
5 audits and investigations authorized by or under this Act or
6 the Constitution.

7 The Auditor General has jurisdiction over local government
8 agencies and private agencies only:

9 (a) to make such post audits authorized by or under
10 this Act as are necessary and incidental to a post audit of
11 a State agency or of a program administered by a State
12 agency involving public funds of the State, but this
13 jurisdiction does not include any authority to review
14 local governmental agencies in the obligation, receipt,
15 expenditure or use of public funds of the State that are
16 granted without limitation or condition imposed by law,
17 other than the general limitation that such funds be used
18 for public purposes;

19 (b) to make investigations authorized by or under this
20 Act or the Constitution; and

21 (c) to make audits of the records of local government
22 agencies to verify actual costs of state-mandated programs
23 when directed to do so by the Legislative Audit Commission
24 at the request of the State Board of Appeals under the
25 State Mandates Act.

1 In addition to the foregoing, the Auditor General may
2 conduct an audit of the Metropolitan Pier and Exposition
3 Authority, the Regional Transportation Authority, the Suburban
4 Bus Division, the Commuter Rail Division and the Chicago
5 Transit Authority and any other subsidized carrier when
6 authorized by the Legislative Audit Commission. Such audit may
7 be a financial, management or program audit, or any
8 combination thereof.

9 The audit shall determine whether they are operating in
10 accordance with all applicable laws and regulations. Subject
11 to the limitations of this Act, the Legislative Audit
12 Commission may by resolution specify additional determinations
13 to be included in the scope of the audit.

14 In addition to the foregoing, the Auditor General must
15 also conduct a financial audit of the Illinois Sports
16 Facilities Authority's expenditures of public funds in
17 connection with the reconstruction, renovation, remodeling,
18 extension, or improvement of all or substantially all of any
19 existing "facility", as that term is defined in the Illinois
20 Sports Facilities Authority Act.

21 The Auditor General may also conduct an audit, when
22 authorized by the Legislative Audit Commission, of any
23 hospital which receives 10% or more of its gross revenues from
24 payments from the State of Illinois, Department of Healthcare
25 and Family Services (formerly Department of Public Aid),
26 Medical Assistance Program.

1 The Auditor General is authorized to conduct financial and
2 compliance audits of the Illinois Distance Learning Foundation
3 and the Illinois Conservation Foundation.

4 As soon as practical after the effective date of this
5 amendatory Act of 1995, the Auditor General shall conduct a
6 compliance and management audit of the City of Chicago and any
7 other entity with regard to the operation of Chicago O'Hare
8 International Airport, Chicago Midway Airport and Merrill C.
9 Meigs Field. The audit shall include, but not be limited to, an
10 examination of revenues, expenses, and transfers of funds;
11 purchasing and contracting policies and practices; staffing
12 levels; and hiring practices and procedures. When completed,
13 the audit required by this paragraph shall be distributed in
14 accordance with Section 3-14.

15 The Auditor General shall conduct a financial and
16 compliance and program audit of distributions from the
17 Municipal Economic Development Fund during the immediately
18 preceding calendar year pursuant to Section 8-403.1 of the
19 Public Utilities Act at no cost to the city, village, or
20 incorporated town that received the distributions.

21 The Auditor General must conduct an audit of the Health
22 Facilities and Services Review Board pursuant to Section 19.5
23 of the Illinois Health Facilities Planning Act.

24 The Auditor General of the State of Illinois shall
25 annually conduct or cause to be conducted a financial and
26 compliance audit of the books and records of any county water

1 commission organized pursuant to the Water Commission Act of
2 1985 and shall file a copy of the report of that audit with the
3 Governor and the Legislative Audit Commission. The filed audit
4 shall be open to the public for inspection. The cost of the
5 audit shall be charged to the county water commission in
6 accordance with Section 6z-27 of the State Finance Act. The
7 county water commission shall make available to the Auditor
8 General its books and records and any other documentation,
9 whether in the possession of its trustees or other parties,
10 necessary to conduct the audit required. These audit
11 requirements apply only through July 1, 2007.

12 The Auditor General must conduct audits of the Rend Lake
13 Conservancy District as provided in Section 25.5 of the River
14 Conservancy Districts Act.

15 The Auditor General must conduct financial audits of the
16 Southeastern Illinois Economic Development Authority as
17 provided in Section 70 of the Southeastern Illinois Economic
18 Development Authority Act.

19 The Auditor General shall conduct a compliance audit in
20 accordance with subsections (d) and (f) of Section 30 of the
21 Innovation Development and Economy Act.

22 The Auditor General shall conduct a compliance audit in
23 accordance with subsections (d) and (g) of Section 5-30 of the
24 Statewide Innovation Development and Economy Act.

25 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09;
26 96-939, eff. 6-24-10.)

1 Section 5-910. The State Finance Act is amended by
2 changing Sections 6z-18 and 6z-20 as follows:

3 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

4 Sec. 6z-18. Local Government Tax Fund. A portion of the
5 money paid into the Local Government Tax Fund from sales of
6 tangible personal property taxed at the 1% rate under the
7 Retailers' Occupation Tax Act and the Service Occupation Tax
8 Act, which occurred in municipalities, shall be distributed to
9 each municipality based upon the sales which occurred in that
10 municipality. The remainder shall be distributed to each
11 county based upon the sales which occurred in the
12 unincorporated area of that county.

13 Moneys transferred from the Grocery Tax Replacement Fund
14 to the Local Government Tax Fund under Section 6z-130 shall be
15 treated under this Section in the same manner as if they had
16 been remitted with the return on which they were reported.

17 A portion of the money paid into the Local Government Tax
18 Fund from the 6.25% general use tax rate on the selling price
19 of tangible personal property which is purchased outside
20 Illinois at retail from a retailer and which is titled or
21 registered by any agency of this State's government shall be
22 distributed to municipalities as provided in this paragraph.
23 Each municipality shall receive the amount attributable to
24 sales for which Illinois addresses for titling or registration

1 purposes are given as being in such municipality. The
2 remainder of the money paid into the Local Government Tax Fund
3 from such sales shall be distributed to counties. Each county
4 shall receive the amount attributable to sales for which
5 Illinois addresses for titling or registration purposes are
6 given as being located in the unincorporated area of such
7 county.

8 A portion of the money paid into the Local Government Tax
9 Fund from the 6.25% general rate (and, beginning July 1, 2000
10 and through December 31, 2000, the 1.25% rate on motor fuel and
11 gasohol, and beginning on August 6, 2010 through August 15,
12 2010, and beginning again on August 5, 2022 through August 14,
13 2022, the 1.25% rate on sales tax holiday items) on sales
14 subject to taxation under the Retailers' Occupation Tax Act
15 and the Service Occupation Tax Act, which occurred in
16 municipalities, shall be distributed to each municipality,
17 based upon the sales which occurred in that municipality. The
18 remainder shall be distributed to each county, based upon the
19 sales which occurred in the unincorporated area of such
20 county.

21 For the purpose of determining allocation to the local
22 government unit, a retail sale by a producer of coal or other
23 mineral mined in Illinois is a sale at retail at the place
24 where the coal or other mineral mined in Illinois is extracted
25 from the earth. This paragraph does not apply to coal or other
26 mineral when it is delivered or shipped by the seller to the

1 purchaser at a point outside Illinois so that the sale is
2 exempt under the United States Constitution as a sale in
3 interstate or foreign commerce.

4 Whenever the Department determines that a refund of money
5 paid into the Local Government Tax Fund should be made to a
6 claimant instead of issuing a credit memorandum, the
7 Department shall notify the State Comptroller, who shall cause
8 the order to be drawn for the amount specified, and to the
9 person named, in such notification from the Department. Such
10 refund shall be paid by the State Treasurer out of the Local
11 Government Tax Fund.

12 As soon as possible after the first day of each month,
13 beginning January 1, 2011, upon certification of the
14 Department of Revenue, the Comptroller shall order
15 transferred, and the Treasurer shall transfer, to the STAR
16 Bonds Revenue Fund the local sales tax increment, as defined
17 in the Innovation Development and Economy Act, collected
18 during the second preceding calendar month for sales within a
19 STAR bond district and deposited into the Local Government Tax
20 Fund, less 3% of that amount, which shall be transferred into
21 the Tax Compliance and Administration Fund and shall be used
22 by the Department, subject to appropriation, to cover the
23 costs of the Department in administering the Innovation
24 Development and Economy Act.

25 As soon as possible after the first day of each month,
26 beginning January 1, 2026, upon certification of the

1 Department of Revenue, the Comptroller shall order
2 transferred, and the Treasurer shall transfer, to the STAR
3 Bonds Revenue Fund the local sales tax increment, as defined
4 in the Statewide Innovation Development and Economy Act,
5 collected during the second preceding calendar month for sales
6 within a STAR bond district and deposited into the Local
7 Government Tax Fund, less 3% of that amount, which shall be
8 transferred into the Tax Compliance and Administration Fund
9 and shall be used by the Department, subject to appropriation,
10 to cover the costs of the Department in administering the
11 Statewide Innovation Development and Economy Act.

12 After the monthly transfers ~~transfer~~ to the STAR Bonds
13 Revenue Fund, on or before the 25th day of each calendar month,
14 the Department shall prepare and certify to the Comptroller
15 the disbursement of stated sums of money to named
16 municipalities and counties, the municipalities and counties
17 to be those entitled to distribution of taxes or penalties
18 paid to the Department during the second preceding calendar
19 month. The amount to be paid to each municipality or county
20 shall be the amount (not including credit memoranda) collected
21 during the second preceding calendar month by the Department
22 and paid into the Local Government Tax Fund, plus an amount the
23 Department determines is necessary to offset any amounts which
24 were erroneously paid to a different taxing body, and not
25 including an amount equal to the amount of refunds made during
26 the second preceding calendar month by the Department, and not

1 including any amount which the Department determines is
2 necessary to offset any amounts which are payable to a
3 different taxing body but were erroneously paid to the
4 municipality or county, and not including any amounts that are
5 transferred to the STAR Bonds Revenue Fund. Within 10 days
6 after receipt, by the Comptroller, of the disbursement
7 certification to the municipalities and counties, provided for
8 in this Section to be given to the Comptroller by the
9 Department, the Comptroller shall cause the orders to be drawn
10 for the respective amounts in accordance with the directions
11 contained in such certification.

12 When certifying the amount of monthly disbursement to a
13 municipality or county under this Section, the Department
14 shall increase or decrease that amount by an amount necessary
15 to offset any misallocation of previous disbursements. The
16 offset amount shall be the amount erroneously disbursed within
17 the 6 months preceding the time a misallocation is discovered.

18 The provisions directing the distributions from the
19 special fund in the State treasury provided for in this
20 Section shall constitute an irrevocable and continuing
21 appropriation of all amounts as provided herein. The State
22 Treasurer and State Comptroller are hereby authorized to make
23 distributions as provided in this Section.

24 In construing any development, redevelopment, annexation,
25 preannexation, or other lawful agreement in effect prior to
26 September 1, 1990, which describes or refers to receipts from

1 a county or municipal retailers' occupation tax, use tax or
2 service occupation tax which now cannot be imposed, such
3 description or reference shall be deemed to include the
4 replacement revenue for such abolished taxes, distributed from
5 the Local Government Tax Fund.

6 As soon as possible after March 8, 2013 (the effective
7 date of Public Act 98-3), the State Comptroller shall order
8 and the State Treasurer shall transfer \$6,600,000 from the
9 Local Government Tax Fund to the Illinois State Medical
10 Disciplinary Fund.

11 (Source: P.A. 102-700, Article 60, Section 60-10, eff.
12 4-19-22; 102-700, Article 65, Section 65-15, eff. 4-19-22;
13 103-154, eff. 6-30-23.)

14 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

15 Sec. 6z-20. County and Mass Transit District Fund. Of the
16 money received from the 6.25% general rate (and, beginning
17 July 1, 2000 and through December 31, 2000, the 1.25% rate on
18 motor fuel and gasohol, and beginning on August 6, 2010
19 through August 15, 2010, and beginning again on August 5, 2022
20 through August 14, 2022, the 1.25% rate on sales tax holiday
21 items) on sales subject to taxation under the Retailers'
22 Occupation Tax Act and Service Occupation Tax Act and paid
23 into the County and Mass Transit District Fund, distribution
24 to the Regional Transportation Authority tax fund, created
25 pursuant to Section 4.03 of the Regional Transportation

1 Authority Act, for deposit therein shall be made based upon
2 the retail sales occurring in a county having more than
3 3,000,000 inhabitants. The remainder shall be distributed to
4 each county having 3,000,000 or fewer inhabitants based upon
5 the retail sales occurring in each such county.

6 For the purpose of determining allocation to the local
7 government unit, a retail sale by a producer of coal or other
8 mineral mined in Illinois is a sale at retail at the place
9 where the coal or other mineral mined in Illinois is extracted
10 from the earth. This paragraph does not apply to coal or other
11 mineral when it is delivered or shipped by the seller to the
12 purchaser at a point outside Illinois so that the sale is
13 exempt under the United States Constitution as a sale in
14 interstate or foreign commerce.

15 Of the money received from the 6.25% general use tax rate
16 on tangible personal property which is purchased outside
17 Illinois at retail from a retailer and which is titled or
18 registered by any agency of this State's government and paid
19 into the County and Mass Transit District Fund, the amount for
20 which Illinois addresses for titling or registration purposes
21 are given as being in each county having more than 3,000,000
22 inhabitants shall be distributed into the Regional
23 Transportation Authority tax fund, created pursuant to Section
24 4.03 of the Regional Transportation Authority Act. The
25 remainder of the money paid from such sales shall be
26 distributed to each county based on sales for which Illinois

1 addresses for titling or registration purposes are given as
2 being located in the county. Any money paid into the Regional
3 Transportation Authority Occupation and Use Tax Replacement
4 Fund from the County and Mass Transit District Fund prior to
5 January 14, 1991, which has not been paid to the Authority
6 prior to that date, shall be transferred to the Regional
7 Transportation Authority tax fund.

8 Whenever the Department determines that a refund of money
9 paid into the County and Mass Transit District Fund should be
10 made to a claimant instead of issuing a credit memorandum, the
11 Department shall notify the State Comptroller, who shall cause
12 the order to be drawn for the amount specified, and to the
13 person named, in such notification from the Department. Such
14 refund shall be paid by the State Treasurer out of the County
15 and Mass Transit District Fund.

16 As soon as possible after the first day of each month,
17 beginning January 1, 2011, upon certification of the
18 Department of Revenue, the Comptroller shall order
19 transferred, and the Treasurer shall transfer, to the STAR
20 Bonds Revenue Fund the local sales tax increment, as defined
21 in the Innovation Development and Economy Act, collected
22 during the second preceding calendar month for sales within a
23 STAR bond district and deposited into the County and Mass
24 Transit District Fund, less 3% of that amount, which shall be
25 transferred into the Tax Compliance and Administration Fund
26 and shall be used by the Department, subject to appropriation,

1 to cover the costs of the Department in administering the
2 Innovation Development and Economy Act.

3 As soon as possible after the first day of each month,
4 beginning January 1, 2026, upon certification of the
5 Department of Revenue, the Comptroller shall order
6 transferred, and the Treasurer shall transfer, to the STAR
7 Bonds Revenue Fund the local sales tax increment, as defined
8 in the Statewide Innovation Development and Economy Act,
9 collected during the second preceding calendar month for sales
10 within a STAR bond district and deposited into the County and
11 Mass Transit District Fund, less 3% of that amount, which
12 shall be transferred into the Tax Compliance and
13 Administration Fund and shall be used by the Department,
14 subject to appropriation, to cover the costs of the Department
15 in administering the Statewide Innovation Development and
16 Economy Act.

17 After the monthly transfers ~~transfer~~ to the STAR Bonds
18 Revenue Fund, on or before the 25th day of each calendar month,
19 the Department shall prepare and certify to the Comptroller
20 the disbursement of stated sums of money to the Regional
21 Transportation Authority and to named counties, the counties
22 to be those entitled to distribution, as hereinabove provided,
23 of taxes or penalties paid to the Department during the second
24 preceding calendar month. The amount to be paid to the
25 Regional Transportation Authority and each county having
26 3,000,000 or fewer inhabitants shall be the amount (not

1 including credit memoranda) collected during the second
2 preceding calendar month by the Department and paid into the
3 County and Mass Transit District Fund, plus an amount the
4 Department determines is necessary to offset any amounts which
5 were erroneously paid to a different taxing body, and not
6 including an amount equal to the amount of refunds made during
7 the second preceding calendar month by the Department, and not
8 including any amount which the Department determines is
9 necessary to offset any amounts which were payable to a
10 different taxing body but were erroneously paid to the
11 Regional Transportation Authority or county, and not including
12 any amounts that are transferred to the STAR Bonds Revenue
13 Fund, less 1.5% of the amount to be paid to the Regional
14 Transportation Authority, which shall be transferred into the
15 Tax Compliance and Administration Fund. The Department, at the
16 time of each monthly disbursement to the Regional
17 Transportation Authority, shall prepare and certify to the
18 State Comptroller the amount to be transferred into the Tax
19 Compliance and Administration Fund under this Section. Within
20 10 days after receipt, by the Comptroller, of the disbursement
21 certification to the Regional Transportation Authority,
22 counties, and the Tax Compliance and Administration Fund
23 provided for in this Section to be given to the Comptroller by
24 the Department, the Comptroller shall cause the orders to be
25 drawn for the respective amounts in accordance with the
26 directions contained in such certification.

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

8 The provisions directing the distributions from the
9 special fund in the State Treasury provided for in this
10 Section and from the Regional Transportation Authority tax
11 fund created by Section 4.03 of the Regional Transportation
12 Authority Act shall constitute an irrevocable and continuing
13 appropriation of all amounts as provided herein. The State
14 Treasurer and State Comptroller are hereby authorized to make
15 distributions as provided in this Section.

16 In construing any development, redevelopment, annexation,
17 preannexation or other lawful agreement in effect prior to
18 September 1, 1990, which describes or refers to receipts from
19 a county or municipal retailers' occupation tax, use tax or
20 service occupation tax which now cannot be imposed, such
21 description or reference shall be deemed to include the
22 replacement revenue for such abolished taxes, distributed from
23 the County and Mass Transit District Fund or Local Government
24 Distributive Fund, as the case may be.

25 (Source: P.A. 102-700, eff. 4-19-22.)

1 Section 5-915. The Counties Code is amended by changing
2 Sections 5-1006, 5-1006.8, 5-1006.9, and 5-1007 as follows:

3 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

4 Sec. 5-1006. Home Rule County Retailers' Occupation Tax
5 Law. Any county that is a home rule unit may impose a tax upon
6 all persons engaged in the business of selling tangible
7 personal property, other than an item of tangible personal
8 property titled or registered with an agency of this State's
9 government, at retail in the county on the gross receipts from
10 such sales made in the course of their business. If imposed,
11 this tax shall only be imposed in 1/4% increments. On and after
12 September 1, 1991, this additional tax may not be imposed on
13 tangible personal property taxed at the 1% rate under the
14 Retailers' Occupation Tax Act (or at the 0% rate imposed under
15 this amendatory Act of the 102nd General Assembly). Beginning
16 December 1, 2019, this tax is not imposed on sales of aviation
17 fuel unless the tax revenue is expended for airport-related
18 purposes. If the county does not have an airport-related
19 purpose to which it dedicates aviation fuel tax revenue, then
20 aviation fuel is excluded from the tax. The county must comply
21 with the certification requirements for airport-related
22 purposes under Section 2-22 of the Retailers' Occupation Tax
23 Act. For purposes of this Section, "airport-related purposes"
24 has the meaning ascribed in Section 6z-20.2 of the State
25 Finance Act. This exclusion for aviation fuel only applies for

1 so long as the revenue use requirements of 49 U.S.C. 47107(b)
2 and 49 U.S.C. 47133 are binding on the county. The changes made
3 to this Section by this amendatory Act of the 101st General
4 Assembly are a denial and limitation of home rule powers and
5 functions under subsection (g) of Section 6 of Article VII of
6 the Illinois Constitution.

7 If, on January 1, 2025, a unit of local government has in
8 effect a tax under this Section, or if, after January 1, 2025,
9 a unit of local government imposes a tax under this Section,
10 then that tax applies to leases of tangible personal property
11 in effect, entered into, or renewed on or after that date in
12 the same manner as the tax under this Section and in accordance
13 with the changes made by this amendatory Act of the 103rd
14 General Assembly.

15 The tax imposed by a home rule county pursuant to this
16 Section and all civil penalties that may be assessed as an
17 incident thereof shall be collected and enforced by the State
18 Department of Revenue. The certificate of registration that is
19 issued by the Department to a retailer under the Retailers'
20 Occupation Tax Act shall permit the retailer to engage in a
21 business that is taxable under any ordinance or resolution
22 enacted pursuant to this Section without registering
23 separately with the Department under such ordinance or
24 resolution or under this Section. The Department shall have
25 full power to administer and enforce this Section; to collect
26 all taxes and penalties due hereunder; to dispose of taxes and

1 penalties so collected in the manner hereinafter provided; and
2 to determine all rights to credit memoranda arising on account
3 of the erroneous payment of tax or penalty hereunder. In the
4 administration of, and compliance with, this Section, the
5 Department and persons who are subject to this Section shall
6 have the same rights, remedies, privileges, immunities, powers
7 and duties, and be subject to the same conditions,
8 restrictions, limitations, penalties and definitions of terms,
9 and employ the same modes of procedure, as are prescribed in
10 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through
11 2-65 (in respect to all provisions therein other than the
12 State rate of tax), 3 (except as to the disposition of taxes
13 and penalties collected, and except that the retailer's
14 discount is not allowed for taxes paid on aviation fuel that
15 are subject to the revenue use requirements of 49 U.S.C.
16 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,
17 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12
18 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of
19 the Uniform Penalty and Interest Act, as fully as if those
20 provisions were set forth herein.

21 No tax may be imposed by a home rule county pursuant to
22 this Section unless the county also imposes a tax at the same
23 rate pursuant to Section 5-1007.

24 Persons subject to any tax imposed pursuant to the
25 authority granted in this Section may reimburse themselves for
26 their seller's tax liability hereunder by separately stating

1 such tax as an additional charge, which charge may be stated in
2 combination, in a single amount, with State tax which sellers
3 are required to collect under the Use Tax Act, pursuant to such
4 bracket schedules as the Department may prescribe.

5 Whenever the Department determines that a refund should be
6 made under this Section to a claimant instead of issuing a
7 credit memorandum, the Department shall notify the State
8 Comptroller, who shall cause the order to be drawn for the
9 amount specified and to the person named in the notification
10 from the Department. The refund shall be paid by the State
11 Treasurer out of the home rule county retailers' occupation
12 tax fund or the Local Government Aviation Trust Fund, as
13 appropriate.

14 Except as otherwise provided in this paragraph, the
15 Department shall forthwith pay over to the State Treasurer, ex
16 officio, as trustee, all taxes and penalties collected
17 hereunder for deposit into the Home Rule County Retailers'
18 Occupation Tax Fund. Taxes and penalties collected on aviation
19 fuel sold on or after December 1, 2019, shall be immediately
20 paid over by the Department to the State Treasurer, ex
21 officio, as trustee, for deposit into the Local Government
22 Aviation Trust Fund. The Department shall only pay moneys into
23 the Local Government Aviation Trust Fund under this Section
24 for so long as the revenue use requirements of 49 U.S.C.
25 47107(b) and 49 U.S.C. 47133 are binding on the county.

26 As soon as possible after the first day of each month,

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

8 As soon as possible after the first day of each month,
9 beginning January 1, 2026, upon certification of the
10 Department of Revenue, the Comptroller shall order
11 transferred, and the Treasurer shall transfer, to the STAR
12 Bonds Revenue Fund the local sales tax increment, as defined
13 in the Statewide Innovation Development and Economy Act,
14 collected under this Section during the second preceding
15 calendar month for sales within a STAR bond district.

16 After the monthly transfers ~~transfer~~ to the STAR Bonds
17 Revenue Fund, on or before the 25th day of each calendar month,
18 the Department shall prepare and certify to the Comptroller
19 the disbursement of stated sums of money to named counties,
20 the counties to be those from which retailers have paid taxes
21 or penalties hereunder to the Department during the second
22 preceding calendar month. The amount to be paid to each county
23 shall be the amount (not including credit memoranda and not
24 including taxes and penalties collected on aviation fuel sold
25 on or after December 1, 2019) collected hereunder during the
26 second preceding calendar month by the Department plus an

1 amount the Department determines is necessary to offset any
2 amounts that were erroneously paid to a different taxing body,
3 and not including an amount equal to the amount of refunds made
4 during the second preceding calendar month by the Department
5 on behalf of such county, and not including any amount which
6 the Department determines is necessary to offset any amounts
7 which were payable to a different taxing body but were
8 erroneously paid to the county, and not including any amounts
9 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
10 of the remainder, which the Department shall transfer into the
11 Tax Compliance and Administration Fund. The Department, at the
12 time of each monthly disbursement to the counties, shall
13 prepare and certify to the State Comptroller the amount to be
14 transferred into the Tax Compliance and Administration Fund
15 under this Section. Within 10 days after receipt, by the
16 Comptroller, of the disbursement certification to the counties
17 and the Tax Compliance and Administration Fund provided for in
18 this Section to be given to the Comptroller by the Department,
19 the Comptroller shall cause the orders to be drawn for the
20 respective amounts in accordance with the directions contained
21 in the certification.

22 In addition to the disbursement required by the preceding
23 paragraph, an allocation shall be made in March of each year to
24 each county that received more than \$500,000 in disbursements
25 under the preceding paragraph in the preceding calendar year.
26 The allocation shall be in an amount equal to the average

1 monthly distribution made to each such county under the
2 preceding paragraph during the preceding calendar year
3 (excluding the 2 months of highest receipts). The distribution
4 made in March of each year subsequent to the year in which an
5 allocation was made pursuant to this paragraph and the
6 preceding paragraph shall be reduced by the amount allocated
7 and disbursed under this paragraph in the preceding calendar
8 year. The Department shall prepare and certify to the
9 Comptroller for disbursement the allocations made in
10 accordance with this paragraph.

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

20 Nothing in this Section shall be construed to authorize a
21 county to impose a tax upon the privilege of engaging in any
22 business which under the Constitution of the United States may
23 not be made the subject of taxation by this State.

24 An ordinance or resolution imposing or discontinuing a tax
25 hereunder or effecting a change in the rate thereof shall be
26 adopted and a certified copy thereof filed with the Department

1 on or before the first day of June, whereupon the Department
2 shall proceed to administer and enforce this Section as of the
3 first day of September next following such adoption and
4 filing. Beginning January 1, 1992, an ordinance or resolution
5 imposing or discontinuing the tax hereunder or effecting a
6 change in the rate thereof shall be adopted and a certified
7 copy thereof filed with the Department on or before the first
8 day of July, whereupon the Department shall proceed to
9 administer and enforce this Section as of the first day of
10 October next following such adoption and filing. Beginning
11 January 1, 1993, an ordinance or resolution imposing or
12 discontinuing the tax hereunder or effecting a change in the
13 rate thereof shall be adopted and a certified copy thereof
14 filed with the Department on or before the first day of
15 October, whereupon the Department shall proceed to administer
16 and enforce this Section as of the first day of January next
17 following such adoption and filing. Beginning April 1, 1998,
18 an ordinance or resolution imposing or discontinuing the tax
19 hereunder or effecting a change in the rate thereof shall
20 either (i) be adopted and a certified copy thereof filed with
21 the Department on or before the first day of April, whereupon
22 the Department shall proceed to administer and enforce this
23 Section as of the first day of July next following the adoption
24 and filing; or (ii) be adopted and a certified copy thereof
25 filed with the Department on or before the first day of
26 October, whereupon the Department shall proceed to administer

1 and enforce this Section as of the first day of January next
2 following the adoption and filing.

3 When certifying the amount of a monthly disbursement to a
4 county under this Section, the Department shall increase or
5 decrease such amount by an amount necessary to offset any
6 misallocation of previous disbursements. The offset amount
7 shall be the amount erroneously disbursed within the previous
8 6 months from the time a misallocation is discovered.

9 This Section shall be known and may be cited as the Home
10 Rule County Retailers' Occupation Tax Law.

11 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

12 (55 ILCS 5/5-1006.8)

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

15 (a) This Section may be referred to as the County Cannabis
16 Retailers' Occupation Tax Law. The corporate authorities of
17 any county may, by ordinance, impose a tax upon all persons
18 engaged in the business of selling cannabis, other than
19 cannabis purchased under the Compassionate Use of Medical
20 Cannabis Program Act, at retail in the county on the gross
21 receipts from these sales made in the course of that business.
22 If imposed, the tax shall be imposed only in 0.25% increments.
23 The tax rate may not exceed: (i) 3.75% of the gross receipts of
24 sales made in unincorporated areas of the county; and (ii) 3%
25 of the gross receipts of sales made in a municipality located

1 in the county. The tax imposed under this Section and all civil
2 penalties that may be assessed as an incident of the tax shall
3 be collected and enforced by the Department of Revenue. The
4 Department of Revenue shall have full power to administer and
5 enforce this Section; to collect all taxes and penalties due
6 hereunder; to dispose of taxes and penalties so collected in
7 the manner hereinafter provided; and to determine all rights
8 to credit memoranda arising on account of the erroneous
9 payment of tax or penalty under this Section. In the
10 administration of and compliance with this Section, the
11 Department of Revenue and persons who are subject to this
12 Section shall have the same rights, remedies, privileges,
13 immunities, powers and duties, and be subject to the same
14 conditions, restrictions, limitations, penalties, and
15 definitions of terms, and employ the same modes of procedure,
16 as are described in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
17 1n, 2 through 2-65 (in respect to all provisions therein other
18 than the State rate of tax), 2a, 2b, 2c, 2i, 3 (except as to
19 the disposition of taxes and penalties collected), 4, 5, 5a,
20 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6bb, 6c, 6d,
21 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation
22 Tax Act and Section 3-7 of the Uniform Penalty and Interest Act
23 as fully as if those provisions were set forth in this Section.

24 (b) Persons subject to any tax imposed under the authority
25 granted in this Section may reimburse themselves for their
26 seller's tax liability hereunder by separately stating that

1 tax as an additional charge, which charge may be stated in
2 combination, in a single amount, with any State tax that
3 sellers are required to collect.

4 (c) Whenever the Department of Revenue determines that a
5 refund should be made under this Section to a claimant instead
6 of issuing a credit memorandum, the Department of Revenue
7 shall notify the State Comptroller, who shall cause the order
8 to be drawn for the amount specified and to the person named in
9 the notification from the Department of Revenue.

10 (d) Except as otherwise provided in this Section, the ~~The~~
11 Department of Revenue shall immediately pay over to the State
12 Treasurer, ex officio, as trustee, all taxes and penalties
13 collected hereunder for deposit into the Local Cannabis
14 Retailers' Occupation Tax Trust Fund.

15 As soon as possible after the first day of each month,
16 beginning January 1, 2026, upon certification of the
17 Department of Revenue, the Comptroller shall order
18 transferred, and the Treasurer shall transfer, to the STAR
19 Bonds Revenue Fund the local sales tax increment, as defined
20 in the Statewide Innovation Development and Economy Act,
21 collected under this Section during the second preceding
22 calendar month for sales within a STAR bond district.

23 (e) After the monthly transfer to the STAR Bonds Revenue
24 Fund, on ~~On~~ or before the 25th day of each calendar month, the
25 Department of Revenue shall prepare and certify to the
26 Comptroller the amount of money to be disbursed from the Local

1 Cannabis Retailers' Occupation Tax Trust Fund to counties from
2 which retailers have paid taxes or penalties under this
3 Section during the second preceding calendar month. The amount
4 to be paid to each county shall be the amount (not including
5 credit memoranda) collected under this Section from sales made
6 in the county during the second preceding calendar month, plus
7 an amount the Department of Revenue determines is necessary to
8 offset any amounts that were erroneously paid to a different
9 taxing body, and not including an amount equal to the amount of
10 refunds made during the second preceding calendar month by the
11 Department on behalf of such county, and not including any
12 amount that the Department determines is necessary to offset
13 any amounts that were payable to a different taxing body but
14 were erroneously paid to the county, and not including any
15 amounts that are transferred to the STAR Bonds Revenue Fund,
16 less 1.5% of the remainder, which the Department shall
17 transfer into the Tax Compliance and Administration Fund. The
18 Department, at the time of each monthly disbursement to the
19 counties, shall prepare and certify the State Comptroller the
20 amount to be transferred into the Tax Compliance and
21 Administration Fund under this Section. Within 10 days after
22 receipt by the Comptroller of the disbursement certification
23 to the counties and the Tax Compliance and Administration Fund
24 provided for in this Section to be given to the Comptroller by
25 the Department, the Comptroller shall cause the orders to be
26 drawn for the respective amounts in accordance with the

1 directions contained in the certification.

2 (f) An ordinance or resolution imposing or discontinuing a
3 tax under this Section or effecting a change in the rate
4 thereof that is adopted on or after June 25, 2019 (the
5 effective date of Public Act 101-27) and for which a certified
6 copy is filed with the Department on or before April 1, 2020
7 shall be administered and enforced by the Department beginning
8 on July 1, 2020. For ordinances filed with the Department
9 after April 1, 2020, an ordinance or resolution imposing or
10 discontinuing a tax under this Section or effecting a change
11 in the rate thereof shall either (i) be adopted and a certified
12 copy thereof filed with the Department on or before the first
13 day of April, whereupon the Department shall proceed to
14 administer and enforce this Section as of the first day of July
15 next following the adoption and filing; or (ii) be adopted and
16 a certified copy thereof filed with the Department on or
17 before the first day of October, whereupon the Department
18 shall proceed to administer and enforce this Section as of the
19 first day of January next following the adoption and filing.

20 (g) Notwithstanding any provision in this Section to the
21 contrary, if an ordinance or resolution imposing a tax under
22 this Section was adopted on or before October 1, 2020 and a
23 certified copy thereof was filed with the Department of
24 Revenue on or before November 1, 2020, then the Department
25 shall proceed to administer and enforce this Section as of May
26 1, 2021 for such ordinances or resolutions.

1 (Source: P.A. 101-27, eff. 6-25-19; 101-363, eff. 8-9-19;
2 101-593, eff. 12-4-19; 102-2, eff. 4-2-21.)

3 (55 ILCS 5/5-1006.9)

4 Sec. 5-1006.9. County Grocery Occupation Tax Law.

5 (a) The corporate authorities of any county may, by
6 ordinance or resolution that takes effect on or after January
7 1, 2026, impose a tax upon all persons engaged in the business
8 of selling groceries at retail in the county, but outside of
9 any municipality, on the gross receipts from those sales made
10 in the course of that business. If imposed, the tax shall be at
11 the rate of 1% of the gross receipts from these sales.

12 The tax imposed by a county under this subsection and all
13 civil penalties that may be assessed as an incident of the tax
14 shall be collected and enforced by the Department. The
15 certificate of registration that is issued by the Department
16 to a retailer under the Retailers' Occupation Tax Act shall
17 permit the retailer to engage in a business that is taxable
18 under any ordinance or resolution enacted under this
19 subsection without registering separately with the Department
20 under that ordinance or resolution or under this subsection.

21 The Department shall have full power to administer and
22 enforce this subsection; to collect all taxes and penalties
23 due under this subsection; to dispose of taxes and penalties
24 so collected in the manner provided in this Section and under
25 rules adopted by the Department; and to determine all rights

1 to credit memoranda arising on account of the erroneous
2 payment of tax or penalty under this subsection.

3 In the administration of, and compliance with, this
4 subsection, the Department and persons who are subject to this
5 subsection shall have the same rights, remedies, privileges,
6 immunities, powers, and duties, and be subject to the same
7 conditions, restrictions, limitations, penalties and
8 definitions of terms, and employ the same modes of procedure,
9 as are prescribed in Sections 1, 2 through 2-65 (in respect to
10 all provisions therein other than the State rate of tax), 2c, 3
11 (except as to the disposition of taxes and penalties
12 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a,
13 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12 and 13 of the Retailers'
14 Occupation Tax Act and all of the Uniform Penalty and Interest
15 Act, as fully as if those provisions were set forth in this
16 Section.

17 Persons subject to any tax imposed under the authority
18 granted in this subsection may reimburse themselves for their
19 seller's tax liability hereunder by separately stating that
20 tax as an additional charge, which charge may be stated in
21 combination, in a single amount, with State tax that sellers
22 are required to collect under the Use Tax Act, pursuant to such
23 bracket schedules as the Department may prescribe.

24 (b) If a tax has been imposed under subsection (a), then a
25 service occupation tax must also be imposed at the same rate
26 upon all persons engaged, in the county but outside of a

1 municipality, in the business of making sales of service, who,
2 as an incident to making those sales of service, transfer
3 groceries, as defined in this Section, as an incident to a sale
4 of service.

5 The tax imposed under this subsection and all civil
6 penalties that may be assessed as an incident thereof shall be
7 collected and enforced by the Department. The certificate of
8 registration that is issued by the Department to a retailer
9 under the Retailers' Occupation Tax Act or the Service
10 Occupation Tax Act shall permit the registrant to engage in a
11 business that is taxable under any ordinance or resolution
12 enacted pursuant to this subsection without registering
13 separately with the Department under the ordinance or
14 resolution or under this subsection.

15 The Department shall have full power to administer and
16 enforce this subsection, to collect all taxes and penalties
17 due under this subsection, to dispose of taxes and penalties
18 so collected in the manner provided in this Section and under
19 rules adopted by the Department, and to determine all rights
20 to credit memoranda arising on account of the erroneous
21 payment of a tax or penalty under this subsection.

22 In the administration of and compliance with this
23 subsection, the Department and persons who are subject to this
24 subsection shall have the same rights, remedies, privileges,
25 immunities, powers and duties, and be subject to the same
26 conditions, restrictions, limitations, penalties and

1 definitions of terms, and employ the same modes of procedure
2 as are set forth in Sections 2, 2c, 3 through 3-50 (in respect
3 to all provisions contained in those Sections other than the
4 State rate of tax), 4, 5, 7, 8, 9 (except as to the disposition
5 of taxes and penalties collected), 10, 11, 12, 13, 15, 16, 17,
6 18, 19, and 20 of the Service Occupation Tax Act and all
7 provisions of the Uniform Penalty and Interest Act, as fully
8 as if those provisions were set forth in this Section.

9 Persons subject to any tax imposed under the authority
10 granted in this subsection may reimburse themselves for their
11 serviceman's tax liability by separately stating the tax as an
12 additional charge, which may be stated in combination, in a
13 single amount, with State tax that servicemen are authorized
14 to collect under the Service Use Tax Act, pursuant to any
15 bracketed schedules set forth by the Department.

16 (c) The Department shall immediately pay over to the State
17 Treasurer, ex officio, as trustee, all taxes and penalties
18 collected under this Section. Those taxes and penalties shall
19 be deposited into the County Grocery Tax Trust Fund, a trust
20 fund created in the State treasury. Except as otherwise
21 provided in this Section, moneys in the County Grocery Tax
22 Trust Fund shall be used to make payments to counties and for
23 the payment of refunds under this Section.

24 Moneys deposited into the County Grocery Tax Trust Fund
25 under this Section are not subject to appropriation and shall
26 be used as provided in this Section. All deposits into the

1 County Grocery Tax Trust Fund shall be held in the County
2 Grocery Tax Trust Fund by the State Treasurer, ex officio, as
3 trustee separate and apart from all public moneys or funds of
4 this State.

5 Whenever the Department determines that a refund should be
6 made under this Section to a claimant instead of issuing a
7 credit memorandum, the Department shall notify the State
8 Comptroller, who shall cause the order to be drawn for the
9 amount specified and to the person named in the notification
10 from the Department. The refund shall be paid by the State
11 Treasurer out of the County Grocery Tax Trust Fund.

12 (d) As soon as possible after the first day of each month,
13 upon certification of the Department, the Comptroller shall
14 order transferred, and the Treasurer shall transfer, to the
15 STAR Bonds Revenue Fund the local sales tax increment, if any,
16 as defined in the Innovation Development and Economy Act,
17 collected under this Section.

18 As soon as possible after the first day of each month, upon
19 certification of the Department of Revenue, the Comptroller
20 shall order transferred, and the Treasurer shall transfer, to
21 the STAR Bonds Revenue Fund the local sales tax increment, as
22 defined in the Statewide Innovation Development and Economy
23 Act, collected under this Section during the second preceding
24 calendar month for sales within a STAR bond district.

25 After the monthly ~~transfers~~ transfer to the STAR Bonds
26 Revenue Fund, if any, on or before the 25th day of each

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

24 (e) Nothing in this Section shall be construed to
25 authorize a county to impose a tax upon the privilege of
26 engaging in any business which under the Constitution of the

1 United States may not be made the subject of taxation by this
2 State.

3 (f) Except as otherwise provided in this subsection, an
4 ordinance or resolution imposing or discontinuing the tax
5 hereunder or effecting a change in the rate thereof shall
6 either (i) be adopted and a certified copy thereof filed with
7 the Department on or before the first day of April, whereupon
8 the Department shall proceed to administer and enforce this
9 Section as of the first day of July next following the adoption
10 and filing, or (ii) be adopted and a certified copy thereof
11 filed with the Department on or before the first day of
12 October, whereupon the Department shall proceed to administer
13 and enforce this Section as of the first day of January next
14 following the adoption and filing.

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

21 (h) As used in this Section, "Department" means the
22 Department of Revenue.

23 For purposes of the tax authorized to be imposed under
24 subsection (a), "groceries" has the same meaning as "food for
25 human consumption that is to be consumed off the premises
26 where it is sold (other than alcoholic beverages, food

1 consisting of or infused with adult use cannabis, soft drinks,
2 candy, and food that has been prepared for immediate
3 consumption)", as further defined in Section 2-10 of the
4 Retailers' Occupation Tax Act.

5 For purposes of the tax authorized to be imposed under
6 subsection (b), "groceries" has the same meaning as "food for
7 human consumption that is to be consumed off the premises
8 where it is sold (other than alcoholic beverages, food
9 consisting of or infused with adult use cannabis, soft drinks,
10 candy, and food that has been prepared for immediate
11 consumption)", as further defined in Section 3-10 of the
12 Service Occupation Tax Act.

13 For purposes of the tax authorized to be imposed under
14 subsection (b), "groceries" also means food prepared for
15 immediate consumption and transferred incident to a sale of
16 service subject to the Service Occupation Tax Act or the
17 Service Use Tax Act by an entity licensed under the Hospital
18 Licensing Act, the Nursing Home Care Act, the Assisted Living
19 and Shared Housing Act, the ID/DD Community Care Act, the
20 MC/DD Act, the Specialized Mental Health Rehabilitation Act of
21 2013, or the Child Care Act of 1969, or an entity that holds a
22 permit issued pursuant to the Life Care Facilities Act.

23 (i) This Section may be referred to as the County Grocery
24 Occupation Tax Law.

25 (Source: P.A. 103-781, eff. 8-5-24.)

1 (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

2 Sec. 5-1007. Home Rule County Service Occupation Tax Law.
3 The corporate authorities of a home rule county may impose a
4 tax upon all persons engaged, in such county, in the business
5 of making sales of service at the same rate of tax imposed
6 pursuant to Section 5-1006 of the selling price of all
7 tangible personal property transferred by such servicemen
8 either in the form of tangible personal property or in the form
9 of real estate as an incident to a sale of service. If imposed,
10 such tax shall only be imposed in 1/4% increments. On and after
11 September 1, 1991, this additional tax may not be imposed on
12 tangible personal property taxed at the 1% rate under the
13 Service Occupation Tax Act (or at the 0% rate imposed under
14 this amendatory Act of the 102nd General Assembly). Beginning
15 December 1, 2019, this tax is not imposed on sales of aviation
16 fuel unless the tax revenue is expended for airport-related
17 purposes. If the county does not have an airport-related
18 purpose to which it dedicates aviation fuel tax revenue, then
19 aviation fuel is excluded from the tax. The county must comply
20 with the certification requirements for airport-related
21 purposes under Section 2-22 of the Retailers' Occupation Tax
22 Act. For purposes of this Section, "airport-related purposes"
23 has the meaning ascribed in Section 6z-20.2 of the State
24 Finance Act. This exclusion for aviation fuel only applies for
25 so long as the revenue use requirements of 49 U.S.C. 47107(b)
26 and 49 U.S.C. 47133 are binding on the county. The changes made

1 to this Section by this amendatory Act of the 101st General
2 Assembly are a denial and limitation of home rule powers and
3 functions under subsection (g) of Section 6 of Article VII of
4 the Illinois Constitution. The tax imposed by a home rule
5 county pursuant to this Section and all civil penalties that
6 may be assessed as an incident thereof shall be collected and
7 enforced by the State Department of Revenue. The certificate
8 of registration which is issued by the Department to a
9 retailer under the Retailers' Occupation Tax Act or under the
10 Service Occupation Tax Act shall permit such registrant to
11 engage in a business which is taxable under any ordinance or
12 resolution enacted pursuant to this Section without
13 registering separately with the Department under such
14 ordinance or resolution or under this Section. The Department
15 shall have full power to administer and enforce this Section;
16 to collect all taxes and penalties due hereunder; to dispose
17 of taxes and penalties so collected in the manner hereinafter
18 provided; and to determine all rights to credit memoranda
19 arising on account of the erroneous payment of tax or penalty
20 hereunder. In the administration of, and compliance with, this
21 Section the Department and persons who are subject to this
22 Section shall have the same rights, remedies, privileges,
23 immunities, powers and duties, and be subject to the same
24 conditions, restrictions, limitations, penalties and
25 definitions of terms, and employ the same modes of procedure,
26 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in

1 respect to all provisions therein other than the State rate of
2 tax), 4 (except that the reference to the State shall be to the
3 taxing county), 5, 7, 8 (except that the jurisdiction to which
4 the tax shall be a debt to the extent indicated in that Section
5 8 shall be the taxing county), 9 (except as to the disposition
6 of taxes and penalties collected, and except that the returned
7 merchandise credit for this county tax may not be taken
8 against any State tax, and except that the retailer's discount
9 is not allowed for taxes paid on aviation fuel that are subject
10 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
11 U.S.C. 47133), 10, 11, 12 (except the reference therein to
12 Section 2b of the Retailers' Occupation Tax Act), 13 (except
13 that any reference to the State shall mean the taxing county),
14 the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the
15 Service Occupation Tax Act and Section 3-7 of the Uniform
16 Penalty and Interest Act, as fully as if those provisions were
17 set forth herein.

18 No tax may be imposed by a home rule county pursuant to
19 this Section unless such county also imposes a tax at the same
20 rate pursuant to Section 5-1006.

21 If, on January 1, 2025, a unit of local government has in
22 effect a tax under this Section, or if, after January 1, 2025,
23 a unit of local government imposes a tax under this Section,
24 then that tax applies to leases of tangible personal property
25 in effect, entered into, or renewed on or after that date in
26 the same manner as the tax under this Section and in accordance

1 with the changes made by this amendatory Act of the 103rd
2 General Assembly.

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

11 Whenever the Department determines that a refund should be
12 made under this Section to a claimant instead of issuing
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
16 notification from the Department. Such refund shall be paid by
17 the State Treasurer out of the home rule county retailers'
18 occupation tax fund or the Local Government Aviation Trust
19 Fund, as appropriate.

20 Except as otherwise provided in this paragraph, the
21 Department shall forthwith pay over to the State Treasurer, ex
22 officio, as trustee, all taxes and penalties collected
23 hereunder for deposit into the Home Rule County Retailers'
24 Occupation Tax Fund. Taxes and penalties collected on aviation
25 fuel sold on or after December 1, 2019, shall be immediately
26 paid over by the Department to the State Treasurer, ex

1 officio, as trustee, for deposit into the Local Government
2 Aviation Trust Fund. The Department shall only pay moneys into
3 the Local Government Aviation Trust Fund under this Section
4 for so long as the revenue use requirements of 49 U.S.C.
5 47107(b) and 49 U.S.C. 47133 are binding on the county.

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

14 As soon as possible after the first day of each month,
15 beginning January 1, 2026, upon certification of the
16 Department of Revenue, the Comptroller shall order
17 transferred, and the Treasurer shall transfer, to the STAR
18 Bonds Revenue Fund the local sales tax increment, as defined
19 in the Statewide Innovation Development and Economy Act,
20 collected under this Section during the second preceding
21 calendar month for sales within a STAR bond district.

22 After the monthly transfers ~~transfer~~ to the STAR Bonds
23 Revenue Fund, on or before the 25th day of each calendar month,
24 the Department shall prepare and certify to the Comptroller
25 the disbursement of stated sums of money to named counties,
26 the counties to be those from which suppliers and servicemen

1 have paid taxes or penalties hereunder to the Department
2 during the second preceding calendar month. The amount to be
3 paid to each county shall be the amount (not including credit
4 memoranda and not including taxes and penalties collected on
5 aviation fuel sold on or after December 1, 2019) collected
6 hereunder during the second preceding calendar month by the
7 Department, and not including an amount equal to the amount of
8 refunds made during the second preceding calendar month by the
9 Department on behalf of such county, and not including any
10 amounts that are transferred to the STAR Bonds Revenue Fund,
11 less 1.5% of the remainder, which the Department shall
12 transfer into the Tax Compliance and Administration Fund. The
13 Department, at the time of each monthly disbursement to the
14 counties, shall prepare and certify to the State Comptroller
15 the amount to be transferred into the Tax Compliance and
16 Administration Fund under this Section. Within 10 days after
17 receipt, by the Comptroller, of the disbursement certification
18 to the counties and the Tax Compliance and Administration Fund
19 provided for in this Section to be given to the Comptroller by
20 the Department, the Comptroller shall cause the orders to be
21 drawn for the respective amounts in accordance with the
22 directions contained in such certification.

23 In addition to the disbursement required by the preceding
24 paragraph, an allocation shall be made in each year to each
25 county which received more than \$500,000 in disbursements
26 under the preceding paragraph in the preceding calendar year.

1 The allocation shall be in an amount equal to the average
2 monthly distribution made to each such county under the
3 preceding paragraph during the preceding calendar year
4 (excluding the 2 months of highest receipts). The distribution
5 made in March of each year subsequent to the year in which an
6 allocation was made pursuant to this paragraph and the
7 preceding paragraph shall be reduced by the amount allocated
8 and disbursed under this paragraph in the preceding calendar
9 year. The Department shall prepare and certify to the
10 Comptroller for disbursement the allocations made in
11 accordance with this paragraph.

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

16 An ordinance or resolution imposing or discontinuing a tax
17 hereunder or effecting a change in the rate thereof shall be
18 adopted and a certified copy thereof filed with the Department
19 on or before the first day of June, whereupon the Department
20 shall proceed to administer and enforce this Section as of the
21 first day of September next following such adoption and
22 filing. Beginning January 1, 1992, an ordinance or resolution
23 imposing or discontinuing the tax hereunder or effecting a
24 change in the rate thereof shall be adopted and a certified
25 copy thereof filed with the Department on or before the first
26 day of July, whereupon the Department shall proceed to

1 administer and enforce this Section as of the first day of
2 October next following such adoption and filing. Beginning
3 January 1, 1993, an ordinance or resolution imposing or
4 discontinuing the tax hereunder or effecting a change in the
5 rate thereof shall be adopted and a certified copy thereof
6 filed with the Department on or before the first day of
7 October, whereupon the Department shall proceed to administer
8 and enforce this Section as of the first day of January next
9 following such adoption and filing. Beginning April 1, 1998,
10 an ordinance or resolution imposing or discontinuing the tax
11 hereunder or effecting a change in the rate thereof shall
12 either (i) be adopted and a certified copy thereof filed with
13 the Department on or before the first day of April, whereupon
14 the Department shall proceed to administer and enforce this
15 Section as of the first day of July next following the adoption
16 and filing; or (ii) be adopted and a certified copy thereof
17 filed with the Department on or before the first day of
18 October, whereupon the Department shall proceed to administer
19 and enforce this Section as of the first day of January next
20 following the adoption and filing.

21 This Section shall be known and may be cited as the Home
22 Rule County Service Occupation Tax Law.

23 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

24 Section 5-920. The Illinois Municipal Code is amended by
25 changing Sections 8-4-1, 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,

1 8-11-1.7, 8-11-5, 8-11-23, 8-11-24, and 11-74.3-6 as follows:

2 (65 ILCS 5/8-4-1) (from Ch. 24, par. 8-4-1)

3 Sec. 8-4-1. No bonds shall be issued by the corporate
4 authorities of any municipality until the question of
5 authorizing such bonds has been submitted to the electors of
6 that municipality provided that notice of the bond referendum,
7 if held before July 1, 1999, has been given in accordance with
8 the provisions of Section 12-5 of the Election Code in effect
9 at the time of the bond referendum, at least 10 and not more
10 than 45 days before the date of the election, notwithstanding
11 the time for publication otherwise imposed by Section 12-5,
12 and approved by a majority of the electors voting upon that
13 question. Notices required in connection with the submission
14 of public questions on or after July 1, 1999 shall be as set
15 forth in Section 12-5 of the Election Code. The clerk shall
16 certify the proposition of the corporate authorities to the
17 proper election authority who shall submit the question at an
18 election in accordance with the general election law, subject
19 to the notice provisions set forth in this Section.

20 Notice of any such election shall contain the amount of
21 the bond issue, purpose for which issued, and maximum rate of
22 interest.

23 In addition to all other authority to issue bonds, the
24 Village of Indian Head Park is authorized to issue bonds for
25 the purpose of paying the costs of making roadway improvements

1 in an amount not to exceed the aggregate principal amount of
2 \$2,500,000, provided that 60% of the votes cast at the general
3 primary election held on March 18, 2014 are cast in favor of
4 the issuance of the bonds, and the bonds are issued by December
5 31, 2014.

6 However, without the submission of the question of issuing
7 bonds to the electors, the corporate authorities of any
8 municipality may authorize the issuance of any of the
9 following bonds:

10 (1) Bonds to refund any existing bonded indebtedness;

11 (2) Bonds to fund or refund any existing judgment
12 indebtedness;

13 (3) In any municipality of less than 500,000
14 population, bonds to anticipate the collection of
15 installments of special assessments and special taxes
16 against property owned by the municipality and to
17 anticipate the collection of the amount apportioned to the
18 municipality as public benefits under Article 9;

19 (4) Bonds issued by any municipality under Sections
20 8-4-15 through 8-4-23, 11-23-1 through 11-23-12, 11-26-1
21 through 11-26-6, 11-71-1 through 11-71-10, 11-74.3-1
22 through 11-74.3-7, 11-74.4-1 through 11-74.4-11, 11-74.5-1
23 through 11-74.5-15, 11-94-1 through 11-94-7, 11-102-1
24 through 11-102-10, 11-103-11 through 11-103-15, 11-118-1
25 through 11-118-6, 11-119-1 through 11-119-5, 11-129-1
26 through 11-129-7, 11-133-1 through 11-133-4, 11-139-1

1 through 11-139-12, 11-141-1 through 11-141-18 of this
2 Code, or 10-801 through 10-808 of the Illinois Highway
3 Code;

4 (5) Bonds issued by the board of education of any
5 school district under the provisions of Sections 34-30
6 through 34-36 of the School Code;

7 (6) Bonds issued by any municipality under the
8 provisions of Division 6 of this Article 8; and by any
9 municipality under the provisions of Division 7 of this
10 Article 8; or under the provisions of Sections 11-121-4
11 and 11-121-5;

12 (7) Bonds to pay for the purchase of voting machines
13 by any municipality that has adopted Article 24 of the
14 Election Code;

15 (8) Bonds issued by any municipality under Sections 15
16 and 46 of the Environmental Protection Act;

17 (9) Bonds issued by the corporate authorities of any
18 municipality under the provisions of Section 8-4-25 of
19 this Article 8;

20 (10) Bonds issued under Section 8-4-26 of this Article
21 8 by any municipality having a board of election
22 commissioners;

23 (11) Bonds issued under the provisions of the Special
24 Service Area Tax Act (repealed);

25 (12) Bonds issued under Section 8-5-16 of this Code;

26 (13) Bonds to finance the cost of the acquisition,

1 construction, or improvement of water or wastewater
2 treatment facilities mandated by an enforceable compliance
3 schedule developed in connection with the federal Clean
4 Water Act or a compliance order issued by the United
5 States Environmental Protection Agency or the Illinois
6 Pollution Control Board; provided that such bonds are
7 authorized by an ordinance adopted by a three-fifths
8 majority of the corporate authorities of the municipality
9 issuing the bonds which ordinance shall specify that the
10 construction or improvement of such facilities is
11 necessary to alleviate an emergency condition in such
12 municipality;

13 (14) Bonds issued by any municipality pursuant to
14 Section 11-113.1-1;

15 (15) Bonds issued under Sections 11-74.6-1 through
16 11-74.6-45, the Industrial Jobs Recovery Law of this Code;

17 (16) Bonds issued under the Innovation Development and
18 Economy Act, except as may be required by Section 35 of
19 that Act.

20 (17) Bonds issued under the Statewide Innovation
21 Development and Economy Act, except as may be required by
22 Section 5-35 of that Act.

23 (Source: P.A. 102-587, eff. 1-1-22; 103-605, eff. 7-1-24.)

24 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

25 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax

1 Act. The corporate authorities of a home rule municipality may
2 impose a tax upon all persons engaged in the business of
3 selling tangible personal property, other than an item of
4 tangible personal property titled or registered with an agency
5 of this State's government, at retail in the municipality on
6 the gross receipts from these sales made in the course of such
7 business. If imposed, the tax shall only be imposed in 1/4%
8 increments. On and after September 1, 1991, this additional
9 tax may not be imposed on tangible personal property taxed at
10 the 1% rate under the Retailers' Occupation Tax Act (or at the
11 0% rate imposed under this amendatory Act of the 102nd General
12 Assembly). Beginning December 1, 2019, this tax is not imposed
13 on sales of aviation fuel unless the tax revenue is expended
14 for airport-related purposes. If a municipality does not have
15 an airport-related purpose to which it dedicates aviation fuel
16 tax revenue, then aviation fuel is excluded from the tax. Each
17 municipality must comply with the certification requirements
18 for airport-related purposes under Section 2-22 of the
19 Retailers' Occupation Tax Act. For purposes of this Section,
20 "airport-related purposes" has the meaning ascribed in Section
21 6z-20.2 of the State Finance Act. This exclusion for aviation
22 fuel only applies for so long as the revenue use requirements
23 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
24 municipality. The changes made to this Section by this
25 amendatory Act of the 101st General Assembly are a denial and
26 limitation of home rule powers and functions under subsection

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

1 is not allowed for taxes paid on aviation fuel that are subject
2 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
3 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,
4 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the
5 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
6 Penalty and Interest Act, as fully as if those provisions were
7 set forth herein.

8 No tax may be imposed by a home rule municipality under
9 this Section unless the municipality also imposes a tax at the
10 same rate under Section 8-11-5 of this Act.

11 If, on January 1, 2025, a unit of local government has in
12 effect a tax under this Section, or if, after January 1, 2025,
13 a unit of local government imposes a tax under this Section,
14 then that tax applies to leases of tangible personal property
15 in effect, entered into, or renewed on or after that date in
16 the same manner as the tax under this Section and in accordance
17 with the changes made by this amendatory Act of the 103rd
18 General Assembly.

19 Persons subject to any tax imposed under the authority
20 granted in this Section may reimburse themselves for their
21 seller's tax liability hereunder by separately stating that
22 tax as an additional charge, which charge may be stated in
23 combination, in a single amount, with State tax which sellers
24 are required to collect under the Use Tax Act, pursuant to such
25 bracket schedules as the Department may prescribe.

26 Whenever the Department determines that a refund should be

1 made under this Section to a claimant instead of issuing a
2 credit memorandum, the Department shall notify the State
3 Comptroller, who shall cause the order to be drawn for the
4 amount specified and to the person named in the notification
5 from the Department. The refund shall be paid by the State
6 Treasurer out of the home rule municipal retailers' occupation
7 tax fund or the Local Government Aviation Trust Fund, as
8 appropriate.

9 Except as otherwise provided in this paragraph, the
10 Department shall immediately pay over to the State Treasurer,
11 ex officio, as trustee, all taxes and penalties collected
12 hereunder for deposit into the Home Rule Municipal Retailers'
13 Occupation Tax Fund. Taxes and penalties collected on aviation
14 fuel sold on or after December 1, 2019, shall be immediately
15 paid over by the Department to the State Treasurer, ex
16 officio, as trustee, for deposit into the Local Government
17 Aviation Trust Fund. The Department shall only pay moneys into
18 the Local Government Aviation Trust Fund under this Section
19 for so long as the revenue use requirements of 49 U.S.C.
20 47107(b) and 49 U.S.C. 47133 are binding on the State.

21 As soon as possible after the first day of each month,
22 beginning January 1, 2011, upon certification of the
23 Department of Revenue, the Comptroller shall order
24 transferred, and the Treasurer shall transfer, to the STAR
25 Bonds Revenue Fund the local sales tax increment, as defined
26 in the Innovation Development and Economy Act, collected under

1 this Section during the second preceding calendar month for
2 sales within a STAR bond district.

3 As soon as possible after the first day of each month,
4 beginning January 1, 2026, upon certification of the
5 Department of Revenue, the Comptroller shall order
6 transferred, and the Treasurer shall transfer, to the STAR
7 Bonds Revenue Fund the local sales tax increment, as defined
8 in the Statewide Innovation Development and Economy Act,
9 collected under this Section during the second preceding
10 calendar month for sales within a STAR bond district.

11 After the monthly transfers ~~transfer~~ to the STAR Bonds
12 Revenue Fund, on or before the 25th day of each calendar month,
13 the Department shall prepare and certify to the Comptroller
14 the disbursement of stated sums of money to named
15 municipalities, the municipalities to be those from which
16 retailers have paid taxes or penalties hereunder to the
17 Department during the second preceding calendar month. The
18 amount to be paid to each municipality shall be the amount (not
19 including credit memoranda and not including taxes and
20 penalties collected on aviation fuel sold on or after December
21 1, 2019) collected hereunder during the second preceding
22 calendar month by the Department plus an amount the Department
23 determines is necessary to offset any amounts that were
24 erroneously paid to a different taxing body, and not including
25 an amount equal to the amount of refunds made during the second
26 preceding calendar month by the Department on behalf of such

1 municipality, and not including any amount that the Department
2 determines is necessary to offset any amounts that were
3 payable to a different taxing body but were erroneously paid
4 to the municipality, and not including any amounts that are
5 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
6 remainder, which the Department shall transfer into the Tax
7 Compliance and Administration Fund. The Department, at the
8 time of each monthly disbursement to the municipalities, shall
9 prepare and certify to the State Comptroller the amount to be
10 transferred into the Tax Compliance and Administration Fund
11 under this Section. Within 10 days after receipt by the
12 Comptroller of the disbursement certification to the
13 municipalities and the Tax Compliance and Administration Fund
14 provided for in this Section to be given to the Comptroller by
15 the Department, the Comptroller shall cause the orders to be
16 drawn for the respective amounts in accordance with the
17 directions contained in the certification.

18 In addition to the disbursement required by the preceding
19 paragraph and in order to mitigate delays caused by
20 distribution procedures, an allocation shall, if requested, be
21 made within 10 days after January 14, 1991, and in November of
22 1991 and each year thereafter, to each municipality that
23 received more than \$500,000 during the preceding fiscal year,
24 (July 1 through June 30) whether collected by the municipality
25 or disbursed by the Department as required by this Section.
26 Within 10 days after January 14, 1991, participating

1 municipalities shall notify the Department in writing of their
2 intent to participate. In addition, for the initial
3 distribution, participating municipalities shall certify to
4 the Department the amounts collected by the municipality for
5 each month under its home rule occupation and service
6 occupation tax during the period July 1, 1989 through June 30,
7 1990. The allocation within 10 days after January 14, 1991,
8 shall be in an amount equal to the monthly average of these
9 amounts, excluding the 2 months of highest receipts. The
10 monthly average for the period of July 1, 1990 through June 30,
11 1991 will be determined as follows: the amounts collected by
12 the municipality under its home rule occupation and service
13 occupation tax during the period of July 1, 1990 through
14 September 30, 1990, plus amounts collected by the Department
15 and paid to such municipality through June 30, 1991, excluding
16 the 2 months of highest receipts. The monthly average for each
17 subsequent period of July 1 through June 30 shall be an amount
18 equal to the monthly distribution made to each such
19 municipality under the preceding paragraph during this period,
20 excluding the 2 months of highest receipts. The distribution
21 made in November 1991 and each year thereafter under this
22 paragraph and the preceding paragraph shall be reduced by the
23 amount allocated and disbursed under this paragraph in the
24 preceding period of July 1 through June 30. The Department
25 shall prepare and certify to the Comptroller for disbursement
26 the allocations made in accordance with this paragraph.

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

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

14 An ordinance or resolution imposing or discontinuing a tax
15 hereunder or effecting a change in the rate thereof shall be
16 adopted and a certified copy thereof filed with the Department
17 on or before the first day of June, whereupon the Department
18 shall proceed to administer and enforce this Section as of the
19 first day of September next following the adoption and filing.
20 Beginning January 1, 1992, an ordinance or resolution imposing
21 or discontinuing the tax hereunder or effecting a change in
22 the rate thereof shall be adopted and a certified copy thereof
23 filed with the Department on or before the first day of July,
24 whereupon the Department shall proceed to administer and
25 enforce this Section as of the first day of October next
26 following such adoption and filing. Beginning January 1, 1993,

1 an ordinance or resolution imposing or discontinuing the tax
2 hereunder or effecting a change in the rate thereof shall be
3 adopted and a certified copy thereof filed with the Department
4 on or before the first day of October, whereupon the
5 Department shall proceed to administer and enforce this
6 Section as of the first day of January next following the
7 adoption and filing. However, a municipality located in a
8 county with a population in excess of 3,000,000 that elected
9 to become a home rule unit at the general primary election in
10 1994 may adopt an ordinance or resolution imposing the tax
11 under this Section and file a certified copy of the ordinance
12 or resolution with the Department on or before July 1, 1994.
13 The Department shall then proceed to administer and enforce
14 this Section as of October 1, 1994. Beginning April 1, 1998, an
15 ordinance or resolution imposing or discontinuing the tax
16 hereunder or effecting a change in the rate thereof shall
17 either (i) be adopted and a certified copy thereof filed with
18 the Department on or before the first day of April, whereupon
19 the Department shall proceed to administer and enforce this
20 Section as of the first day of July next following the adoption
21 and filing; or (ii) be adopted and a certified copy thereof
22 filed with the Department on or before the first day of
23 October, whereupon the Department shall proceed to administer
24 and enforce this Section as of the first day of January next
25 following the adoption and filing.

26 When certifying the amount of a monthly disbursement to a

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

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

20 As used in this Section, "municipal" and "municipality"
21 means a city, village or incorporated town, including an
22 incorporated town that has superseded a civil township.

23 This Section shall be known and may be cited as the Home
24 Rule Municipal Retailers' Occupation Tax Act.

25 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

1 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

2 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
3 Occupation Tax Act. The corporate authorities of a non-home
4 rule municipality may impose, by ordinance or resolution
5 adopted in the manner described in Section 8-11-1.1, a tax
6 upon all persons engaged in the business of selling tangible
7 personal property, other than on an item of tangible personal
8 property which is titled and registered by an agency of this
9 State's Government, at retail in the municipality. If imposed,
10 the tax shall be imposed on the gross receipts from such sales
11 made in the course of such business. The proceeds of the tax
12 may be used for public infrastructure or for property tax
13 relief or both, as defined in Section 8-11-1.2. If the tax is
14 approved by referendum on or after July 14, 2010 (the
15 effective date of Public Act 96-1057) and before August 5,
16 2024 (the effective date of Public Act 103-781), the corporate
17 authorities of the non-home rule municipality may, until
18 January 1, 2031, use the proceeds of the tax for expenditure on
19 municipal operations, in addition to or in lieu of any
20 expenditure on public infrastructure or for property tax
21 relief. If the tax is approved by an ordinance or resolution
22 adopted on or after August 5, 2024 (the effective date of
23 Public Act 103-781), the corporate authorities of the non-home
24 rule municipality may, until January 1, 2031, use the proceeds
25 of the tax for expenditure on municipal operations, in
26 addition to or in lieu of any expenditure on public

1 infrastructure or for property tax relief. The tax imposed may
2 not be more than 1% and may be imposed only in 1/4% increments.
3 The tax may not be imposed on tangible personal property taxed
4 at the 1% rate under the Retailers' Occupation Tax Act (or at
5 the 0% rate imposed under this amendatory Act of the 102nd
6 General Assembly). Beginning December 1, 2019, this tax is not
7 imposed on sales of aviation fuel unless the tax revenue is
8 expended for airport-related purposes. If a municipality does
9 not have an airport-related purpose to which it dedicates
10 aviation fuel tax revenue, then aviation fuel is excluded from
11 the tax. Each municipality must comply with the certification
12 requirements for airport-related purposes under Section 2-22
13 of the Retailers' Occupation Tax Act. For purposes of this
14 Section, "airport-related purposes" has the meaning ascribed
15 in Section 6z-20.2 of the State Finance Act. This exclusion
16 for aviation fuel only applies for so long as the revenue use
17 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
18 binding on the municipality. The tax imposed by a municipality
19 pursuant to this Section and all civil penalties that may be
20 assessed as an incident thereof shall be collected and
21 enforced by the State Department of Revenue. The certificate
22 of registration which is issued by the Department to a
23 retailer under the Retailers' Occupation Tax Act shall permit
24 such retailer to engage in a business which is taxable under
25 any ordinance or resolution enacted pursuant to this Section
26 without registering separately with the Department under such

1 ordinance or resolution or under this Section. The Department
2 shall have full power to administer and enforce this Section;
3 to collect all taxes and penalties due hereunder; to dispose
4 of taxes and penalties so collected in the manner hereinafter
5 provided, and to determine all rights to credit memoranda,
6 arising on account of the erroneous payment of tax or penalty
7 hereunder. In the administration of, and compliance with, this
8 Section, the Department and persons who are subject to this
9 Section shall have the same rights, remedies, privileges,
10 immunities, powers and duties, and be subject to the same
11 conditions, restrictions, limitations, penalties and
12 definitions of terms, and employ the same modes of procedure,
13 as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,
14 2 through 2-65 (in respect to all provisions therein other
15 than the State rate of tax), 2c, 3 (except as to the
16 disposition of taxes and penalties collected, and except that
17 the retailer's discount is not allowed for taxes paid on
18 aviation fuel that are subject to the revenue use requirements
19 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
20 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
21 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
22 Section 3-7 of the Uniform Penalty and Interest Act as fully as
23 if those provisions were set forth herein.

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

1 If, on January 1, 2025, a unit of local government has in
2 effect a tax under this Section, or if, after January 1, 2025,
3 a unit of local government imposes a tax under this Section,
4 then that tax applies to leases of tangible personal property
5 in effect, entered into, or renewed on or after that date in
6 the same manner as the tax under this Section and in accordance
7 with the changes made by this amendatory Act of the 103rd
8 General Assembly.

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
21 notification from the Department. Such refund shall be paid by
22 the State Treasurer out of the non-home rule municipal
23 retailers' occupation tax fund or the Local Government
24 Aviation Trust Fund, as appropriate.

25 Except as otherwise provided, the Department shall
26 forthwith pay over to the State Treasurer, ex officio, as

1 trustee, all taxes and penalties collected hereunder for
2 deposit into the Non-Home Rule Municipal Retailers' Occupation
3 Tax Fund. Taxes and penalties collected on aviation fuel sold
4 on or after December 1, 2019, shall be immediately paid over by
5 the Department to the State Treasurer, ex officio, as trustee,
6 for deposit into the Local Government Aviation Trust Fund. The
7 Department shall only pay moneys into the Local Government
8 Aviation Trust Fund under this Section for so long as the
9 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
10 47133 are binding on the municipality.

11 As soon as possible after the first day of each month,
12 beginning January 1, 2011, upon certification of the
13 Department of Revenue, the Comptroller shall order
14 transferred, and the Treasurer shall transfer, to the STAR
15 Bonds Revenue Fund the local sales tax increment, as defined
16 in the Innovation Development and Economy Act, collected under
17 this Section during the second preceding calendar month for
18 sales within a STAR bond district.

19 As soon as possible after the first day of each month,
20 beginning January 1, 2026, upon certification of the
21 Department of Revenue, the Comptroller shall order
22 transferred, and the Treasurer shall transfer, to the STAR
23 Bonds Revenue Fund the local sales tax increment, as defined
24 in the Statewide Innovation Development and Economy Act,
25 collected under this Section during the second preceding
26 calendar month for sales within a STAR bond district.

1 After the monthly transfers ~~transfer~~ to the STAR Bonds
2 Revenue Fund, on or before the 25th day of each calendar month,
3 the Department shall prepare and certify to the Comptroller
4 the disbursement of stated sums of money to named
5 municipalities, the municipalities to be those from which
6 retailers have paid taxes or penalties hereunder to the
7 Department during the second preceding calendar month. The
8 amount to be paid to each municipality shall be the amount (not
9 including credit memoranda and not including taxes and
10 penalties collected on aviation fuel sold on or after December
11 1, 2019) collected hereunder during the second preceding
12 calendar month by the Department plus an amount the Department
13 determines is necessary to offset any amounts which were
14 erroneously paid to a different taxing body, and not including
15 an amount equal to the amount of refunds made during the second
16 preceding calendar month by the Department on behalf of such
17 municipality, and not including any amount which the
18 Department determines is necessary to offset any amounts which
19 were payable to a different taxing body but were erroneously
20 paid to the municipality, and not including any amounts that
21 are transferred to the STAR Bonds Revenue Fund, less 1.5% of
22 the remainder, which the Department shall transfer into the
23 Tax Compliance and Administration Fund. The Department, at the
24 time of each monthly disbursement to the municipalities, shall
25 prepare and certify to the State Comptroller the amount to be
26 transferred into the Tax Compliance and Administration Fund

1 under this Section. Within 10 days after receipt, by the
2 Comptroller, of the disbursement certification to the
3 municipalities and the Tax Compliance and Administration Fund
4 provided for in this Section to be given to the Comptroller by
5 the Department, the Comptroller shall cause the orders to be
6 drawn for the respective amounts in accordance with the
7 directions contained in such certification.

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

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

21 When certifying the amount of a monthly disbursement to a
22 municipality under this Section, the Department shall increase
23 or decrease such amount by an amount necessary to offset any
24 misallocation of previous disbursements. The offset amount
25 shall be the amount erroneously disbursed within the previous
26 6 months from the time a misallocation is discovered.

1 The Department of Revenue shall implement Public Act
2 91-649 so as to collect the tax on and after January 1, 2002.

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

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

8 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25;
9 103-1055, eff. 12-20-24.)

10 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

11 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation
12 Tax Act. The corporate authorities of a non-home rule
13 municipality may impose, by ordinance or resolution adopted in
14 the manner described in Section 8-11-1.1, a tax upon all
15 persons engaged in the municipality in the business of making
16 sales of service. If imposed, the tax shall be imposed on the
17 selling price of all tangible personal property transferred by
18 such servicemen, either in the form of tangible personal
19 property or in the form of real estate, as an incident to a
20 sale of service. The proceeds of the tax may be used for public
21 infrastructure or for property tax relief or both, as defined
22 in Section 8-11-1.2. If the tax is approved by referendum on or
23 after July 14, 2010 (the effective date of Public Act 96-1057)
24 and before August 5, 2024 (the effective date of Public Act
25 103-781), the corporate authorities of a non-home rule

1 municipality may, until January 1, 2031, use the proceeds of
2 the tax for expenditure on municipal operations, in addition
3 to or in lieu of any expenditure on public infrastructure or
4 for property tax relief. If the tax is approved by an ordinance
5 or resolution adopted on or after August 5, 2024 (the
6 effective date of Public Act 103-781), the corporate
7 authorities of the non-home rule municipality may, until
8 January 1, 2031, use the proceeds of the tax for expenditure on
9 municipal operations, in addition to or in lieu of any
10 expenditure on public infrastructure or for property tax
11 relief. The tax imposed may not be more than 1% and may be
12 imposed only in 1/4% increments. The tax may not be imposed on
13 tangible personal property taxed at the 1% rate under the
14 Service Occupation Tax Act (or at the 0% rate imposed under
15 this amendatory Act of the 102nd General Assembly). Beginning
16 December 1, 2019, this tax is not imposed on sales of aviation
17 fuel unless the tax revenue is expended for airport-related
18 purposes. If a municipality does not have an airport-related
19 purpose to which it dedicates aviation fuel tax revenue, then
20 aviation fuel is excluded from the tax. Each municipality must
21 comply with the certification requirements for airport-related
22 purposes under Section 2-22 of the Retailers' Occupation Tax
23 Act. For purposes of this Section, "airport-related purposes"
24 has the meaning ascribed in Section 6z-20.2 of the State
25 Finance Act. This exclusion for aviation fuel only applies for
26 so long as the revenue use requirements of 49 U.S.C. 47107(b)

1 and 49 U.S.C. 47133 are binding on the municipality. The tax
2 imposed by a municipality pursuant to this Section and all
3 civil penalties that may be assessed as an incident thereof
4 shall be collected and enforced by the State Department of
5 Revenue. The certificate of registration which is issued by
6 the Department to a retailer under the Retailers' Occupation
7 Tax Act or under the Service Occupation Tax Act shall permit
8 such registrant to engage in a business which is taxable under
9 any ordinance or resolution enacted pursuant to this Section
10 without registering separately with the Department under such
11 ordinance or resolution or under this Section. The Department
12 shall have full power to administer and enforce this Section;
13 to collect all taxes and penalties due hereunder; to dispose
14 of taxes and penalties so collected in the manner hereinafter
15 provided, and to determine all rights to credit memoranda
16 arising on account of the erroneous payment of tax or penalty
17 hereunder. In the administration of, and compliance with, this
18 Section the Department and persons who are subject to this
19 Section shall have the same rights, remedies, privileges,
20 immunities, powers and duties, and be subject to the same
21 conditions, restrictions, limitations, penalties and
22 definitions of terms, and employ the same modes of procedure,
23 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
24 respect to all provisions therein other than the State rate of
25 tax), 4 (except that the reference to the State shall be to the
26 taxing municipality), 5, 7, 8 (except that the jurisdiction to

1 which the tax shall be a debt to the extent indicated in that
2 Section 8 shall be the taxing municipality), 9 (except as to
3 the disposition of taxes and penalties collected, and except
4 that the returned merchandise credit for this municipal tax
5 may not be taken against any State tax, and except that the
6 retailer's discount is not allowed for taxes paid on aviation
7 fuel that are subject to the revenue use requirements of 49
8 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the
9 reference therein to Section 2b of the Retailers' Occupation
10 Tax Act), 13 (except that any reference to the State shall mean
11 the taxing municipality), the first paragraph of Section 15,
12 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and
13 Section 3-7 of the Uniform Penalty and Interest Act, as fully
14 as if those provisions were set forth herein.

15 No municipality may impose a tax under this Section unless
16 the municipality also imposes a tax at the same rate under
17 Section 8-11-1.3 of this Code.

18 If, on January 1, 2025, a unit of local government has in
19 effect a tax under this Section, or if, after January 1, 2025,
20 a unit of local government imposes a tax under this Section,
21 then that tax applies to leases of tangible personal property
22 in effect, entered into, or renewed on or after that date in
23 the same manner as the tax under this Section and in accordance
24 with the changes made by this amendatory Act of the 103rd
25 General Assembly.

26 Persons subject to any tax imposed pursuant to the

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

8 Whenever the Department determines that a refund should be
9 made under this Section to a claimant instead of issuing
10 credit memorandum, the Department shall notify the State
11 Comptroller, who shall cause the order to be drawn for the
12 amount specified, and to the person named, in such
13 notification from the Department. Such refund shall be paid by
14 the State Treasurer out of the municipal retailers' occupation
15 tax fund or the Local Government Aviation Trust Fund, as
16 appropriate.

17 Except as otherwise provided in this paragraph, the
18 Department shall forthwith pay over to the State Treasurer, ex
19 officio, as trustee, all taxes and penalties collected
20 hereunder for deposit into the municipal retailers' occupation
21 tax fund. Taxes and penalties collected on aviation fuel sold
22 on or after December 1, 2019, shall be immediately paid over by
23 the Department to the State Treasurer, ex officio, as trustee,
24 for deposit into the Local Government Aviation Trust Fund. The
25 Department shall only pay moneys into the Local Government
26 Aviation Trust Fund under this Section for so long as the

1 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
2 47133 are binding on the municipality.

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

11 As soon as possible after the first day of each month,
12 beginning January 1, 2026, upon certification of the
13 Department of Revenue, the Comptroller shall order
14 transferred, and the Treasurer shall transfer, to the STAR
15 Bonds Revenue Fund the local sales tax increment, as defined
16 in the Statewide Innovation Development and Economy Act,
17 collected under this Section during the second preceding
18 calendar month for sales within a STAR bond district.

19 After the monthly transfers ~~transfer~~ to the STAR Bonds
20 Revenue Fund, on or before the 25th day of each calendar month,
21 the Department shall prepare and certify to the Comptroller
22 the disbursement of stated sums of money to named
23 municipalities, the municipalities to be those from which
24 suppliers and servicemen have paid taxes or penalties
25 hereunder to the Department during the second preceding
26 calendar month. The amount to be paid to each municipality

1 shall be the amount (not including credit memoranda and not
2 including taxes and penalties collected on aviation fuel sold
3 on or after December 1, 2019) collected hereunder during the
4 second preceding calendar month by the Department, and not
5 including an amount equal to the amount of refunds made during
6 the second preceding calendar month by the Department on
7 behalf of such municipality, and not including any amounts
8 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
9 of the remainder, which the Department shall transfer into the
10 Tax Compliance and Administration Fund. The Department, at the
11 time of each monthly disbursement to the municipalities, shall
12 prepare and certify to the State Comptroller the amount to be
13 transferred into the Tax Compliance and Administration Fund
14 under this Section. Within 10 days after receipt, by the
15 Comptroller, of the disbursement certification to the
16 municipalities, the General Revenue Fund, and the Tax
17 Compliance and Administration Fund provided for in this
18 Section to be given to the Comptroller by the Department, the
19 Comptroller shall cause the orders to be drawn for the
20 respective amounts in accordance with the directions contained
21 in such certification.

22 The Department of Revenue shall implement Public Act
23 91-649 so as to collect the tax on and after January 1, 2002.

24 Nothing in this Section shall be construed to authorize a
25 municipality to impose a tax upon the privilege of engaging in
26 any business which under the constitution of the United States

1 may not be made the subject of taxation by this State.

2 As used in this Section, "municipal" or "municipality"
3 means or refers to a city, village or incorporated town,
4 including an incorporated town which has superseded a civil
5 township.

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

8 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
9 103-592, eff. 1-1-25; 103-1055, eff. 12-20-24.)

10 (65 ILCS 5/8-11-1.6)

11 Sec. 8-11-1.6. Non-home rule municipal retailers'
12 occupation tax; municipalities between 20,000 and 25,000. The
13 corporate authorities of a non-home rule municipality with a
14 population of more than 20,000 but less than 25,000 that has,
15 prior to January 1, 1987, established a Redevelopment Project
16 Area that has been certified as a State Sales Tax Boundary and
17 has issued bonds or otherwise incurred indebtedness to pay for
18 costs in excess of \$5,000,000, which is secured in part by a
19 tax increment allocation fund, in accordance with the
20 provisions of Division 11-74.4 of this Code may, by passage of
21 an ordinance, impose a tax upon all persons engaged in the
22 business of selling tangible personal property, other than on
23 an item of tangible personal property that is titled and
24 registered by an agency of this State's Government, at retail
25 in the municipality. This tax may not be imposed on tangible

1 personal property taxed at the 1% rate under the Retailers'
2 Occupation Tax Act (or at the 0% rate imposed under this
3 amendatory Act of the 102nd General Assembly). Beginning
4 December 1, 2019, this tax is not imposed on sales of aviation
5 fuel unless the tax revenue is expended for airport-related
6 purposes. If a municipality does not have an airport-related
7 purpose to which it dedicates aviation fuel tax revenue, then
8 aviation fuel is excluded from the tax. Each municipality must
9 comply with the certification requirements for airport-related
10 purposes under Section 2-22 of the Retailers' Occupation Tax
11 Act. For purposes of this Section, "airport-related purposes"
12 has the meaning ascribed in Section 6z-20.2 of the State
13 Finance Act. This exclusion for aviation fuel only applies for
14 so long as the revenue use requirements of 49 U.S.C. 47107(b)
15 and 49 U.S.C. 47133 are binding on the municipality. If
16 imposed, the tax shall only be imposed in .25% increments of
17 the gross receipts from such sales made in the course of
18 business. Any tax imposed by a municipality under this Section
19 and all civil penalties that may be assessed as an incident
20 thereof shall be collected and enforced by the State
21 Department of Revenue. An ordinance imposing a tax hereunder
22 or effecting a change in the rate thereof shall be adopted and
23 a certified copy thereof filed with the Department on or
24 before the first day of October, whereupon the Department
25 shall proceed to administer and enforce this Section as of the
26 first day of January next following such adoption and filing.

1 The certificate of registration that is issued by the
2 Department to a retailer under the Retailers' Occupation Tax
3 Act shall permit the retailer to engage in a business that is
4 taxable under any ordinance or resolution enacted under this
5 Section without registering separately with the Department
6 under the ordinance or resolution or under this Section. The
7 Department shall have full power to administer and enforce
8 this Section, to collect all taxes and penalties due
9 hereunder, to dispose of taxes and penalties so collected in
10 the manner hereinafter provided, and to determine all rights
11 to credit memoranda, arising on account of the erroneous
12 payment of tax or penalty hereunder. In the administration of,
13 and compliance with this Section, the Department and persons
14 who are subject to this Section shall have the same rights,
15 remedies, privileges, immunities, powers, and duties, and be
16 subject to the same conditions, restrictions, limitations,
17 penalties, and definitions of terms, and employ the same modes
18 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,
19 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
20 therein other than the State rate of tax), 2c, 3 (except as to
21 the disposition of taxes and penalties collected, and except
22 that the retailer's discount is not allowed for taxes paid on
23 aviation fuel that are subject to the revenue use requirements
24 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
25 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
26 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and

1 Section 3-7 of the Uniform Penalty and Interest Act as fully as
2 if those provisions were set forth herein.

3 A tax may not be imposed by a municipality under this
4 Section unless the municipality also imposes a tax at the same
5 rate under Section 8-11-1.7 of this Act.

6 If, on January 1, 2025, a unit of local government has in
7 effect a tax under this Section, or if, after January 1, 2025,
8 a unit of local government imposes a tax under this Section,
9 then that tax applies to leases of tangible personal property
10 in effect, entered into, or renewed on or after that date in
11 the same manner as the tax under this Section and in accordance
12 with the changes made by this amendatory Act of the 103rd
13 General Assembly.

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

21 Whenever the Department determines that a refund should be
22 made under this Section to a claimant, instead of issuing a
23 credit memorandum, the Department shall notify the State
24 Comptroller, who shall cause the order to be drawn for the
25 amount specified, and to the person named in the notification
26 from the Department. The refund shall be paid by the State

1 Treasurer out of the Non-Home Rule Municipal Retailers'
2 Occupation Tax Fund, which is hereby created or the Local
3 Government Aviation Trust Fund, as appropriate.

4 Except as otherwise provided in this paragraph, the
5 Department shall forthwith pay over to the State Treasurer, ex
6 officio, as trustee, all taxes and penalties collected
7 hereunder for deposit into the Non-Home Rule Municipal
8 Retailers' Occupation Tax Fund. Taxes and penalties collected
9 on aviation fuel sold on or after December 1, 2019, shall be
10 immediately paid over by the Department to the State
11 Treasurer, ex officio, as trustee, for deposit into the Local
12 Government Aviation Trust Fund. The Department shall only pay
13 moneys into the Local Government Aviation Trust Fund under
14 this Section for so long as the revenue use requirements of 49
15 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
16 municipality.

17 As soon as possible after the first day of each month,
18 beginning January 1, 2011, upon certification of the
19 Department of Revenue, the Comptroller shall order
20 transferred, and the Treasurer shall transfer, to the STAR
21 Bonds Revenue Fund the local sales tax increment, as defined
22 in the Innovation Development and Economy Act, collected under
23 this Section during the second preceding calendar month for
24 sales within a STAR bond district.

25 As soon as possible after the first day of each month,
26 beginning January 1, 2026, upon certification of the

1 Department of Revenue, the Comptroller shall order
2 transferred, and the Treasurer shall transfer, to the STAR
3 Bonds Revenue Fund the local sales tax increment, as defined
4 in the Statewide Innovation Development and Economy Act,
5 collected under this Section during the second preceding
6 calendar month for sales within a STAR bond district.

7 After the monthly transfers ~~transfer~~ to the STAR Bonds
8 Revenue Fund, on or before the 25th day of each calendar month,
9 the Department shall prepare and certify to the Comptroller
10 the disbursement of stated sums of money to named
11 municipalities, the municipalities to be those from which
12 retailers have paid taxes or penalties hereunder to the
13 Department during the second preceding calendar month. The
14 amount to be paid to each municipality shall be the amount (not
15 including credit memoranda and not including taxes and
16 penalties collected on aviation fuel sold on or after December
17 1, 2019) 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 that 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 the
23 municipality, and not including any amount that the Department
24 determines is necessary to offset any amounts that were
25 payable to a different taxing body but were erroneously paid
26 to 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
4 time 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 the certification.

14 For the purpose of determining the local governmental unit
15 whose tax is applicable, a retail sale by a producer of coal or
16 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
19 coal or other mineral when it is delivered or shipped by the
20 seller to the purchaser at a point outside Illinois so that the
21 sale 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 the 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 As used in this Section, "municipal" and "municipality"
8 means a city, village, or incorporated town, including an
9 incorporated town that has superseded a civil township.

10 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

11 (65 ILCS 5/8-11-1.7)

12 Sec. 8-11-1.7. Non-home rule municipal service occupation
13 tax; municipalities between 20,000 and 25,000. The corporate
14 authorities of a non-home rule municipality with a population
15 of more than 20,000 but less than 25,000 as determined by the
16 last preceding decennial census that has, prior to January 1,
17 1987, established a Redevelopment Project Area that has been
18 certified as a State Sales Tax Boundary and has issued bonds or
19 otherwise incurred indebtedness to pay for costs in excess of
20 \$5,000,000, which is secured in part by a tax increment
21 allocation fund, in accordance with the provisions of Division
22 11-74.4 of this Code may, by passage of an ordinance, impose a
23 tax upon all persons engaged in the municipality in the
24 business of making sales of service. If imposed, the tax shall
25 only be imposed in .25% increments of the selling price of all

1 tangible personal property transferred by such servicemen
2 either in the form of tangible personal property or in the form
3 of real estate as an incident to a sale of service. This tax
4 may not be imposed on tangible personal property taxed at the
5 1% rate under the Service Occupation Tax Act (or at the 0% rate
6 imposed under this amendatory Act of the 102nd General
7 Assembly). Beginning December 1, 2019, this tax is not imposed
8 on sales of aviation fuel unless the tax revenue is expended
9 for airport-related purposes. If a municipality does not have
10 an airport-related purpose to which it dedicates aviation fuel
11 tax revenue, then aviation fuel is excluded from the tax. Each
12 municipality must comply with the certification requirements
13 for airport-related purposes under Section 2-22 of the
14 Retailers' Occupation Tax Act. For purposes of this Section,
15 "airport-related purposes" has the meaning ascribed in Section
16 6z-20.2 of the State Finance Act. This exclusion for aviation
17 fuel only applies for so long as the revenue use requirements
18 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
19 municipality. The tax imposed by a municipality under this
20 Section and all civil penalties that may be assessed as an
21 incident thereof shall be collected and enforced by the State
22 Department of Revenue. An ordinance imposing a tax hereunder
23 or effecting a change in the rate thereof shall be adopted and
24 a certified copy thereof filed with the Department on or
25 before the first day of October, whereupon the Department
26 shall proceed to administer and enforce this Section as of the

1 first day of January next following such adoption and filing.
2 The certificate of registration that is issued by the
3 Department to a retailer under the Retailers' Occupation Tax
4 Act or under the Service Occupation Tax Act shall permit the
5 registrant to engage in a business that is taxable under any
6 ordinance or resolution enacted under this Section without
7 registering separately with the Department under the ordinance
8 or resolution or under this Section. The Department shall have
9 full power to administer and enforce this Section, to collect
10 all taxes and penalties due hereunder, to dispose of taxes and
11 penalties so collected in a manner hereinafter provided, and
12 to determine all rights to credit memoranda arising on account
13 of the erroneous payment of tax or penalty hereunder. In the
14 administration of and compliance with this Section, the
15 Department and persons who are subject to this Section shall
16 have the same rights, remedies, privileges, immunities,
17 powers, and duties, and be subject to the same conditions,
18 restrictions, limitations, penalties and definitions of terms,
19 and employ the same modes of procedure, as are prescribed in
20 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all
21 provisions therein other than the State rate of tax), 4
22 (except that the reference to the State shall be to the taxing
23 municipality), 5, 7, 8 (except that the jurisdiction to which
24 the tax shall be a debt to the extent indicated in that Section
25 8 shall be the taxing municipality), 9 (except as to the
26 disposition of taxes and penalties collected, and except that

1 the returned merchandise credit for this municipal tax may not
2 be taken against any State tax, and except that the retailer's
3 discount is not allowed for taxes paid on aviation fuel that
4 are subject to the revenue use requirements of 49 U.S.C.
5 47107(b) and 49 U.S.C. 47133), 10, 11, 12, (except the
6 reference therein to Section 2b of the Retailers' Occupation
7 Tax Act), 13 (except that any reference to the State shall mean
8 the taxing municipality), the first paragraph of Sections 15,
9 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and
10 Section 3-7 of the Uniform Penalty and Interest Act, as fully
11 as if those provisions were set forth herein.

12 A tax may not be imposed by a municipality under this
13 Section unless the municipality also imposes a tax at the same
14 rate under Section 8-11-1.6 of this Act.

15 If, on January 1, 2025, a unit of local government has in
16 effect a tax under this Section, or if, after January 1, 2025,
17 a unit of local government imposes a tax under this Section,
18 then that tax applies to leases of tangible personal property
19 in effect, entered into, or renewed on or after that date in
20 the same manner as the tax under this Section and in accordance
21 with the changes made by this amendatory Act of the 103rd
22 General Assembly.

23 Person subject to any tax imposed under the authority
24 granted in this Section may reimburse themselves for their
25 servicemen's tax liability hereunder by separately stating the
26 tax as an additional charge, which charge may be stated in

1 combination, in a single amount, with State tax that
2 servicemen are authorized to collect under the Service Use Tax
3 Act, under such bracket schedules as the Department may
4 prescribe.

5 Whenever the Department determines that a refund should be
6 made under this Section to a claimant instead of issuing
7 credit memorandum, the Department shall notify the State
8 Comptroller, who shall cause the order to be drawn for the
9 amount specified, and to the person named, in such
10 notification from the Department. The refund shall be paid by
11 the State Treasurer out of the Non-Home Rule Municipal
12 Retailers' Occupation Tax Fund or the Local Government
13 Aviation Trust Fund, as appropriate.

14 Except as otherwise provided in this paragraph, the
15 Department shall forthwith pay over to the State Treasurer, ex
16 officio, as trustee, all taxes and penalties collected
17 hereunder for deposit into the Non-Home Rule Municipal
18 Retailers' Occupation Tax Fund. Taxes and penalties collected
19 on aviation fuel sold on or after December 1, 2019, shall be
20 immediately paid over by the Department to the State
21 Treasurer, ex officio, as trustee, for deposit into the Local
22 Government Aviation Trust Fund. The Department shall only pay
23 moneys into the Local Government Aviation Trust Fund under
24 this Section for so long as the revenue use requirements of 49
25 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
26 Municipality.

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

9 As soon as possible after the first day of each month,
10 beginning January 1, 2026, upon certification of the
11 Department of Revenue, the Comptroller shall order
12 transferred, and the Treasurer shall transfer, to the STAR
13 Bonds Revenue Fund the local sales tax increment, as defined
14 in the Statewide Innovation Development and Economy Act,
15 collected under this Section during the second preceding
16 calendar month for sales within a STAR bond district.

17 After the monthly transfers ~~transfer~~ to the STAR Bonds
18 Revenue Fund, on or before the 25th day of each calendar month,
19 the Department shall prepare and certify to the Comptroller
20 the disbursement of stated sums of money to named
21 municipalities, the municipalities to be those from which
22 suppliers and servicemen have paid taxes or penalties
23 hereunder to the Department during the second preceding
24 calendar month. The amount to be paid to each municipality
25 shall be the amount (not including credit memoranda and not
26 including taxes and penalties collected on aviation fuel sold

1 on or after December 1, 2019) collected hereunder during the
2 second preceding calendar month by the Department, and not
3 including an amount equal to the amount of refunds made during
4 the second preceding calendar month by the Department on
5 behalf of such municipality, and not including any amounts
6 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
7 of the remainder, which the Department shall transfer into the
8 Tax Compliance and Administration Fund. The Department, at the
9 time of each monthly disbursement to the municipalities, shall
10 prepare and certify to the State Comptroller the amount to be
11 transferred into the Tax Compliance and Administration Fund
12 under this Section. Within 10 days after receipt by the
13 Comptroller of the disbursement certification to the
14 municipalities, the Tax Compliance and Administration Fund,
15 and the General Revenue Fund, provided for in this Section to
16 be given to the Comptroller by the Department, the Comptroller
17 shall cause the orders to be drawn for the respective amounts
18 in accordance with the directions contained in the
19 certification.

20 When certifying the amount of a monthly disbursement to a
21 municipality under this Section, the Department shall increase
22 or decrease the amount by an amount necessary to offset any
23 misallocation of previous disbursements. The offset amount
24 shall be the amount erroneously disbursed within the previous
25 6 months from the time a misallocation is discovered.

26 Nothing in this Section shall be construed to authorize a

1 municipality to impose a tax upon the privilege of engaging in
2 any business which under the constitution of the United States
3 may not be made the subject of taxation by this State.

4 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

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

6 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax
7 Act. The corporate authorities of a home rule municipality may
8 impose a tax upon all persons engaged, in such municipality,
9 in the business of making sales of service at the same rate of
10 tax imposed pursuant to Section 8-11-1, of the selling price
11 of all tangible personal property transferred by such
12 servicemen either in the form of tangible personal property or
13 in the form of real estate as an incident to a sale of service.
14 If imposed, such tax shall only be imposed in 1/4% increments.
15 On and after September 1, 1991, this additional tax may not be
16 imposed on tangible personal property taxed at the 1% rate
17 under the Service Occupation Tax Act (or at the 0% rate imposed
18 under this amendatory Act of the 102nd General Assembly).
19 Beginning December 1, 2019, this tax may not be imposed on
20 sales of aviation fuel unless the tax revenue is expended for
21 airport-related purposes. If a municipality does not have an
22 airport-related purpose to which it dedicates aviation fuel
23 tax revenue, then aviation fuel shall be excluded from tax.
24 Each municipality must comply with the certification
25 requirements for airport-related purposes under Section 2-22

1 of the Retailers' Occupation Tax Act. For purposes of this
2 Section, "airport-related purposes" has the meaning ascribed
3 in Section 6z-20.2 of the State Finance Act. This exception
4 for aviation fuel only applies for so long as the revenue use
5 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
6 binding on the State. The changes made to this Section by this
7 amendatory Act of the 101st General Assembly are a denial and
8 limitation of home rule powers and functions under subsection
9 (g) of Section 6 of Article VII of the Illinois Constitution.
10 The tax imposed by a home rule municipality pursuant to this
11 Section and all civil penalties that may be assessed as an
12 incident thereof shall be collected and enforced by the State
13 Department of Revenue. The certificate of registration which
14 is issued by the Department to a retailer under the Retailers'
15 Occupation Tax Act or under the Service Occupation Tax Act
16 shall permit such registrant to engage in a business which is
17 taxable under any ordinance or resolution enacted pursuant to
18 this Section without registering separately with the
19 Department under such ordinance or resolution or under this
20 Section. The Department shall have full power to administer
21 and enforce this Section; to collect all taxes and penalties
22 due hereunder; to dispose of taxes and penalties so collected
23 in the manner hereinafter provided, and to determine all
24 rights to credit memoranda arising on account of the erroneous
25 payment of tax or penalty hereunder. In the administration of,
26 and compliance with, this Section the Department and persons

1 who are subject to this Section shall have the same rights,
2 remedies, privileges, immunities, powers and duties, and be
3 subject to the same conditions, restrictions, limitations,
4 penalties and definitions of terms, and employ the same modes
5 of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3
6 through 3-50 (in respect to all provisions therein other than
7 the State rate of tax), 4 (except that the reference to the
8 State shall be to the taxing municipality), 5, 7, 8 (except
9 that the jurisdiction to which the tax shall be a debt to the
10 extent indicated in that Section 8 shall be the taxing
11 municipality), 9 (except as to the disposition of taxes and
12 penalties collected, and except that the returned merchandise
13 credit for this municipal tax may not be taken against any
14 State tax, and except that the retailer's discount is not
15 allowed for taxes paid on aviation fuel that are subject to the
16 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
17 47133), 10, 11, 12 (except the reference therein to Section 2b
18 of the Retailers' Occupation Tax Act), 13 (except that any
19 reference to the State shall mean the taxing municipality),
20 the first paragraph of Section 15, 16, 17 (except that credit
21 memoranda issued hereunder may not be used to discharge any
22 State tax liability), 18, 19 and 20 of the Service Occupation
23 Tax Act and Section 3-7 of the Uniform Penalty and Interest
24 Act, as fully as if those provisions were set forth herein.

25 No tax may be imposed by a home rule municipality pursuant
26 to this Section unless such municipality also imposes a tax at

1 the same rate pursuant to Section 8-11-1 of this Act.

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

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

19 Except as otherwise provided in this paragraph, the
20 Department shall forthwith pay over to the State Treasurer, ex
21 officio, as trustee, all taxes and penalties collected
22 hereunder for deposit into the Home Rule Municipal Retailers'
23 Occupation Tax Fund. Taxes and penalties collected on aviation
24 fuel sold on or after December 1, 2019, shall be immediately
25 paid over by the Department to the State Treasurer, ex
26 officio, as trustee, for deposit into the Local Government

1 Aviation Trust Fund. The Department shall only pay moneys into
2 the Local Government Aviation Trust Fund under this Section
3 for so long as the revenue use requirements of 49 U.S.C.
4 47107(b) and 49 U.S.C. 47133 are binding on the municipality.

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

13 As soon as possible after the first day of each month,
14 beginning January 1, 2026, upon certification of the
15 Department of Revenue, the Comptroller shall order
16 transferred, and the Treasurer shall transfer, to the STAR
17 Bonds Revenue Fund the local sales tax increment, as defined
18 in the Statewide Innovation Development and Economy Act,
19 collected under this Section during the second preceding
20 calendar month for sales within a STAR bond district.

21 After the monthly transfers ~~transfer~~ to the STAR Bonds
22 Revenue Fund, on or before the 25th day of each calendar month,
23 the Department shall prepare and certify to the Comptroller
24 the disbursement of stated sums of money to named
25 municipalities, the municipalities to be those from which
26 suppliers and servicemen have paid taxes or penalties

1 hereunder to the Department during the second preceding
2 calendar month. The amount to be paid to each municipality
3 shall be the amount (not including credit memoranda and not
4 including taxes and penalties collected on aviation fuel sold
5 on or after December 1, 2019) collected hereunder during the
6 second preceding calendar month by the Department, and not
7 including an amount equal to the amount of refunds made during
8 the second preceding calendar month by the Department on
9 behalf of such municipality, and not including any amounts
10 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
11 of the remainder, which the Department shall transfer into the
12 Tax Compliance and Administration Fund. The Department, at the
13 time of each monthly disbursement to the municipalities, shall
14 prepare and certify to the State Comptroller the amount to be
15 transferred into the Tax Compliance and Administration Fund
16 under this Section. Within 10 days after receipt, by the
17 Comptroller, of the disbursement certification to the
18 municipalities and the Tax Compliance and Administration Fund
19 provided for in this Section to be given to the Comptroller by
20 the Department, the Comptroller shall cause the orders to be
21 drawn for the respective amounts in accordance with the
22 directions contained in such certification.

23 In addition to the disbursement required by the preceding
24 paragraph and in order to mitigate delays caused by
25 distribution procedures, an allocation shall, if requested, be
26 made within 10 days after January 14, 1991, and in November of

1 1991 and each year thereafter, to each municipality that
2 received more than \$500,000 during the preceding fiscal year,
3 (July 1 through June 30) whether collected by the municipality
4 or disbursed by the Department as required by this Section.
5 Within 10 days after January 14, 1991, participating
6 municipalities shall notify the Department in writing of their
7 intent to participate. In addition, for the initial
8 distribution, participating municipalities shall certify to
9 the Department the amounts collected by the municipality for
10 each month under its home rule occupation and service
11 occupation tax during the period July 1, 1989 through June 30,
12 1990. The allocation within 10 days after January 14, 1991,
13 shall be in an amount equal to the monthly average of these
14 amounts, excluding the 2 months of highest receipts. Monthly
15 average for the period of July 1, 1990 through June 30, 1991
16 will be determined as follows: the amounts collected by the
17 municipality under its home rule occupation and service
18 occupation tax during the period of July 1, 1990 through
19 September 30, 1990, plus amounts collected by the Department
20 and paid to such municipality through June 30, 1991, excluding
21 the 2 months of highest receipts. The monthly average for each
22 subsequent period of July 1 through June 30 shall be an amount
23 equal to the monthly distribution made to each such
24 municipality under the preceding paragraph during this period,
25 excluding the 2 months of highest receipts. The distribution
26 made in November 1991 and each year thereafter under this

1 paragraph and the preceding paragraph shall be reduced by the
2 amount allocated and disbursed under this paragraph in the
3 preceding period of July 1 through June 30. The Department
4 shall prepare and certify to the Comptroller for disbursement
5 the allocations made in accordance with this paragraph.

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

10 An ordinance or resolution imposing or discontinuing a tax
11 hereunder or effecting a change in the rate thereof shall be
12 adopted and a certified copy thereof filed with the Department
13 on or before the first day of June, whereupon the Department
14 shall proceed to administer and enforce this Section as of the
15 first day of September next following such adoption and
16 filing. Beginning January 1, 1992, an ordinance or resolution
17 imposing or discontinuing the tax hereunder or effecting a
18 change in the rate thereof shall be adopted and a certified
19 copy thereof filed with the Department on or before the first
20 day of July, whereupon the Department shall proceed to
21 administer and enforce this Section as of the first day of
22 October next following such adoption and filing. Beginning
23 January 1, 1993, an ordinance or resolution imposing or
24 discontinuing the tax hereunder or effecting a change in the
25 rate thereof shall be adopted and a certified copy thereof
26 filed with the Department on or before the first day of

1 October, whereupon the Department shall proceed to administer
2 and enforce this Section as of the first day of January next
3 following such adoption and filing. However, a municipality
4 located in a county with a population in excess of 3,000,000
5 that elected to become a home rule unit at the general primary
6 election in 1994 may adopt an ordinance or resolution imposing
7 the tax under this Section and file a certified copy of the
8 ordinance or resolution with the Department on or before July
9 1, 1994. The Department shall then proceed to administer and
10 enforce this Section as of October 1, 1994. Beginning April 1,
11 1998, an ordinance or resolution imposing or discontinuing the
12 tax hereunder or effecting a change in the rate thereof shall
13 either (i) be adopted and a certified copy thereof filed with
14 the Department on or before the first day of April, whereupon
15 the Department shall proceed to administer and enforce this
16 Section as of the first day of July next following the adoption
17 and filing; or (ii) be adopted and a certified copy thereof
18 filed with the Department on or before the first day of
19 October, whereupon the Department shall proceed to administer
20 and enforce this Section as of the first day of January next
21 following the adoption and filing.

22 Any unobligated balance remaining in the Municipal
23 Retailers' Occupation Tax Fund on December 31, 1989, which
24 fund was abolished by Public Act 85-1135, and all receipts of
25 municipal tax as a result of audits of liability periods prior
26 to January 1, 1990, shall be paid into the Local Government Tax

1 Fund, for distribution as provided by this Section prior to
2 the enactment of Public Act 85-1135. All receipts of municipal
3 tax as a result of an assessment not arising from an audit, for
4 liability periods prior to January 1, 1990, shall be paid into
5 the Local Government Tax Fund for distribution before July 1,
6 1990, as provided by this Section prior to the enactment of
7 Public Act 85-1135, and on and after July 1, 1990, all such
8 receipts shall be distributed as provided in Section 6z-18 of
9 the State Finance Act.

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 Home
14 Rule Municipal Service Occupation Tax Act.

15 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
16 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

17 (65 ILCS 5/8-11-23)

18 Sec. 8-11-23. Municipal Cannabis Retailers' Occupation Tax
19 Law.

20 (a) This Section may be referred to as the Municipal
21 Cannabis Retailers' Occupation Tax Law. The corporate
22 authorities of any municipality may, by ordinance, impose a
23 tax upon all persons engaged in the business of selling
24 cannabis, other than cannabis purchased under the
25 Compassionate Use of Medical Cannabis Program Act, at retail

1 in the municipality on the gross receipts from these sales
2 made in the course of that business. If imposed, the tax may
3 not exceed 3% of the gross receipts from these sales and shall
4 only be imposed in 1/4% increments. The tax imposed under this
5 Section and all civil penalties that may be assessed as an
6 incident of the tax shall be collected and enforced by the
7 Department of Revenue. The Department of Revenue 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 under this Section.
13 In the 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, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65
20 (in respect to all provisions therein other than the State
21 rate of tax), 2a, 2b, 2c, 2i, 3 (except as to the disposition
22 of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e,
23 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11,
24 11a, 12, and 13 of the Retailers' Occupation Tax Act and
25 Section 3-7 of the Uniform Penalty and Interest Act, as fully
26 as if those provisions were set forth herein.

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

7 (c) Whenever the Department of Revenue determines that a
8 refund should be made under this Section to a claimant instead
9 of issuing a credit memorandum, the Department of Revenue
10 shall notify the State Comptroller, who shall cause the order
11 to be drawn for the amount specified and to the person named in
12 the notification from the Department of Revenue.

13 (d) Except as otherwise provided in this Section, the ~~The~~
14 Department of Revenue shall immediately pay over to the State
15 Treasurer, ex officio, as trustee, all taxes and penalties
16 collected hereunder for deposit into the Local Cannabis
17 Retailers' Occupation Tax Trust Fund.

18 As soon as possible after the first day of each month,
19 beginning January 1, 2026, upon certification of the
20 Department of Revenue, the Comptroller shall order
21 transferred, and the Treasurer shall transfer, to the STAR
22 Bonds Revenue Fund the local sales tax increment, as defined
23 in the Statewide Innovation Development and Economy Act,
24 collected under this Section during the second preceding
25 calendar month for sales within a STAR bond district.

26 (e) After the monthly transfer to the STAR Bonds Revenue

1 Fund, on ~~On~~ or before the 25th day of each calendar month, the
2 Department of Revenue shall prepare and certify to the
3 Comptroller the amount of money to be disbursed from the Local
4 Cannabis Retailers' Occupation Tax Trust Fund to
5 municipalities from which retailers have paid taxes or
6 penalties under this Section during the second preceding
7 calendar month. The amount to be paid to each municipality
8 shall be the amount (not including credit memoranda) collected
9 under this Section from sales made in the municipality during
10 the second preceding calendar month, plus an amount the
11 Department of Revenue determines is necessary to offset any
12 amounts that were erroneously paid to a different taxing body,
13 and not including an amount equal to the amount of refunds made
14 during the second preceding calendar month by the Department
15 on behalf of such municipality, and not including any amount
16 that the Department determines is necessary to offset any
17 amounts that were payable to a different taxing body but were
18 erroneously paid to the municipality, and not including any
19 amounts that are transferred to the STAR Bonds Revenue Fund,
20 less 1.5% of the remainder, which the Department shall
21 transfer into the Tax Compliance and Administration Fund. The
22 Department, at the time of each monthly disbursement to the
23 municipalities, shall prepare and certify to the State
24 Comptroller the amount to be transferred into the Tax
25 Compliance and Administration Fund under this Section. Within
26 10 days after receipt by the Comptroller of the disbursement

1 certification to the municipalities and the Tax Compliance and
2 Administration Fund provided for in this Section to be given
3 to the Comptroller by the Department, the Comptroller shall
4 cause the orders to be drawn for the respective amounts in
5 accordance with the directions contained in the certification.

6 (f) An ordinance or resolution imposing or discontinuing a
7 tax under this Section or effecting a change in the rate
8 thereof that is adopted on or after June 25, 2019 (the
9 effective date of Public Act 101-27) and for which a certified
10 copy is filed with the Department on or before April 1, 2020
11 shall be administered and enforced by the Department beginning
12 on July 1, 2020. For ordinances filed with the Department
13 after April 1, 2020, an ordinance or resolution imposing or
14 discontinuing a tax under this Section or effecting a change
15 in the rate thereof shall either (i) be adopted and a certified
16 copy thereof filed with the Department on or before the first
17 day of April, whereupon the Department shall proceed to
18 administer and enforce this Section as of the first day of July
19 next following the adoption and filing; or (ii) be adopted and
20 a certified copy thereof filed with the Department on or
21 before the first day of October, whereupon the Department
22 shall proceed to administer and enforce this Section as of the
23 first day of January next following the adoption and filing.

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

1 Sec. 8-11-24. Municipal Grocery Occupation Tax Law.

2 (a) The corporate authorities of any municipality may, by
3 ordinance or resolution that takes effect on or after January
4 1, 2026, impose a tax upon all persons engaged in the business
5 of selling groceries at retail in the municipality on the
6 gross receipts from those sales made in the course of that
7 business. If imposed, the tax shall be at the rate of 1% of the
8 gross receipts from these sales.

9 The tax imposed by a municipality under this subsection
10 and all civil penalties that may be assessed as an incident of
11 the tax shall be collected and enforced by the Department. The
12 certificate of registration that is issued by the Department
13 to a retailer under the Retailers' Occupation Tax Act shall
14 permit the retailer to engage in a business that is taxable
15 under any ordinance or resolution enacted under this
16 subsection without registering separately with the Department
17 under that ordinance or resolution or under this subsection.

18 The Department shall have full power to administer and
19 enforce this subsection; to collect all taxes and penalties
20 due under this subsection; to dispose of taxes and penalties
21 so collected in the manner provided in this Section and under
22 rules adopted by the Department; and to determine all rights
23 to credit memoranda arising on account of the erroneous
24 payment of tax or penalty under this subsection.

25 In the administration of, and compliance with, this
26 subsection, the Department and persons who are subject to this

1 subsection shall have the same rights, remedies, privileges,
2 immunities, powers, and duties, and be subject to the same
3 conditions, restrictions, limitations, penalties and
4 definitions of terms, and employ the same modes of procedure,
5 as are prescribed in Sections 1, 2 through 2-65 (in respect to
6 all provisions therein other than the State rate of tax), 2c, 3
7 (except as to the disposition of taxes and penalties
8 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a,
9 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12 and 13 of the Retailers'
10 Occupation Tax Act and all of the Uniform Penalty and Interest
11 Act, as fully as if those provisions were set forth in this
12 Section.

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

20 (b) If a tax has been imposed under subsection (a), then a
21 service occupation tax must also be imposed at the same rate
22 upon all persons engaged, in the municipality, in the business
23 of making sales of service, who, as an incident to making those
24 sales of service, transfer groceries, as defined in this
25 Section, as an incident to a sale of service.

26 The tax imposed under this subsection and all civil

1 penalties that may be assessed as an incident thereof shall be
2 collected and enforced by the Department. The certificate of
3 registration that is issued by the Department to a retailer
4 under the Retailers' Occupation Tax Act or the Service
5 Occupation Tax Act shall permit the registrant to engage in a
6 business that is taxable under any ordinance or resolution
7 enacted pursuant to this subsection without registering
8 separately with the Department under the ordinance or
9 resolution or under this subsection.

10 The Department shall have full power to administer and
11 enforce this subsection, to collect all taxes and penalties
12 due under this subsection, to dispose of taxes and penalties
13 so collected in the manner provided in this Section and under
14 rules adopted by the Department, and to determine all rights
15 to credit memoranda arising on account of the erroneous
16 payment of a tax or penalty under this subsection.

17 In the administration of and compliance with this
18 subsection, the Department and persons who are subject to this
19 subsection shall have the same rights, remedies, privileges,
20 immunities, powers and duties, and be subject to the same
21 conditions, restrictions, limitations, penalties and
22 definitions of terms, and employ the same modes of procedure
23 as are set forth in Sections 2, 2c, 3 through 3-50 (in respect
24 to all provisions contained in those Sections other than the
25 State rate of tax), 4, 5, 7, 8, 9 (except as to the disposition
26 of taxes and penalties collected), 10, 11, 12, 13, 15, 16, 17,

1 18, 19, and 20 of the Service Occupation Tax Act and all
2 provisions of the Uniform Penalty and Interest Act, as fully
3 as if those provisions were set forth in this Section.

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

11 (c) The Department shall immediately pay over to the State
12 Treasurer, ex officio, as trustee, all taxes and penalties
13 collected under this Section. Those taxes and penalties shall
14 be deposited into the Municipal Grocery Tax Trust Fund, a
15 trust fund created in the State treasury. Except as otherwise
16 provided in this Section, moneys in the Municipal Grocery Tax
17 Trust Fund shall be used to make payments to municipalities
18 and for the payment of refunds under this Section.

19 Moneys deposited into the Municipal Grocery Tax Trust Fund
20 under this Section are not subject to appropriation and shall
21 be used as provided in this Section. All deposits into the
22 Municipal Grocery Tax Trust Fund shall be held in the
23 Municipal Grocery Tax Trust Fund by the State Treasurer, ex
24 officio, as trustee separate and apart from all public moneys
25 or funds of this State.

26 Whenever the Department determines that a refund should be

1 made under this Section to a claimant instead of issuing a
2 credit memorandum, the Department shall notify the State
3 Comptroller, who shall cause the order to be drawn for the
4 amount specified and to the person named in the notification
5 from the Department. The refund shall be paid by the State
6 Treasurer out of the Municipal Grocery Tax Trust Fund.

7 (d) As soon as possible after the first day of each month,
8 upon certification of the Department, the Comptroller shall
9 order transferred, and the Treasurer shall transfer, to the
10 STAR Bonds Revenue Fund the local sales tax increment, if any,
11 as defined in the Innovation Development and Economy Act,
12 collected under this Section.

13 As soon as possible after the first day of each month,
14 upon certification of the Department of Revenue, the
15 Comptroller shall order transferred, and the Treasurer shall
16 transfer, to the STAR Bonds Revenue Fund the local sales tax
17 increment, as defined in the Statewide Innovation Development
18 and Economy Act, collected under this Section during the
19 second preceding calendar month for sales within a STAR bond
20 district.

21 After the monthly transfers ~~transfer~~ to the STAR Bonds
22 Revenue Fund, if any, 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 retailers have paid taxes or penalties under this

1 Section to the Department during the second preceding calendar
2 month. The amount to be paid to each municipality shall be the
3 amount (not including credit memoranda) collected under this
4 Section during the second preceding calendar month by the
5 Department plus an amount the Department determines is
6 necessary to offset any amounts that were erroneously paid to
7 a different taxing body, and not including an amount equal to
8 the amount of refunds made during the second preceding
9 calendar month by the Department on behalf of such
10 municipality, and not including any amount that the Department
11 determines is necessary to offset any amounts that were
12 payable to a different taxing body but were erroneously paid
13 to the municipality, and not including any amounts that are
14 transferred to the STAR Bonds Revenue Fund. Within 10 days
15 after receipt by the Comptroller of the disbursement
16 certification to the municipalities provided for in this
17 Section to be given to the Comptroller by the Department, the
18 Comptroller shall cause the orders to be drawn for the amounts
19 in accordance with the directions contained in the
20 certification.

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

26 (f) Except as otherwise provided in this subsection, an

1 ordinance or resolution imposing or discontinuing the tax
2 hereunder or effecting a change in the rate thereof shall
3 either (i) be adopted and a certified copy thereof filed with
4 the Department on or before the first day of April, whereupon
5 the Department shall proceed to administer and enforce this
6 Section as of the first day of July next following the adoption
7 and filing or (ii) be adopted and a certified copy thereof
8 filed with the Department 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 (g) When certifying the amount of a monthly disbursement
13 to a municipality under this Section, the Department shall
14 increase or decrease the amount by an amount necessary to
15 offset any misallocation of previous disbursements. The offset
16 amount shall be the amount erroneously disbursed within the
17 previous 6 months from the time a misallocation is discovered.

18 (h) As used in this Section, "Department" means the
19 Department of Revenue.

20 For purposes of the tax authorized to be imposed under
21 subsection (a), "groceries" has the same meaning as "food for
22 human consumption that is to be consumed off the premises
23 where it is sold (other than alcoholic beverages, food
24 consisting of or infused with adult use cannabis, soft drinks,
25 candy, and food that has been prepared for immediate
26 consumption)", as further defined in Section 2-10 of the

1 Retailers' Occupation Tax Act.

2 For purposes of the tax authorized to be imposed under
3 subsection (b), "groceries" has the same meaning as "food for
4 human consumption that is to be consumed off the premises
5 where it is sold (other than alcoholic beverages, food
6 consisting of or infused with adult use cannabis, soft drinks,
7 candy, and food that has been prepared for immediate
8 consumption)", as further defined in Section 3-10 of the
9 Service Occupation Tax Act. For purposes of the tax authorized
10 to be imposed under subsection (b), "groceries" also means
11 food prepared for immediate consumption and transferred
12 incident to a sale of service subject to the Service
13 Occupation Tax Act or the Service Use Tax Act by an entity
14 licensed under the Hospital Licensing Act, the Nursing Home
15 Care Act, the Assisted Living and Shared Housing Act, the
16 ID/DD Community Care Act, the MC/DD Act, the Specialized
17 Mental Health Rehabilitation Act of 2013, or the Child Care
18 Act of 1969, or an entity that holds a permit issued pursuant
19 to the Life Care Facilities Act.

20 (i) This Section may be referred to as the Municipal
21 Grocery Occupation Tax Law.

22 (Source: P.A. 103-781, eff. 8-5-24.)

23 (65 ILCS 5/11-74.3-6)

24 Sec. 11-74.3-6. Business district revenue and obligations;
25 business district tax allocation fund.

1 (a) If the corporate authorities of a municipality have
2 approved a business district plan, have designated a business
3 district, and have elected to impose a tax by ordinance
4 pursuant to subsection (10) or (11) of Section 11-74.3-3, then
5 each year after the date of the approval of the ordinance but
6 terminating upon the date all business district project costs
7 and all obligations paying or reimbursing business district
8 project costs, if any, have been paid, but in no event later
9 than the dissolution date, all amounts generated by the
10 retailers' occupation tax and service occupation tax shall be
11 collected and the tax shall be enforced by the Department of
12 Revenue in the same manner as all retailers' occupation taxes
13 and service occupation taxes imposed in the municipality
14 imposing the tax and all amounts generated by the hotel
15 operators' occupation tax shall be collected and the tax shall
16 be enforced by the municipality in the same manner as all hotel
17 operators' occupation taxes imposed in the municipality
18 imposing the tax. The corporate authorities of the
19 municipality shall deposit the proceeds of the taxes imposed
20 under subsections (10) and (11) of Section 11-74.3-3 into a
21 special fund of the municipality called the "[Name of]
22 Business District Tax Allocation Fund" for the purpose of
23 paying or reimbursing business district project costs and
24 obligations incurred in the payment of those costs.

25 (b) The corporate authorities of a municipality that has
26 designated a business district under this Law may, by

1 ordinance, impose a Business District Retailers' Occupation
2 Tax upon all persons engaged in the business of selling
3 tangible personal property, other than an item of tangible
4 personal property titled or registered with an agency of this
5 State's government, at retail in the business district at a
6 rate not to exceed 1% of the gross receipts from the sales made
7 in the course of such business, to be imposed only in 0.25%
8 increments. The tax may not be imposed on tangible personal
9 property taxed at the rate of 1% under the Retailers'
10 Occupation Tax Act (or at the 0% rate imposed under this
11 amendatory Act of the 102nd General Assembly). Beginning
12 December 1, 2019 and through December 31, 2020, this tax is not
13 imposed on sales of aviation fuel unless the tax revenue is
14 expended for airport-related purposes. If the District does
15 not have an airport-related purpose to which it dedicates
16 aviation fuel tax revenue, then aviation fuel is excluded from
17 the tax. Each municipality must comply with the certification
18 requirements for airport-related purposes under Section 2-22
19 of the Retailers' Occupation Tax Act. For purposes of this
20 Section, "airport-related purposes" has the meaning ascribed
21 in Section 6z-20.2 of the State Finance Act. Beginning January
22 1, 2021, this tax is not imposed on sales of aviation fuel for
23 so long as the revenue use requirements of 49 U.S.C. 47107(b)
24 and 49 U.S.C. 47133 are binding on the District.

25 The tax imposed under this subsection and all civil
26 penalties that may be assessed as an incident thereof shall be

1 collected and enforced by the Department of Revenue. The
2 certificate of registration that is issued by the Department
3 to a retailer under the Retailers' Occupation Tax Act shall
4 permit the retailer to engage in a business that is taxable
5 under any ordinance or resolution enacted pursuant to this
6 subsection without registering separately with the Department
7 under such ordinance or resolution or under this subsection.
8 The Department of Revenue shall have full power to administer
9 and enforce this subsection; to collect all taxes and
10 penalties due under this subsection in the manner hereinafter
11 provided; and to determine all rights to credit memoranda
12 arising on account of the erroneous payment of tax or penalty
13 under this subsection. In the administration of, and
14 compliance with, this subsection, the Department and persons
15 who are subject to this subsection shall have the same rights,
16 remedies, privileges, immunities, powers and duties, and be
17 subject to the same conditions, restrictions, limitations,
18 penalties, exclusions, exemptions, and definitions of terms
19 and employ the same modes of procedure, as are prescribed in
20 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all
21 provisions therein other than the State rate of tax), 2c
22 through 2h, 3 (except as to the disposition of taxes and
23 penalties collected, and except that the retailer's discount
24 is not allowed for taxes paid on aviation fuel that are subject
25 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
26 U.S.C. 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6,

1 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers'
2 Occupation Tax Act and all provisions of the Uniform Penalty
3 and Interest Act, as fully as if those provisions were set
4 forth herein.

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

12 Whenever the Department determines that a refund should be
13 made under this subsection to a claimant instead of issuing a
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 the notification
17 from the Department. The refund shall be paid by the State
18 Treasurer out of the business district retailers' occupation
19 tax fund or the Local Government Aviation Trust Fund, as
20 appropriate.

21 Except as otherwise provided in this paragraph, the
22 Department shall immediately pay over to the State Treasurer,
23 ex officio, as trustee, all taxes, penalties, and interest
24 collected under this subsection for deposit into the business
25 district retailers' occupation tax fund. Taxes and penalties
26 collected on aviation fuel sold on or after December 1, 2019,

1 shall be immediately paid over by the Department to the State
2 Treasurer, ex officio, as trustee, for deposit into the Local
3 Government Aviation Trust Fund. The Department shall only pay
4 moneys into the Local Government Aviation Trust Fund under
5 this Section for so long as the revenue use requirements of 49
6 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
7 District.

8 As soon as possible after the first day of each month,
9 beginning January 1, 2011, upon certification of the
10 Department of Revenue, the Comptroller shall order
11 transferred, and the Treasurer shall transfer, to the STAR
12 Bonds Revenue Fund the local sales tax increment, as defined
13 in the Innovation Development and Economy Act, collected under
14 this subsection during the second preceding calendar month for
15 sales within a STAR bond district.

16 As soon as possible after the first day of each month,
17 beginning January 1, 2026, upon certification of the
18 Department of Revenue, the Comptroller shall order
19 transferred, and the Treasurer shall transfer, to the STAR
20 Bonds Revenue Fund the local sales tax increment, as defined
21 in the Statewide Innovation Development and Economy Act,
22 collected under this Section during the second preceding
23 calendar month for sales within a STAR bond district.

24 After the monthly transfers ~~transfer~~ to the STAR Bonds
25 Revenue Fund, on or before the 25th day of each calendar month,
26 the Department shall prepare and certify to the Comptroller

1 the disbursement of stated sums of money to named
2 municipalities from the business district retailers'
3 occupation tax fund, the municipalities to be those from which
4 retailers have paid taxes or penalties under this subsection
5 to the Department during the second preceding calendar month.
6 The amount to be paid to each municipality shall be the amount
7 (not including credit memoranda and not including taxes and
8 penalties collected on aviation fuel sold on or after December
9 1, 2019) collected under this subsection during the second
10 preceding calendar month by the Department plus an amount the
11 Department determines is necessary to offset any amounts that
12 were erroneously paid to a different taxing body, and not
13 including an amount equal to the amount of refunds made during
14 the second preceding calendar month by the Department, less 2%
15 of that amount (except the amount collected on aviation fuel
16 sold on or after December 1, 2019), which shall be deposited
17 into the Tax Compliance and Administration Fund and shall be
18 used by the Department, subject to appropriation, to cover the
19 costs of the Department in administering and enforcing the
20 provisions of this subsection, on behalf of such municipality,
21 and not including any amount that the Department determines is
22 necessary to offset any amounts that were payable to a
23 different taxing body but were erroneously paid to the
24 municipality, and not including any amounts that are
25 transferred to the STAR Bonds Revenue Fund. Within 10 days
26 after receipt by the Comptroller of the disbursement

1 certification to the municipalities provided for in this
2 subsection to be given to the Comptroller by the Department,
3 the Comptroller shall cause the orders to be drawn for the
4 respective amounts in accordance with the directions contained
5 in the certification. The proceeds of the tax paid to
6 municipalities under this subsection shall be deposited into
7 the Business District Tax Allocation Fund by the municipality.

8 An ordinance imposing or discontinuing the tax under this
9 subsection or effecting a change in the rate thereof shall
10 either (i) be adopted and a certified copy thereof filed with
11 the Department on or before the first day of April, whereupon
12 the Department, if all other requirements of this subsection
13 are met, shall proceed to administer and enforce this
14 subsection as of the first day of July next following the
15 adoption and filing; or (ii) be adopted and a certified copy
16 thereof filed with the Department on or before the first day of
17 October, whereupon, if all other requirements of this
18 subsection are met, the Department shall proceed to administer
19 and enforce this subsection as of the first day of January next
20 following the adoption and filing.

21 The Department of Revenue shall not administer or enforce
22 an ordinance imposing, discontinuing, or changing the rate of
23 the tax under this subsection, until the municipality also
24 provides, in the manner prescribed by the Department, the
25 boundaries of the business district and each address in the
26 business district in such a way that the Department can

1 determine by its address whether a business is located in the
2 business district. The municipality must provide this boundary
3 and address information to the Department on or before April 1
4 for administration and enforcement of the tax under this
5 subsection by the Department beginning on the following July 1
6 and on or before October 1 for administration and enforcement
7 of the tax under this subsection by the Department beginning
8 on the following January 1. The Department of Revenue shall
9 not administer or enforce any change made to the boundaries of
10 a business district or address change, addition, or deletion
11 until the municipality reports the boundary change or address
12 change, addition, or deletion to the Department in the manner
13 prescribed by the Department. The municipality must provide
14 this boundary change information or address change, addition,
15 or deletion to the Department on or before April 1 for
16 administration and enforcement by the Department of the change
17 beginning on the following July 1 and on or before October 1
18 for administration and enforcement by the Department of the
19 change beginning on the following January 1. The retailers in
20 the business district shall be responsible for charging the
21 tax imposed under this subsection. If a retailer is
22 incorrectly included or excluded from the list of those
23 required to collect the tax under this subsection, both the
24 Department of Revenue and the retailer shall be held harmless
25 if they reasonably relied on information provided by the
26 municipality.

1 A municipality that imposes the tax under this subsection
2 must submit to the Department of Revenue any other information
3 as the Department may require for the administration and
4 enforcement of the tax.

5 When certifying the amount of a monthly disbursement to a
6 municipality under this subsection, the Department shall
7 increase or decrease the amount by an amount necessary to
8 offset any misallocation of previous disbursements. The offset
9 amount shall be the amount erroneously disbursed within the
10 previous 6 months from the time a misallocation is discovered.

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

16 If a tax is imposed under this subsection (b), a tax shall
17 also be imposed under subsection (c) of this Section.

18 (c) If a tax has been imposed under subsection (b), a
19 Business District Service Occupation Tax shall also be imposed
20 upon all persons engaged, in the business district, in the
21 business of making sales of service, who, as an incident to
22 making those sales of service, transfer tangible personal
23 property within the business district, either in the form of
24 tangible personal property or in the form of real estate as an
25 incident to a sale of service. The tax shall be imposed at the
26 same rate as the tax imposed in subsection (b) and shall not

1 exceed 1% of the selling price of tangible personal property
2 so transferred within the business district, to be imposed
3 only in 0.25% increments. The tax may not be imposed on
4 tangible personal property taxed at the 1% rate under the
5 Service Occupation Tax Act (or at the 0% rate imposed under
6 this amendatory Act of the 102nd General Assembly). Beginning
7 December 1, 2019, this tax is not imposed on sales of aviation
8 fuel unless the tax revenue is expended for airport-related
9 purposes. If the District does not have an airport-related
10 purpose to which it dedicates aviation fuel tax revenue, then
11 aviation fuel is excluded from the tax. Each municipality must
12 comply with the certification requirements for airport-related
13 purposes under Section 2-22 of the Retailers' Occupation Tax
14 Act. For purposes of this Act, "airport-related purposes" has
15 the meaning ascribed in Section 6z-20.2 of the State Finance
16 Act. Beginning January 1, 2021, this tax is not imposed on
17 sales of aviation fuel for so long as the revenue use
18 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
19 binding on the District.

20 The tax imposed under this subsection and all civil
21 penalties that may be assessed as an incident thereof shall be
22 collected and enforced by the Department of Revenue. The
23 certificate of registration which is issued by the Department
24 to a retailer under the Retailers' Occupation Tax Act or under
25 the Service Occupation Tax Act shall permit such registrant to
26 engage in a business which is taxable under any ordinance or

1 resolution enacted pursuant to this subsection without
2 registering separately with the Department under such
3 ordinance or resolution or under this subsection. The
4 Department of Revenue shall have full power to administer and
5 enforce this subsection; to collect all taxes and penalties
6 due under this subsection; to dispose of taxes and penalties
7 so collected in the manner hereinafter provided; and to
8 determine all rights to credit memoranda arising on account of
9 the erroneous payment of tax or penalty under this subsection.
10 In the administration of, and compliance with this subsection,
11 the Department and persons who are subject to this subsection
12 shall have the same rights, remedies, privileges, immunities,
13 powers and duties, and be subject to the same conditions,
14 restrictions, limitations, penalties, exclusions, exemptions,
15 and definitions of terms and employ the same modes of
16 procedure as are prescribed in Sections 2, 2a through 2d, 3
17 through 3-50 (in respect to all provisions therein other than
18 the State rate of tax), 4 (except that the reference to the
19 State shall be to the business district), 5, 7, 8 (except that
20 the jurisdiction to which the tax shall be a debt to the extent
21 indicated in that Section 8 shall be the municipality), 9
22 (except as to the disposition of taxes and penalties
23 collected, and except that the returned merchandise credit for
24 this tax may not be taken against any State tax, and except
25 that the retailer's discount is not allowed for taxes paid on
26 aviation fuel that are subject to the revenue use requirements

1 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except
2 the reference therein to Section 2b of the Retailers'
3 Occupation Tax Act), 13 (except that any reference to the
4 State shall mean the municipality), the first paragraph of
5 Section 15, and Sections 16, 17, 18, 19 and 20 of the Service
6 Occupation Tax Act and all provisions of the Uniform Penalty
7 and Interest Act, as fully as if those provisions were set
8 forth herein.

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

17 Whenever the Department determines that a refund should be
18 made under this subsection to a claimant instead of issuing
19 credit memorandum, the Department shall notify the State
20 Comptroller, who shall cause the order to be drawn for the
21 amount specified, and to the person named, in such
22 notification from the Department. Such refund shall be paid by
23 the State Treasurer out of the business district retailers'
24 occupation tax fund or the Local Government Aviation Trust
25 Fund, as appropriate.

26 Except as otherwise provided in this paragraph, the

1 Department shall forthwith pay over to the State Treasurer,
2 ex-officio, as trustee, all taxes, penalties, and interest
3 collected under this subsection for deposit into the business
4 district retailers' occupation tax fund. Taxes and penalties
5 collected on aviation fuel sold on or after December 1, 2019,
6 shall be immediately paid over by the Department to the State
7 Treasurer, ex officio, as trustee, for deposit into the Local
8 Government Aviation Trust Fund. The Department shall only pay
9 moneys into the Local Government Aviation Trust Fund under
10 this Section for so long as the revenue use requirements of 49
11 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
12 District.

13 As soon as possible after the first day of each month,
14 beginning January 1, 2011, upon certification of the
15 Department of Revenue, the Comptroller shall order
16 transferred, and the Treasurer shall transfer, to the STAR
17 Bonds Revenue Fund the local sales tax increment, as defined
18 in the Innovation Development and Economy Act, collected under
19 this subsection during the second preceding calendar month for
20 sales within a STAR bond district.

21 As soon as possible after the first day of each month,
22 beginning January 1, 2026, upon certification of the
23 Department of Revenue, the Comptroller shall order
24 transferred, and the Treasurer shall transfer, to the STAR
25 Bonds Revenue Fund the local sales tax increment, as defined
26 in the Statewide Innovation Development and Economy Act,

1 collected under this Section during the second preceding
2 calendar month for sales within a STAR bond district.

3 After the monthly transfers ~~transfer~~ to the STAR Bonds
4 Revenue Fund, on or before the 25th day of each calendar month,
5 the Department shall prepare and certify to the Comptroller
6 the disbursement of stated sums of money to named
7 municipalities from the business district retailers'
8 occupation tax fund, the municipalities to be those from which
9 suppliers and servicemen have paid taxes or penalties under
10 this subsection to the Department during the second preceding
11 calendar month. The amount to be paid to each municipality
12 shall be the amount (not including credit memoranda and not
13 including taxes and penalties collected on aviation fuel sold
14 on or after December 1, 2019) collected under this subsection
15 during the second preceding calendar month by the Department,
16 less 2% of that amount (except the amount collected on
17 aviation fuel sold on or after December 1, 2019), which shall
18 be deposited into the Tax Compliance and Administration Fund
19 and shall be used by the Department, subject to appropriation,
20 to cover the costs of the Department in administering and
21 enforcing the provisions of this subsection, and not including
22 an amount equal to the amount of refunds made during the second
23 preceding calendar month by the Department on behalf of such
24 municipality, and not including any amounts that are
25 transferred to the STAR Bonds Revenue Fund. Within 10 days
26 after receipt, by the Comptroller, of the disbursement

1 certification to the municipalities, provided for in this
2 subsection to be given to the Comptroller by the Department,
3 the Comptroller shall cause the orders to be drawn for the
4 respective amounts in accordance with the directions contained
5 in such certification. The proceeds of the tax paid to
6 municipalities under this subsection shall be deposited into
7 the Business District Tax Allocation Fund by the municipality.

8 An ordinance imposing or discontinuing the tax under this
9 subsection or effecting a change in the rate thereof shall
10 either (i) be adopted and a certified copy thereof filed with
11 the Department on or before the first day of April, whereupon
12 the Department, if all other requirements of this subsection
13 are met, shall proceed to administer and enforce this
14 subsection as of the first day of July next following the
15 adoption and filing; or (ii) be adopted and a certified copy
16 thereof filed with the Department on or before the first day of
17 October, whereupon, if all other conditions of this subsection
18 are met, the Department shall proceed to administer and
19 enforce this subsection as of the first day of January next
20 following the adoption and filing.

21 The Department of Revenue shall not administer or enforce
22 an ordinance imposing, discontinuing, or changing the rate of
23 the tax under this subsection, until the municipality also
24 provides, in the manner prescribed by the Department, the
25 boundaries of the business district in such a way that the
26 Department can determine by its address whether a business is

1 located in the business district. The municipality must
2 provide this boundary and address information to the
3 Department on or before April 1 for administration and
4 enforcement of the tax under this subsection by the Department
5 beginning on the following July 1 and on or before October 1
6 for administration and enforcement of the tax under this
7 subsection by the Department beginning on the following
8 January 1. The Department of Revenue shall not administer or
9 enforce any change made to the boundaries of a business
10 district or address change, addition, or deletion until the
11 municipality reports the boundary change or address change,
12 addition, or deletion to the Department in the manner
13 prescribed by the Department. The municipality must provide
14 this boundary change information or address change, addition,
15 or deletion to the Department on or before April 1 for
16 administration and enforcement by the Department of the change
17 beginning on the following July 1 and on or before October 1
18 for administration and enforcement by the Department of the
19 change beginning on the following January 1. The retailers in
20 the business district shall be responsible for charging the
21 tax imposed under this subsection. If a retailer is
22 incorrectly included or excluded from the list of those
23 required to collect the tax under this subsection, both the
24 Department of Revenue and the retailer shall be held harmless
25 if they reasonably relied on information provided by the
26 municipality.

1 A municipality that imposes the tax under this subsection
2 must submit to the Department of Revenue any other information
3 as the Department may require for the administration and
4 enforcement of the tax.

5 Nothing in this subsection shall be construed to authorize
6 the municipality to impose a tax upon the privilege of
7 engaging in any business which under the Constitution of the
8 United States may not be made the subject of taxation by the
9 State.

10 If a tax is imposed under this subsection (c), a tax shall
11 also be imposed under subsection (b) of this Section.

12 (c-5) If, on January 1, 2025, a unit of local government
13 has in effect a tax under this Section, or if, after January 1,
14 2025, a unit of local government imposes a tax under this
15 Section, then that tax applies to leases of tangible personal
16 property in effect, entered into, or renewed on or after that
17 date in the same manner as the tax under this Section and in
18 accordance with the changes made by this amendatory Act of the
19 103rd General Assembly.

20 (d) By ordinance, a municipality that has designated a
21 business district under this Law may impose an occupation tax
22 upon all persons engaged in the business district in the
23 business of renting, leasing, or letting rooms in a hotel, as
24 defined in the Hotel Operators' Occupation Tax Act, at a rate
25 not to exceed 1% of the gross rental receipts from the renting,
26 leasing, or letting of hotel rooms within the business

1 district, to be imposed only in 0.25% increments, excluding,
2 however, from gross rental receipts the proceeds of renting,
3 leasing, or letting to permanent residents of a hotel, as
4 defined in the Hotel Operators' Occupation Tax Act, and
5 proceeds from the tax imposed under subsection (c) of Section
6 13 of the Metropolitan Pier and Exposition Authority Act.

7 The tax imposed by the municipality under this subsection
8 and all civil penalties that may be assessed as an incident to
9 that tax shall be collected and enforced by the municipality
10 imposing the tax. The municipality shall have full power to
11 administer and enforce this subsection, to collect all taxes
12 and penalties due under this subsection, to dispose of taxes
13 and penalties so collected in the manner provided in this
14 subsection, and to determine all rights to credit memoranda
15 arising on account of the erroneous payment of tax or penalty
16 under this subsection. In the administration of and compliance
17 with this subsection, the municipality and persons who are
18 subject to this subsection shall have the same rights,
19 remedies, privileges, immunities, powers, and duties, shall be
20 subject to the same conditions, restrictions, limitations,
21 penalties, and definitions of terms, and shall employ the same
22 modes of procedure as are employed with respect to a tax
23 adopted by the municipality under Section 8-3-14 of this Code.

24 Persons subject to any tax imposed under the authority
25 granted in this subsection may reimburse themselves for their
26 tax liability for that tax by separately stating that tax as an

1 additional charge, which charge may be stated in combination,
2 in a single amount, with State taxes imposed under the Hotel
3 Operators' Occupation Tax Act, and with any other tax.

4 Nothing in this subsection shall be construed to authorize
5 a municipality to impose a tax upon the privilege of engaging
6 in any business which under the Constitution of the United
7 States may not be made the subject of taxation by this State.

8 The proceeds of the tax imposed under this subsection
9 shall be deposited into the Business District Tax Allocation
10 Fund.

11 (e) Obligations secured by the Business District Tax
12 Allocation Fund may be issued to provide for the payment or
13 reimbursement of business district project costs. Those
14 obligations, when so issued, shall be retired in the manner
15 provided in the ordinance authorizing the issuance of those
16 obligations by the receipts of taxes imposed pursuant to
17 subsections (10) and (11) of Section 11-74.3-3 and by other
18 revenue designated or pledged by the municipality. A
19 municipality may in the ordinance pledge, for any period of
20 time up to and including the dissolution date, all or any part
21 of the funds in and to be deposited in the Business District
22 Tax Allocation Fund to the payment of business district
23 project costs and obligations. Whenever a municipality pledges
24 all of the funds to the credit of a business district tax
25 allocation fund to secure obligations issued or to be issued
26 to pay or reimburse business district project costs, the

1 municipality may specifically provide that funds remaining to
2 the credit of such business district tax allocation fund after
3 the payment of such obligations shall be accounted for
4 annually and shall be deemed to be "surplus" funds, and such
5 "surplus" funds shall be expended by the municipality for any
6 business district project cost as approved in the business
7 district plan. Whenever a municipality pledges less than all
8 of the monies to the credit of a business district tax
9 allocation fund to secure obligations issued or to be issued
10 to pay or reimburse business district project costs, the
11 municipality shall provide that monies to the credit of the
12 business district tax allocation fund and not subject to such
13 pledge or otherwise encumbered or required for payment of
14 contractual obligations for specific business district project
15 costs shall be calculated annually and shall be deemed to be
16 "surplus" funds, and such "surplus" funds shall be expended by
17 the municipality for any business district project cost as
18 approved in the business district plan.

19 No obligation issued pursuant to this Law and secured by a
20 pledge of all or any portion of any revenues received or to be
21 received by the municipality from the imposition of taxes
22 pursuant to subsection (10) of Section 11-74.3-3, shall be
23 deemed to constitute an economic incentive agreement under
24 Section 8-11-20, notwithstanding the fact that such pledge
25 provides for the sharing, rebate, or payment of retailers'
26 occupation taxes or service occupation taxes imposed pursuant

1 to subsection (10) of Section 11-74.3-3 and received or to be
2 received by the municipality from the development or
3 redevelopment of properties in the business district.

4 Without limiting the foregoing in this Section, the
5 municipality may further secure obligations secured by the
6 business district tax allocation fund with a pledge, for a
7 period not greater than the term of the obligations and in any
8 case not longer than the dissolution date, of any part or any
9 combination of the following: (i) net revenues of all or part
10 of any business district project; (ii) taxes levied or imposed
11 by the municipality on any or all property in the
12 municipality, including, specifically, taxes levied or imposed
13 by the municipality in a special service area pursuant to the
14 Special Service Area Tax Law; (iii) the full faith and credit
15 of the municipality; (iv) a mortgage on part or all of the
16 business district project; or (v) any other taxes or
17 anticipated receipts that the municipality may lawfully
18 pledge.

19 Such obligations may be issued in one or more series, bear
20 such date or dates, become due at such time or times as therein
21 provided, but in any case not later than (i) 20 years after the
22 date of issue or (ii) the dissolution date, whichever is
23 earlier, bear interest payable at such intervals and at such
24 rate or rates as set forth therein, except as may be limited by
25 applicable law, which rate or rates may be fixed or variable,
26 be in such denominations, be in such form, either coupon,

1 registered, or book-entry, carry such conversion, registration
2 and exchange privileges, be subject to defeasance upon such
3 terms, have such rank or priority, be executed in such manner,
4 be payable in such medium or payment at such place or places
5 within or without the State, make provision for a corporate
6 trustee within or without the State with respect to such
7 obligations, prescribe the rights, powers, and duties thereof
8 to be exercised for the benefit of the municipality and the
9 benefit of the owners of such obligations, provide for the
10 holding in trust, investment, and use of moneys, funds, and
11 accounts held under an ordinance, provide for assignment of
12 and direct payment of the moneys to pay such obligations or to
13 be deposited into such funds or accounts directly to such
14 trustee, be subject to such terms of redemption with or
15 without premium, and be sold at such price, all as the
16 corporate authorities shall determine. No referendum approval
17 of the electors shall be required as a condition to the
18 issuance of obligations pursuant to this Law except as
19 provided in this Section.

20 In the event the municipality authorizes the issuance of
21 obligations pursuant to the authority of this Law secured by
22 the full faith and credit of the municipality, or pledges ad
23 valorem taxes pursuant to this subsection, which obligations
24 are other than obligations which may be issued under home rule
25 powers provided by Section 6 of Article VII of the Illinois
26 Constitution or which ad valorem taxes are other than ad

1 valorem taxes which may be pledged under home rule powers
2 provided by Section 6 of Article VII of the Illinois
3 Constitution or which are levied in a special service area
4 pursuant to the Special Service Area Tax Law, the ordinance
5 authorizing the issuance of those obligations or pledging
6 those taxes shall be published within 10 days after the
7 ordinance has been adopted, in a newspaper having a general
8 circulation within the municipality. The publication of the
9 ordinance shall be accompanied by a notice of (i) the specific
10 number of voters required to sign a petition requesting the
11 question of the issuance of the obligations or pledging such
12 ad valorem taxes to be submitted to the electors; (ii) the time
13 within which the petition must be filed; and (iii) the date of
14 the prospective referendum. The municipal clerk shall provide
15 a petition form to any individual requesting one.

16 If no petition is filed with the municipal clerk, as
17 hereinafter provided in this Section, within 21 days after the
18 publication of the ordinance, the ordinance shall be in
19 effect. However, if within that 21-day period a petition is
20 filed with the municipal clerk, signed by electors numbering
21 not less than 15% of the number of electors voting for the
22 mayor or president at the last general municipal election,
23 asking that the question of issuing obligations using full
24 faith and credit of the municipality as security for the cost
25 of paying or reimbursing business district project costs, or
26 of pledging such ad valorem taxes for the payment of those

1 obligations, or both, be submitted to the electors of the
2 municipality, the municipality shall not be authorized to
3 issue obligations of the municipality using the full faith and
4 credit of the municipality as security or pledging such ad
5 valorem taxes for the payment of those obligations, or both,
6 until the proposition has been submitted to and approved by a
7 majority of the voters voting on the proposition at a
8 regularly scheduled election. The municipality shall certify
9 the proposition to the proper election authorities for
10 submission in accordance with the general election law.

11 The ordinance authorizing the obligations may provide that
12 the obligations shall contain a recital that they are issued
13 pursuant to this Law, which recital shall be conclusive
14 evidence of their validity and of the regularity of their
15 issuance.

16 In the event the municipality authorizes issuance of
17 obligations pursuant to this Law secured by the full faith and
18 credit of the municipality, the ordinance authorizing the
19 obligations may provide for the levy and collection of a
20 direct annual tax upon all taxable property within the
21 municipality sufficient to pay the principal thereof and
22 interest thereon as it matures, which levy may be in addition
23 to and exclusive of the maximum of all other taxes authorized
24 to be levied by the municipality, which levy, however, shall
25 be abated to the extent that monies from other sources are
26 available for payment of the obligations and the municipality

1 certifies the amount of those monies available to the county
2 clerk.

3 A certified copy of the ordinance shall be filed with the
4 county clerk of each county in which any portion of the
5 municipality is situated, and shall constitute the authority
6 for the extension and collection of the taxes to be deposited
7 in the business district tax allocation fund.

8 A municipality may also issue its obligations to refund,
9 in whole or in part, obligations theretofore issued by the
10 municipality under the authority of this Law, whether at or
11 prior to maturity. However, the last maturity of the refunding
12 obligations shall not be expressed to mature later than the
13 dissolution date.

14 In the event a municipality issues obligations under home
15 rule powers or other legislative authority, the proceeds of
16 which are pledged to pay or reimburse business district
17 project costs, the municipality may, if it has followed the
18 procedures in conformance with this Law, retire those
19 obligations from funds in the business district tax allocation
20 fund in amounts and in such manner as if those obligations had
21 been issued pursuant to the provisions of this Law.

22 No obligations issued pursuant to this Law shall be
23 regarded as indebtedness of the municipality issuing those
24 obligations or any other taxing district for the purpose of
25 any limitation imposed by law.

26 Obligations issued pursuant to this Law shall not be

1 subject to the provisions of the Bond Authorization Act.

2 (f) When business district project costs, including,
3 without limitation, all obligations paying or reimbursing
4 business district project costs have been paid, any surplus
5 funds then remaining in the Business District Tax Allocation
6 Fund shall be distributed to the municipal treasurer for
7 deposit into the general corporate fund of the municipality.
8 Upon payment of all business district project costs and
9 retirement of all obligations paying or reimbursing business
10 district project costs, but in no event more than 23 years
11 after the date of adoption of the ordinance imposing taxes
12 pursuant to subsection (10) or (11) of Section 11-74.3-3, the
13 municipality shall adopt an ordinance immediately rescinding
14 the taxes imposed pursuant to subsection (10) or (11) of
15 Section 11-74.3-3.

16 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

17 Section 5-925. The Metro-East Park and Recreation District
18 Act is amended by changing Section 30 as follows:

19 (70 ILCS 1605/30)

20 Sec. 30. Taxes.

21 (a) The board shall impose a tax upon all persons engaged
22 in the business of selling tangible personal property, other
23 than personal property titled or registered with an agency of
24 this State's government, at retail in the District on the

1 gross receipts from the sales made in the course of business.
2 This tax shall be imposed only at the rate of one-tenth of one
3 per cent.

4 This additional tax may not be imposed on tangible
5 personal property taxed at the 1% rate under the Retailers'
6 Occupation Tax Act (or at the 0% rate imposed under this
7 amendatory Act of the 102nd General Assembly). Beginning
8 December 1, 2019 and through December 31, 2020, this tax is not
9 imposed on sales of aviation fuel unless the tax revenue is
10 expended for airport-related purposes. If the District does
11 not have an airport-related purpose to which it dedicates
12 aviation fuel tax revenue, then aviation fuel shall be
13 excluded from tax. The board must comply with the
14 certification requirements for airport-related purposes under
15 Section 2-22 of the Retailers' Occupation Tax Act. For
16 purposes of this Act, "airport-related purposes" has the
17 meaning ascribed in Section 6z-20.2 of the State Finance Act.
18 Beginning January 1, 2021, this tax is not imposed on sales of
19 aviation fuel for so long as the revenue use requirements of 49
20 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
21 District. The tax imposed by the Board under this Section and
22 all civil penalties that may be assessed as an incident of the
23 tax shall be collected and enforced by the Department of
24 Revenue. The certificate of registration that is issued by the
25 Department to a retailer under the Retailers' Occupation Tax
26 Act shall permit the retailer to engage in a business that is

1 taxable without registering separately with the Department
2 under an ordinance or resolution under this Section. The
3 Department has full power to administer and enforce this
4 Section, to collect all taxes and penalties due under this
5 Section, to dispose of taxes and penalties so collected in the
6 manner provided in this Section, and to determine all rights
7 to credit memoranda arising on account of the erroneous
8 payment of a tax or penalty under this Section. In the
9 administration of and compliance with this Section, the
10 Department and persons who are subject to this Section shall
11 (i) have the same rights, remedies, privileges, immunities,
12 powers, and duties, (ii) be subject to the same conditions,
13 restrictions, limitations, penalties, and definitions of
14 terms, and (iii) employ the same modes of procedure as are
15 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
16 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions
17 contained in those Sections other than the State rate of tax),
18 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions
19 relating to transaction returns and quarter monthly payments,
20 and except that the retailer's discount is not allowed for
21 taxes paid on aviation fuel that are subject to the revenue use
22 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
23 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,
24 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
25 Occupation Tax Act and the Uniform Penalty and Interest Act as
26 if those provisions were set forth in this Section.

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

8 Whenever the Department determines that a refund should be
9 made under this Section to a claimant instead of issuing a
10 credit memorandum, the Department shall notify the State
11 Comptroller, who shall cause the order to be drawn for the
12 amount specified and to the person named in the notification
13 from the Department. The refund shall be paid by the State
14 Treasurer out of the State Metro-East Park and Recreation
15 District Fund or the Local Government Aviation Trust Fund, as
16 appropriate.

17 (b) If a tax has been imposed under subsection (a), a
18 service occupation tax shall also be imposed at the same rate
19 upon all persons engaged, in the District, in the business of
20 making sales of service, who, as an incident to making those
21 sales of service, transfer tangible personal property within
22 the District as an incident to a sale of service. This tax may
23 not be imposed on tangible personal property taxed at the 1%
24 rate under the Service Occupation Tax Act (or at the 0% rate
25 imposed under this amendatory Act of the 102nd General
26 Assembly). Beginning December 1, 2019 and through December 31,

1 2020, this tax may not be imposed on sales of aviation fuel
2 unless the tax revenue is expended for airport-related
3 purposes. If the District does not have an airport-related
4 purpose to which it dedicates aviation fuel tax revenue, then
5 aviation fuel shall be excluded from tax. The board must
6 comply with the certification requirements for airport-related
7 purposes under Section 2-22 of the Retailers' Occupation Tax
8 Act. For purposes of this Act, "airport-related purposes" has
9 the meaning ascribed in Section 6z-20.2 of the State Finance
10 Act. Beginning January 1, 2021, this tax is not imposed on
11 sales of aviation fuel for so long as the revenue use
12 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
13 binding on the District. The tax imposed under this subsection
14 and all civil penalties that may be assessed as an incident
15 thereof shall be collected and enforced by the Department of
16 Revenue. The Department has full power to administer and
17 enforce this subsection; to collect all taxes and penalties
18 due hereunder; to dispose of taxes and penalties so collected
19 in the manner hereinafter provided; and to determine all
20 rights to credit memoranda arising on account of the erroneous
21 payment of tax or penalty hereunder. In the administration of,
22 and compliance with this subsection, the Department and
23 persons who are subject to this paragraph shall (i) have the
24 same rights, remedies, privileges, immunities, powers, and
25 duties, (ii) be subject to the same conditions, restrictions,
26 limitations, penalties, exclusions, exemptions, and

1 definitions of terms, and (iii) employ the same modes of
2 procedure as are prescribed in Sections 2 (except that the
3 reference to State in the definition of supplier maintaining a
4 place of business in this State shall mean the District), 2a,
5 2b, 2c, 3 through 3-50 (in respect to all provisions therein
6 other than the State rate of tax), 4 (except that the reference
7 to the State shall be to the District), 5, 7, 8 (except that
8 the jurisdiction to which the tax shall be a debt to the extent
9 indicated in that Section 8 shall be the District), 9 (except
10 as to the disposition of taxes and penalties collected, and
11 except that the retailer's discount is not allowed for taxes
12 paid on aviation fuel that are subject to the revenue use
13 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
14 11, 12 (except the reference therein to Section 2b of the
15 Retailers' Occupation Tax Act), 13 (except that any reference
16 to the State shall mean the District), Sections 15, 16, 17, 18,
17 19 and 20 of the Service Occupation Tax Act and the Uniform
18 Penalty and Interest Act, as fully as if those provisions were
19 set forth herein.

20 Persons subject to any tax imposed under the authority
21 granted in this subsection may reimburse themselves for their
22 serviceman's tax liability by separately stating the tax as an
23 additional charge, which charge may be stated in combination,
24 in a single amount, with State tax that servicemen are
25 authorized to collect under the Service Use Tax Act, in
26 accordance with such bracket schedules as the Department may

1 prescribe.

2 Whenever the Department determines that a refund should be
3 made under this subsection to a claimant instead of issuing a
4 credit memorandum, the Department shall notify the State
5 Comptroller, who shall cause the warrant to be drawn for the
6 amount specified, and to the person named, in the notification
7 from the Department. The refund shall be paid by the State
8 Treasurer out of the State Metro-East Park and Recreation
9 District Fund or the Local Government Aviation Trust Fund, as
10 appropriate.

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

15 (b-5) If, on January 1, 2025, a unit of local government
16 has in effect a tax under this Section, or if, after January 1,
17 2025, a unit of local government imposes a tax under this
18 Section, then that tax applies to leases of tangible personal
19 property in effect, entered into, or renewed on or after that
20 date in the same manner as the tax under this Section and in
21 accordance with the changes made by this amendatory Act of the
22 103rd General Assembly.

23 (c) Except as otherwise provided in this paragraph, the
24 Department shall immediately pay over to the State Treasurer,
25 ex officio, as trustee, all taxes and penalties collected
26 under this Section to be deposited into the State Metro-East

1 Park and Recreation District Fund, which shall be an
2 unappropriated trust fund held outside of the State treasury.
3 Taxes and penalties collected on aviation fuel sold on or
4 after December 1, 2019 and through December 31, 2020, shall be
5 immediately paid over by the Department to the State
6 Treasurer, ex officio, as trustee, for deposit into the Local
7 Government Aviation Trust Fund. The Department shall only pay
8 moneys into the Local Government Aviation Trust Fund under
9 this Act for so long as the revenue use requirements of 49
10 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
11 District.

12 As soon as possible after the first day of each month,
13 beginning January 1, 2011, upon certification of the
14 Department of Revenue, the Comptroller shall order
15 transferred, and the Treasurer shall transfer, to the STAR
16 Bonds Revenue Fund the local sales tax increment, as defined
17 in the Innovation Development and Economy Act, collected under
18 this Section during the second preceding calendar month for
19 sales within a STAR bond district. The Department shall make
20 this certification only if the Metro East Park and Recreation
21 District imposes a tax on real property as provided in the
22 definition of "local sales taxes" under the Innovation
23 Development and Economy Act.

24 As soon as possible after the first day of each month,
25 beginning January 1, 2026, upon certification of the
26 Department of Revenue, the Comptroller shall order

1 transferred, and the Treasurer shall transfer, to the STAR
2 Bonds Revenue Fund the local sales tax increment, as defined
3 in the Statewide Innovation Development and Economy Act,
4 collected under this Section during the second preceding
5 calendar month for sales within a STAR bond district. The
6 Department shall make this certification only if the Metro
7 East Park and Recreation District imposes a tax on real
8 property as provided in the definition of "local sales taxes"
9 under the Statewide Innovation Development and Economy Act.

10 After the monthly transfers ~~transfer~~ to the STAR Bonds
11 Revenue Fund, on or before the 25th day of each calendar month,
12 the Department shall prepare and certify to the Comptroller
13 the disbursement of stated sums of money pursuant to Section
14 35 of this Act to the District from which retailers have paid
15 taxes or penalties to the Department during the second
16 preceding calendar month. The amount to be paid to the
17 District shall be the amount (not including credit memoranda
18 and not including taxes and penalties collected on aviation
19 fuel sold on or after December 1, 2019 and through December 31,
20 2020) collected under this Section during the second preceding
21 calendar month by the Department plus an amount the Department
22 determines is necessary to offset any amounts that were
23 erroneously paid to a different taxing body, and not including
24 (i) an amount equal to the amount of refunds made during the
25 second preceding calendar month by the Department on behalf of
26 the District, (ii) any amount that the Department determines

1 is necessary to offset any amounts that were payable to a
2 different taxing body but were erroneously paid to the
3 District, (iii) any amounts that are transferred to the STAR
4 Bonds Revenue Fund, and (iv) 1.5% of the remainder, which the
5 Department shall transfer into the Tax Compliance and
6 Administration Fund. The Department, at the time of each
7 monthly disbursement to the District, shall prepare and
8 certify to the State Comptroller the amount to be transferred
9 into the Tax Compliance and Administration Fund under this
10 subsection. Within 10 days after receipt by the Comptroller of
11 the disbursement certification to the District and the Tax
12 Compliance and Administration Fund provided for in this
13 Section to be given to the Comptroller by the Department, the
14 Comptroller shall cause the orders to be drawn for the
15 respective amounts in accordance with directions contained in
16 the certification.

17 (d) For the purpose of determining whether a tax
18 authorized under this Section is applicable, a retail sale by
19 a producer of coal or another mineral mined in Illinois is a
20 sale at retail at the place where the coal or other mineral
21 mined in Illinois is extracted from the earth. This paragraph
22 does not apply to coal or another mineral when it is delivered
23 or shipped by the seller to the purchaser at a point outside
24 Illinois so that the sale is exempt under the United States
25 Constitution as a sale in interstate or foreign commerce.

26 (e) Nothing in this Section shall be construed to

1 authorize the board to impose a tax upon the privilege of
2 engaging in any business that under the Constitution of the
3 United States may not be made the subject of taxation by this
4 State.

5 (f) An ordinance imposing a tax under this Section or an
6 ordinance extending the imposition of a tax to an additional
7 county or counties shall be certified by the board and filed
8 with the Department of Revenue either (i) on or before the
9 first day of April, whereupon the Department shall proceed to
10 administer and enforce the tax as of the first day of July next
11 following the filing; or (ii) on or before the first day of
12 October, whereupon the Department shall proceed to administer
13 and enforce the tax as of the first day of January next
14 following the filing.

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

21 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

22 Section 5-930. The Local Mass Transit District Act is
23 amended by changing Section 5.01 as follows:

24 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

1 Sec. 5.01. Metro East Mass Transit District; use and
2 occupation taxes.

3 (a) The Board of Trustees of any Metro East Mass Transit
4 District may, by ordinance adopted with the concurrence of
5 two-thirds of the then trustees, impose throughout the
6 District any or all of the taxes and fees provided in this
7 Section. Except as otherwise provided, all taxes and fees
8 imposed under this Section shall be used only for public mass
9 transportation systems, and the amount used to provide mass
10 transit service to unserved areas of the District shall be in
11 the same proportion to the total proceeds as the number of
12 persons residing in the unserved areas is to the total
13 population of the District. Except as otherwise provided in
14 this Act, taxes imposed under this Section and civil penalties
15 imposed incident thereto shall be collected and enforced by
16 the State Department of Revenue. The Department shall have the
17 power to administer and enforce the taxes and to determine all
18 rights for refunds for erroneous payments of the taxes.

19 (b) The Board may impose a Metro East Mass Transit
20 District Retailers' Occupation Tax upon all persons engaged in
21 the business of selling tangible personal property at retail
22 in the district at a rate of 1/4 of 1%, or as authorized under
23 subsection (d-5) of this Section, of the gross receipts from
24 the sales made in the course of such business within the
25 district, except that the rate of tax imposed under this
26 Section on sales of aviation fuel on or after December 1, 2019

1 shall be 0.25% in Madison County unless the Metro-East Mass
2 Transit District in Madison County has an "airport-related
3 purpose" and any additional amount authorized under subsection
4 (d-5) is expended for airport-related purposes. If there is no
5 airport-related purpose to which aviation fuel tax revenue is
6 dedicated, then aviation fuel is excluded from any additional
7 amount authorized under subsection (d-5). The rate in St.
8 Clair County shall be 0.25% unless the Metro-East Mass Transit
9 District in St. Clair County has an "airport-related purpose"
10 and the additional 0.50% of the 0.75% tax on aviation fuel
11 imposed in that County is expended for airport-related
12 purposes. If there is no airport-related purpose to which
13 aviation fuel tax revenue is dedicated, then aviation fuel is
14 excluded from the additional 0.50% of the 0.75% tax.

15 The Board must comply with the certification requirements
16 for airport-related purposes under Section 2-22 of the
17 Retailers' Occupation Tax Act. For purposes of this Section,
18 "airport-related purposes" has the meaning ascribed in Section
19 6z-20.2 of the State Finance Act. This exclusion for aviation
20 fuel only applies for so long as the revenue use requirements
21 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
22 District.

23 The tax imposed under this Section and all civil penalties
24 that may be assessed as an incident thereof shall be collected
25 and enforced by the State Department of Revenue. The
26 Department shall have full power to administer and enforce

1 this Section; to collect all taxes and penalties so collected
2 in the manner hereinafter provided; and to determine all
3 rights to credit memoranda arising on account of the erroneous
4 payment of tax or penalty hereunder. In the administration of,
5 and compliance with, this Section, the Department and persons
6 who are subject to this Section shall have the same rights,
7 remedies, privileges, immunities, powers and duties, and be
8 subject to the same conditions, restrictions, limitations,
9 penalties, exclusions, exemptions and definitions of terms and
10 employ the same modes of procedure, as are prescribed in
11 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
12 (in respect to all provisions therein other than the State
13 rate of tax), 2c, 3 (except as to the disposition of taxes and
14 penalties collected, and except that the retailer's discount
15 is not allowed for taxes paid on aviation fuel that are subject
16 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
17 U.S.C. 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,
18 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, 13, and 14 of the
19 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
20 Penalty and Interest Act, as fully as if those provisions were
21 set forth herein.

22 Persons subject to any tax imposed under the Section may
23 reimburse themselves for their seller's tax liability
24 hereunder by separately stating the tax as an additional
25 charge, which charge may be stated in combination, in a single
26 amount, with State taxes that sellers are required to collect

1 under the Use Tax Act, in accordance with such bracket
2 schedules as the Department may prescribe.

3 Whenever the Department determines that a refund should be
4 made under this Section to a claimant instead of issuing a
5 credit memorandum, the Department shall notify the State
6 Comptroller, who shall cause the warrant to be drawn for the
7 amount specified, and to the person named, in the notification
8 from the Department. The refund shall be paid by the State
9 Treasurer out of the Metro East Mass Transit District tax fund
10 established under paragraph (h) of this Section or the Local
11 Government Aviation Trust Fund, as appropriate.

12 If a tax is imposed under this subsection (b), a tax shall
13 also be imposed under subsections (c) and (d) of this Section.

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

23 No tax shall be imposed or collected under this subsection
24 on the sale of a motor vehicle in this State to a resident of
25 another state if that motor vehicle will not be titled in this
26 State.

1 Nothing in this Section shall be construed to authorize
2 the Metro East Mass Transit District to impose a tax upon the
3 privilege of engaging in any business which under the
4 Constitution of the United States may not be made the subject
5 of taxation by this State.

6 (c) If a tax has been imposed under subsection (b), a Metro
7 East Mass Transit District Service Occupation Tax shall also
8 be imposed upon all persons engaged, in the district, in the
9 business of making sales of service, who, as an incident to
10 making those sales of service, transfer tangible personal
11 property within the District, either in the form of tangible
12 personal property or in the form of real estate as an incident
13 to a sale of service. The tax rate shall be 1/4%, or as
14 authorized under subsection (d-5) of this Section, of the
15 selling price of tangible personal property so transferred
16 within the district, except that the rate of tax imposed in
17 these Counties under this Section on sales of aviation fuel on
18 or after December 1, 2019 shall be 0.25% in Madison County
19 unless the Metro-East Mass Transit District in Madison County
20 has an "airport-related purpose" and any additional amount
21 authorized under subsection (d-5) is expended for
22 airport-related purposes. If there is no airport-related
23 purpose to which aviation fuel tax revenue is dedicated, then
24 aviation fuel is excluded from any additional amount
25 authorized under subsection (d-5). The rate in St. Clair
26 County shall be 0.25% unless the Metro-East Mass Transit

1 District in St. Clair County has an "airport-related purpose"
2 and the additional 0.50% of the 0.75% tax on aviation fuel is
3 expended for airport-related purposes. If there is no
4 airport-related purpose to which aviation fuel tax revenue is
5 dedicated, then aviation fuel is excluded from the additional
6 0.50% of the 0.75% tax.

7 The Board must comply with the certification requirements
8 for airport-related purposes under Section 2-22 of the
9 Retailers' Occupation Tax Act. For purposes of this Section,
10 "airport-related purposes" has the meaning ascribed in Section
11 6z-20.2 of the State Finance Act. This exclusion for aviation
12 fuel only applies for so long as the revenue use requirements
13 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
14 District.

15 The tax imposed under this paragraph and all civil
16 penalties that may be assessed as an incident thereof shall be
17 collected and enforced by the State Department of Revenue. The
18 Department shall have full power to administer and enforce
19 this paragraph; 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
22 to credit memoranda arising on account of the erroneous
23 payment of tax or penalty hereunder. In the administration of,
24 and compliance with this paragraph, the Department and persons
25 who are subject to this paragraph shall have the same rights,
26 remedies, privileges, immunities, powers and duties, and be

1 subject to the same conditions, restrictions, limitations,
2 penalties, exclusions, exemptions and definitions of terms and
3 employ the same modes of procedure as are prescribed in
4 Sections 1a-1, 2 (except that the reference to State in the
5 definition of supplier maintaining a place of business in this
6 State shall mean the Authority), 2a, 3 through 3-50 (in
7 respect to all provisions therein other than the State rate of
8 tax), 4 (except that the reference to the State shall be to the
9 Authority), 5, 7, 8 (except that the jurisdiction to which the
10 tax shall be a debt to the extent indicated in that Section 8
11 shall be the District), 9 (except as to the disposition of
12 taxes and penalties collected, and except that the returned
13 merchandise credit for this tax may not be taken against any
14 State tax, and except that the retailer's discount is not
15 allowed for taxes paid on aviation fuel that are subject to the
16 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
17 47133), 10, 11, 12 (except the reference therein to Section 2b
18 of the Retailers' Occupation Tax Act), 13 (except that any
19 reference to the State shall mean the District), the first
20 paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service
21 Occupation Tax Act and Section 3-7 of the Uniform Penalty and
22 Interest Act, as fully as if those provisions were set forth
23 herein.

24 Persons subject to any tax imposed under the authority
25 granted in this paragraph may reimburse themselves for their
26 serviceman's tax liability hereunder by separately stating the

1 tax as an additional charge, which charge may be stated in
2 combination, in a single amount, with State tax that
3 servicemen are authorized to collect under the Service Use Tax
4 Act, in accordance with such bracket schedules as the
5 Department may prescribe.

6 Whenever the Department determines that a refund should be
7 made under this paragraph to a claimant instead of issuing a
8 credit memorandum, the Department shall notify the State
9 Comptroller, who shall cause the warrant to be drawn for the
10 amount specified, and to the person named, in the notification
11 from the Department. The refund shall be paid by the State
12 Treasurer out of the Metro East Mass Transit District tax fund
13 established under paragraph (h) of this Section or the Local
14 Government Aviation Trust Fund, as appropriate.

15 Nothing in this paragraph shall be construed to authorize
16 the District to impose a tax upon the privilege of engaging in
17 any business which under the Constitution of the United States
18 may not be made the subject of taxation by the State.

19 (d) If a tax has been imposed under subsection (b), a Metro
20 East Mass Transit District Use Tax shall also be imposed upon
21 the privilege of using, in the district, any item of tangible
22 personal property that is purchased outside the district at
23 retail from a retailer, and that is titled or registered with
24 an agency of this State's government, at a rate of 1/4%, or as
25 authorized under subsection (d-5) of this Section, of the
26 selling price of the tangible personal property within the

1 District, as "selling price" is defined in the Use Tax Act. The
2 tax shall be collected from persons whose Illinois address for
3 titling or registration purposes is given as being in the
4 District. The tax shall be collected by the Department of
5 Revenue for the Metro East Mass Transit District. The tax must
6 be paid to the State, or an exemption determination must be
7 obtained from the Department of Revenue, before the title or
8 certificate of registration for the property may be issued.
9 The tax or proof of exemption may be transmitted to the
10 Department by way of the State agency with which, or the State
11 officer with whom, the tangible personal property must be
12 titled or registered if the Department and the State agency or
13 State officer determine that this procedure will expedite the
14 processing of applications for title or registration.

15 The Department shall have full power to administer and
16 enforce this paragraph; to collect all taxes, penalties and
17 interest due hereunder; to dispose of taxes, penalties and
18 interest so collected in the manner hereinafter provided; and
19 to determine all rights to credit memoranda or refunds arising
20 on account of the erroneous payment of tax, penalty or
21 interest hereunder. In the administration of, and compliance
22 with, this paragraph, the Department and persons who are
23 subject to this paragraph shall have the same rights,
24 remedies, privileges, immunities, powers and duties, and be
25 subject to the same conditions, restrictions, limitations,
26 penalties, exclusions, exemptions and definitions of terms and

1 employ the same modes of procedure, as are prescribed in
2 Sections 2 (except the definition of "retailer maintaining a
3 place of business in this State"), 3 through 3-80 (except
4 provisions pertaining to the State rate of tax, and except
5 provisions concerning collection or refunding of the tax by
6 retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions
7 pertaining to claims by retailers and except the last
8 paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act
9 and Section 3-7 of the Uniform Penalty and Interest Act, that
10 are not inconsistent with this paragraph, as fully as if those
11 provisions were set forth herein.

12 Whenever the Department determines that a refund should be
13 made under this paragraph to a claimant instead of issuing a
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 the notification
17 from the Department. The refund shall be paid by the State
18 Treasurer out of the Metro East Mass Transit District tax fund
19 established under paragraph (h) of this Section.

20 (d-1) If, on January 1, 2025, a unit of local government
21 has in effect a tax under subsections (b), (c), and (d) or if,
22 after January 1, 2025, a unit of local government imposes a tax
23 under subsections (b), (c), and (d), then that tax applies to
24 leases of tangible personal property in effect, entered into,
25 or renewed on or after that date in the same manner as the tax
26 under this Section and in accordance with the changes made by

1 this amendatory Act of the 103rd General Assembly.

2 (d-5) (A) The county board of any county participating in
3 the Metro East Mass Transit District may authorize, by
4 ordinance, a referendum on the question of whether the tax
5 rates for the Metro East Mass Transit District Retailers'
6 Occupation Tax, the Metro East Mass Transit District Service
7 Occupation Tax, and the Metro East Mass Transit District Use
8 Tax for the District should be increased from 0.25% to 0.75%.
9 Upon adopting the ordinance, the county board shall certify
10 the proposition to the proper election officials who shall
11 submit the proposition to the voters of the District at the
12 next election, in accordance with the general election law.

13 The proposition shall be in substantially the following
14 form:

15 Shall the tax rates for the Metro East Mass Transit
16 District Retailers' Occupation Tax, the Metro East Mass
17 Transit District Service Occupation Tax, and the Metro
18 East Mass Transit District Use Tax be increased from 0.25%
19 to 0.75%?

20 (B) Two thousand five hundred electors of any Metro East
21 Mass Transit District may petition the Chief Judge of the
22 Circuit Court, or any judge of that Circuit designated by the
23 Chief Judge, in which that District is located to cause to be
24 submitted to a vote of the electors the question whether the
25 tax rates for the Metro East Mass Transit District Retailers'
26 Occupation Tax, the Metro East Mass Transit District Service

1 Occupation Tax, and the Metro East Mass Transit District Use
2 Tax for the District should be increased from 0.25% to 0.75%.

3 Upon submission of such petition the court shall set a
4 date not less than 10 nor more than 30 days thereafter for a
5 hearing on the sufficiency thereof. Notice of the filing of
6 such petition and of such date shall be given in writing to the
7 District and the County Clerk at least 7 days before the date
8 of such hearing.

9 If such petition is found sufficient, the court shall
10 enter an order to submit that proposition at the next
11 election, in accordance with general election law.

12 The form of the petition shall be in substantially the
13 following form: To the Circuit Court of the County of (name of
14 county):

15 We, the undersigned electors of the (name of transit
16 district), respectfully petition your honor to submit to a
17 vote of the electors of (name of transit district) the
18 following proposition:

19 Shall the tax rates for the Metro East Mass Transit
20 District Retailers' Occupation Tax, the Metro East Mass
21 Transit District Service Occupation Tax, and the Metro
22 East Mass Transit District Use Tax be increased from 0.25%
23 to 0.75%?

24 Name Address, with Street and Number.

25
26

1 (C) The votes shall be recorded as "YES" or "NO". If a
2 majority of all votes cast on the proposition are for the
3 increase in the tax rates, the Metro East Mass Transit
4 District shall begin imposing the increased rates in the
5 District, and the Department of Revenue shall begin collecting
6 the increased amounts, as provided under this Section. An
7 ordinance imposing or discontinuing a tax hereunder or
8 effecting a change in the rate thereof shall be adopted and a
9 certified copy thereof filed with the Department on or before
10 the first day of October, whereupon the Department shall
11 proceed to administer and enforce this Section as of the first
12 day of January next following the adoption and filing, or on or
13 before the first day of April, whereupon the Department shall
14 proceed to administer and enforce this Section as of the first
15 day of July next following the adoption and filing.

16 (D) If the voters have approved a referendum under this
17 subsection, before November 1, 1994, to increase the tax rate
18 under this subsection, the Metro East Mass Transit District
19 Board of Trustees may adopt by a majority vote an ordinance at
20 any time before January 1, 1995 that excludes from the rate
21 increase tangible personal property that is titled or
22 registered with an agency of this State's government. The
23 ordinance excluding titled or registered tangible personal
24 property from the rate increase must be filed with the
25 Department at least 15 days before its effective date. At any
26 time after adopting an ordinance excluding from the rate

1 increase tangible personal property that is titled or
2 registered with an agency of this State's government, the
3 Metro East Mass Transit District Board of Trustees may adopt
4 an ordinance applying the rate increase to that tangible
5 personal property. The ordinance shall be adopted, and a
6 certified copy of that ordinance shall be filed with the
7 Department, on or before October 1, whereupon the Department
8 shall proceed to administer and enforce the rate increase
9 against tangible personal property titled or registered with
10 an agency of this State's government as of the following
11 January 1. After December 31, 1995, any reimposed rate
12 increase in effect under this subsection shall no longer apply
13 to tangible personal property titled or registered with an
14 agency of this State's government. Beginning January 1, 1996,
15 the Board of Trustees of any Metro East Mass Transit District
16 may never reimpose a previously excluded tax rate increase on
17 tangible personal property titled or registered with an agency
18 of this State's government. After July 1, 2004, if the voters
19 have approved a referendum under this subsection to increase
20 the tax rate under this subsection, the Metro East Mass
21 Transit District Board of Trustees may adopt by a majority
22 vote an ordinance that excludes from the rate increase
23 tangible personal property that is titled or registered with
24 an agency of this State's government. The ordinance excluding
25 titled or registered tangible personal property from the rate
26 increase shall be adopted, and a certified copy of that

1 ordinance shall be filed with the Department on or before
2 October 1, whereupon the Department shall administer and
3 enforce this exclusion from the rate increase as of the
4 following January 1, or on or before April 1, whereupon the
5 Department shall administer and enforce this exclusion from
6 the rate increase as of the following July 1. The Board of
7 Trustees of any Metro East Mass Transit District may never
8 reimpose a previously excluded tax rate increase on tangible
9 personal property titled or registered with an agency of this
10 State's government.

11 (d-6) If the Board of Trustees of any Metro East Mass
12 Transit District has imposed a rate increase under subsection
13 (d-5) and filed an ordinance with the Department of Revenue
14 excluding titled property from the higher rate, then that
15 Board may, by ordinance adopted with the concurrence of
16 two-thirds of the then trustees, impose throughout the
17 District a fee. The fee on the excluded property shall not
18 exceed \$20 per retail transaction or an amount equal to the
19 amount of tax excluded, whichever is less, on tangible
20 personal property that is titled or registered with an agency
21 of this State's government. Beginning July 1, 2004, the fee
22 shall apply only to titled property that is subject to either
23 the Metro East Mass Transit District Retailers' Occupation Tax
24 or the Metro East Mass Transit District Service Occupation
25 Tax. No fee shall be imposed or collected under this
26 subsection on the sale of a motor vehicle in this State to a

1 resident of another state if that motor vehicle will not be
2 titled in this State.

3 (d-7) Until June 30, 2004, if a fee has been imposed under
4 subsection (d-6), a fee shall also be imposed upon the
5 privilege of using, in the district, any item of tangible
6 personal property that is titled or registered with any agency
7 of this State's government, in an amount equal to the amount of
8 the fee imposed under subsection (d-6).

9 (d-7.1) Beginning July 1, 2004, any fee imposed by the
10 Board of Trustees of any Metro East Mass Transit District
11 under subsection (d-6) and all civil penalties that may be
12 assessed as an incident of the fees shall be collected and
13 enforced by the State Department of Revenue. Reference to
14 "taxes" in this Section shall be construed to apply to the
15 administration, payment, and remittance of all fees under this
16 Section. For purposes of any fee imposed under subsection
17 (d-6), 4% of the fee, penalty, and interest received by the
18 Department in the first 12 months that the fee is collected and
19 enforced by the Department and 2% of the fee, penalty, and
20 interest following the first 12 months (except the amount
21 collected on aviation fuel sold on or after December 1, 2019)
22 shall be deposited into the Tax Compliance and Administration
23 Fund and shall be used by the Department, subject to
24 appropriation, to cover the costs of the Department. No
25 retailers' discount shall apply to any fee imposed under
26 subsection (d-6).

1 (d-8) No item of titled property shall be subject to both
2 the higher rate approved by referendum, as authorized under
3 subsection (d-5), and any fee imposed under subsection (d-6)
4 or (d-7).

5 (d-9) (Blank).

6 (d-10) (Blank).

7 (e) A certificate of registration issued by the State
8 Department of Revenue to a retailer under the Retailers'
9 Occupation Tax Act or under the Service Occupation Tax Act
10 shall permit the registrant to engage in a business that is
11 taxed under the tax imposed under paragraphs (b), (c) or (d) of
12 this Section and no additional registration shall be required
13 under the tax. A certificate issued under the Use Tax Act or
14 the Service Use Tax Act shall be applicable with regard to any
15 tax imposed under paragraph (c) of this Section.

16 (f) (Blank).

17 (g) Any ordinance imposing or discontinuing any tax under
18 this Section shall be adopted and a certified copy thereof
19 filed with the Department on or before June 1, whereupon the
20 Department of Revenue shall proceed to administer and enforce
21 this Section on behalf of the Metro East Mass Transit District
22 as of September 1 next following such adoption and filing.
23 Beginning January 1, 1992, an ordinance or resolution imposing
24 or discontinuing the tax hereunder shall be adopted and a
25 certified copy thereof filed with the Department on or before
26 the first day of July, whereupon the Department shall proceed

1 to administer and enforce this Section as of the first day of
2 October next following such adoption and filing. Beginning
3 January 1, 1993, except as provided in subsection (d-5) of
4 this Section, an ordinance or resolution imposing or
5 discontinuing the tax hereunder shall be adopted and a
6 certified copy thereof filed with the Department on or before
7 the first day of October, whereupon the Department shall
8 proceed to administer and enforce this Section as of the first
9 day of January next following such adoption and filing, or,
10 beginning January 1, 2004, on or before the first day of April,
11 whereupon the Department shall proceed to administer and
12 enforce this Section as of the first day of July next following
13 the adoption and filing.

14 (h) Except as provided in subsection (d-7.1), the State
15 Department of Revenue shall, upon collecting any taxes as
16 provided in this Section, pay the taxes over to the State
17 Treasurer as trustee for the District. The taxes shall be held
18 in a trust fund outside the State Treasury. If an
19 airport-related purpose has been certified, taxes and
20 penalties collected in St. Clair County on aviation fuel sold
21 on or after December 1, 2019 from the 0.50% of the 0.75% rate
22 shall be immediately paid over by the Department to the State
23 Treasurer, ex officio, as trustee, for deposit into the Local
24 Government Aviation Trust Fund. The Department shall only pay
25 moneys into the Local Government Aviation Trust Fund under
26 this Act for so long as the revenue use requirements of 49

1 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
2 District.

3 As soon as possible after the first day of each month,
4 beginning January 1, 2011, upon certification of the
5 Department of Revenue, the Comptroller shall order
6 transferred, and the Treasurer shall transfer, to the STAR
7 Bonds Revenue Fund the local sales tax increment, as defined
8 in the Innovation Development and Economy Act, collected under
9 this Section during the second preceding calendar month for
10 sales within a STAR bond district. The Department shall make
11 this certification only if the local mass transit district
12 imposes a tax on real property as provided in the definition of
13 "local sales taxes" under the Innovation Development and
14 Economy Act.

15 As soon as possible after the first day of each month,
16 beginning January 1, 2026, upon certification of the
17 Department of Revenue, the Comptroller shall order
18 transferred, and the Treasurer shall transfer, to the STAR
19 Bonds Revenue Fund the local sales tax increment, as defined
20 in the Statewide Innovation Development and Economy Act,
21 collected under this Section during the second preceding
22 calendar month for sales within a STAR bond district. The
23 Department shall make this certification only if the local
24 mass transit district imposes a tax on real property as
25 provided in the definition of "local sales taxes" under the
26 Statewide Innovation Development and Economy Act.

1 After the monthly transfers ~~transfer~~ to the STAR Bonds
2 Revenue Fund, on or before the 25th day of each calendar month,
3 the State Department of Revenue shall prepare and certify to
4 the Comptroller of the State of Illinois the amount to be paid
5 to the District, which shall be the amount (not including
6 credit memoranda and not including taxes and penalties
7 collected on aviation fuel sold on or after December 1, 2019
8 that are deposited into the Local Government Aviation Trust
9 Fund) collected under this Section during the second preceding
10 calendar month by the Department plus an amount the Department
11 determines is necessary to offset any amounts that were
12 erroneously paid to a different taxing body, and not including
13 any amount equal to the amount of refunds made during the
14 second preceding calendar month by the Department on behalf of
15 the District, and not including any amount that the Department
16 determines is necessary to offset any amounts that were
17 payable to a different taxing body but were erroneously paid
18 to the District, and less any amounts that are transferred to
19 the STAR Bonds Revenue Fund, less 1.5% of the remainder, which
20 the Department shall transfer into the Tax Compliance and
21 Administration Fund. The Department, at the time of each
22 monthly disbursement to the District, shall prepare and
23 certify to the State Comptroller the amount to be transferred
24 into the Tax Compliance and Administration Fund under this
25 subsection. Within 10 days after receipt by the Comptroller of
26 the certification of the amount to be paid to the District and

1 the Tax Compliance and Administration Fund, the Comptroller
2 shall cause an order to be drawn for payment for the amount in
3 accordance with the direction in the certification.

4 (Source: P.A. 103-592, eff. 1-1-25.)

5 ARTICLE 10

6 Section 10-1. Short title. This Act may be cited as the
7 Advancing Innovative Manufacturing for Illinois Tax Credit
8 Act. References in this Article to "this Act" mean this
9 Article.

10 Section 10-5. Purpose. The General Assembly intends that
11 Illinois should lead the nation in manufacturing domestically
12 and internationally demanded goods. Through the support of
13 manufacturers existing within Illinois and those seeking to
14 relocate to Illinois, this Act is intended to spur innovation
15 in growth industries and fast-growing sectors, including:
16 automotive manufacturing; aerospace manufacturing; energy and
17 life sciences; machine manufacturing; fabricated metal
18 manufacturing; chemical manufacturing; robotics; and the
19 production of advanced materials. This Act is intended to
20 create good-paying jobs, generate long-term economic
21 investment in the Illinois business economy, and ensure that
22 vital products are made in the United States. Illinois must
23 aggressively adopt new business development investment tools

1 so that Illinois can compete with domestic and foreign
2 competitors.

3 Section 10-10. Definitions. In this Act:

4 "Advanced manufacturing" means the practice of using
5 innovative technologies and methods to improve a company's
6 ability to be competitive in the manufacturing sector by
7 optimizing all aspects of the value chain, from concept to
8 end-of-life considerations. "Advanced manufacturing"
9 includes, but is not limited to, advanced manufacturing
10 practices adopted by the following industries: clean energy
11 ecosystem businesses; life science businesses; food
12 manufacturing; automotive and aerospace manufacturing;
13 machinery manufacturing; fabricated metal manufacturing;
14 chemical manufacturing; robotics; and advanced materials
15 manufacturing, including nanomaterial manufacturing.

16 "Advancing Innovative Manufacturing for Illinois Tax
17 Credit" or "Credit" means a credit agreed to between the
18 Department and the applicant under this Act that is based on
19 capital improvements made to a new or existing facility for
20 the purpose of modernizing, upgrading, automating, or
21 streamlining a manufacturing or production process.

22 "Agreement" means the agreement between a taxpayer and the
23 Department under the provisions of this Act.

24 "Applicant" means a taxpayer that: (1) operates a business
25 in Illinois as a manufacturer of critically needed goods; (2)

1 operates a business in Illinois that primarily engages in
2 research and development that will result in the manufacturing
3 of critically needed goods; or (3) is planning to locate a
4 business within the State of Illinois as a manufacturer of
5 critically needed goods or a business in Illinois that
6 primarily engages in research and development that will result
7 in the manufacturing of critically needed goods. For the
8 purposes of this definition, a business primarily engages in
9 research and development if at least 50% of its business
10 activities involve research and development in the
11 manufacturing of critically needed goods.

12 "Applicant" does not include a taxpayer that closes or
13 substantially reduces, by more than 50%, operations at one
14 location in the State and relocates substantially the same
15 operation to another location in the State. This exclusion
16 does not prohibit a taxpayer from expanding its operations at
17 another location in the State. This exclusion also does not
18 prohibit a taxpayer from moving its operations from one
19 location in the State to another location in the State for the
20 purpose of expanding the operation of the business if the
21 Department determines that expansion cannot reasonably be
22 accommodated within the municipality or county in which the
23 business is located, or, in the case of a business located in
24 an incorporated area of the county, within the county in which
25 the business is located.

26 "Capital improvement" means (i) the purchase, renovation,

1 rehabilitation, or construction of permanent tangible land,
2 buildings, structures, equipment, and furnishings at an
3 approved project site in Illinois and (ii) expenditures for
4 goods or services that are normally capitalized, including
5 organizational costs and research and development costs
6 incurred in Illinois. For land, buildings, structures, and
7 equipment that are leased, the term of the lease must equal or
8 exceed the term of the agreement, and the cost of the property
9 shall be determined from the present value, using the
10 corporate interest rate prevailing at the time of the
11 application, of the lease payments.

12 "Department" means the Department of Commerce and Economic
13 Opportunity.

14 "Director" means the Director of Commerce and Economic
15 Opportunity.

16 "Full-time employee" means an individual who is employed
17 for consideration for at least 35 hours each week or who
18 renders any other standard of service generally accepted by
19 industry custom or practice as full-time employment. An
20 individual for whom a W-2 is issued by a Professional Employer
21 Organization (PEO) is a full-time employee if employed in the
22 service of the applicant for consideration for at least 35
23 hours each week.

24 "Incremental income tax" means the total amount withheld
25 during the taxable year from the compensation of new employees
26 and, if applicable, retained employees under Article 7 of the

1 Illinois Income Tax Act arising from employment at a project
2 that is the subject of an agreement.

3 "New employee" means a newly-hired full-time employee
4 employed to work at the project site and whose work is directly
5 related to the project.

6 "Noncompliance date" means, in the case of a taxpayer that
7 is not complying with the requirements of the agreement or the
8 provisions of this Act, the day following the last date upon
9 which the taxpayer was in compliance with the requirements of
10 the agreement and the provisions of this Act, as determined by
11 the Director.

12 "Pass-through entity" means an entity that is exempt from
13 the tax under subsection (b) or (c) of Section 205 of the
14 Illinois Income Tax Act.

15 "Placed in service" means that the facility is in a state
16 or condition of readiness, is available for a specifically
17 assigned function, and is constructed and ready to conduct
18 manufacturing operations.

19 "Professional employer organization" (PEO) means an
20 employee leasing company, as defined in Section 206.1 of the
21 Illinois Unemployment Insurance Act.

22 "Program" means the Advancing Innovative Manufacturing for
23 Illinois Tax Credit program established in this Act.

24 "Project" means a for-profit economic development activity
25 involving advanced manufacturing.

26 "Related member" means a person that, with respect to the

1 taxpayer during any portion of the taxable year, is any one of
2 the following:

3 (1) An individual stockholder, if the stockholder and
4 the members of the stockholder's family (as defined in
5 Section 318 of the Internal Revenue Code) own directly,
6 indirectly, beneficially, or constructively, in the
7 aggregate, at least 50% of the value of the taxpayer's
8 outstanding stock.

9 (2) A partnership, estate, trust and any partner or
10 beneficiary, if the partnership, estate, or trust, and its
11 partners or beneficiaries own directly, indirectly,
12 beneficially, or constructively, in the aggregate, at
13 least 50% of the profits, capital, stock, or value of the
14 taxpayer.

15 (3) A corporation, and any party related to the
16 corporation in a manner that would require an attribution
17 of stock from the corporation under the attribution rules
18 of Section 318 of the Internal Revenue Code, if the
19 taxpayer owns directly, indirectly, beneficially, or
20 constructively at least 50% of the value of the
21 corporation's outstanding stock.

22 (4) A corporation and any party related to that
23 corporation in a manner that would require an attribution
24 of stock from the corporation to the party or from the
25 party to the corporation under the attribution rules of
26 Section 318 of the Internal Revenue Code, if the

1 corporation and all such related parties own in the
2 aggregate at least 50% of the profits, capital, stock, or
3 value of the taxpayer.

4 (5) A person to or from whom there is an attribution of
5 stock ownership in accordance with Section 1563(e) of the
6 Internal Revenue Code, except, for purposes of determining
7 whether a person is a related member under this paragraph,
8 20% shall be substituted for 5% wherever 5% appears in
9 Section 1563(e) of the Internal Revenue Code.

10 "Research and development" means work directed toward the
11 innovation, introduction, and improvement of products and
12 processes in the space of advanced manufacturing.

13 "Retained employee" means a full-time employee who is
14 employed by the taxpayer before the first day of the term of
15 the agreement, who continues to be employed by the taxpayer
16 during the term of the agreement, and whose job duties are
17 directly and substantially related to the project. For
18 purposes of this definition, "directly and substantially
19 related to the project" means that at least two-thirds of the
20 employee's job duties must be directly related to the project
21 and the employee must devote at least two-thirds of his or her
22 time to the project. The term "retained employee" does not
23 include any individual who has a direct or an indirect
24 ownership interest of at least 5% in the profits, equity,
25 capital, or value of the taxpayer or a child, grandchild,
26 parent, or spouse, other than a spouse who is legally

1 separated from the individual, of any individual who has a
2 direct or indirect ownership of at least 5% in the profits,
3 equity, capital, or value of the taxpayer.

4 "Statewide baseline" means the total number of full-time
5 employees of the applicant and any related member employed by
6 such entities in Illinois at the time of application for
7 incentives under this Act.

8 "Taxpayer" means an individual, corporation, partnership,
9 or other entity that has a legal obligation to pay Illinois
10 income taxes and file an Illinois income tax return.

11 "Underserved area" means any geographic area as defined in
12 Section 5-5 of the Economic Development for a Growing Economy
13 Tax Credit Act.

14 Section 10-15. Powers of the Department. The Department,
15 in addition to those powers granted under the Civil
16 Administrative Code of Illinois, is granted and shall have all
17 the powers necessary or convenient to administer the program
18 under this Act and to carry out and effectuate the purposes and
19 provisions of this Act, including, but not limited to, the
20 power and authority to:

21 (1) adopt rules deemed necessary and appropriate for
22 the administration of the program, the designation of
23 projects, and the awarding of credits;

24 (2) establish forms for applications, notifications,
25 contracts, or any other agreements;

1 (3) accept applications at any time during the year;

2 (4) assist taxpayers pursuant to the provisions of
3 this Act and cooperate with taxpayers that are parties to
4 agreements under this Act to promote, foster, and support
5 economic development, capital investment, and job creation
6 or retention within the State;

7 (5) enter into agreements and memoranda of
8 understanding for the participation of, and engage in
9 cooperation with, agencies of the federal government,
10 units of local government, universities, research
11 foundations or institutions, regional economic development
12 corporations, or other organizations to implement the
13 requirements and purposes of this Act;

14 (6) gather information and conduct inquiries, in the
15 manner and by the methods it deems desirable, including,
16 without limitation, gathering information with respect to
17 applicants for the purpose of making any designations or
18 certifications necessary or desirable or to gather
19 information to assist the Department with any
20 recommendation or guidance in the furtherance of the
21 purposes of this Act;

22 (7) establish, negotiate, and effectuate agreements
23 and any term, agreement, or other document with any
24 person, necessary or appropriate to accomplish the
25 purposes of this Act and to consent, subject to the
26 provisions of any agreement with another party, to the

1 modification or restructuring of any agreement to which
2 the Department is a party;

3 (8) fix, determine, charge, and collect any premiums,
4 fees, charges, costs, and expenses from applicants,
5 including, without limitation, any application fees,
6 commitment fees, program fees, financing charges, or
7 publication fees as deemed appropriate to pay expenses
8 necessary or incident to the administration, staffing, or
9 operation of the Department's activities under this Act,
10 or for preparation, implementation, and enforcement of the
11 terms of the agreement, or for consultation, advisory and
12 legal fees, and other costs; all of those fees and
13 expenses shall be the responsibility of the applicant;

14 (9) provide for sufficient personnel to permit
15 administration, staffing, operation, and related support
16 required to adequately discharge its duties and
17 responsibilities described in this Act from funds made
18 available through charges to applicants or from funds as
19 may be appropriated by the General Assembly for the
20 administration of this Act;

21 (10) require applicants, upon written request, to
22 issue any necessary authorization to the appropriate
23 federal, State, or local authority for the release of
24 information concerning a project being considered under
25 this Act, including, but not be limited to, financial
26 reports, returns, or records relating to the taxpayer or

1 its project;

2 (11) require that a taxpayer shall, at all times, keep
3 proper books of record and account in accordance with
4 generally accepted accounting principles; any books,
5 records, or papers related to the agreement shall be kept
6 in the custody or control of the taxpayer and shall be open
7 for reasonable Department inspection and audit, including,
8 without limitation, the making of copies of the books,
9 records, or papers and the inspection or appraisal of any
10 of the taxpayer's or project's assets; and

11 (12) take whatever actions are necessary or
12 appropriate to protect the State's interest in the event
13 of bankruptcy, default, foreclosure, or noncompliance with
14 the terms and conditions of financial assistance or
15 participation required under this Act, including the power
16 to sell, dispose, lease, or rent, upon terms and
17 conditions determined by the Director to be appropriate,
18 real or personal property that the Department may receive
19 as a result of these actions.

20 Section 10-20. Advancing Innovative Manufacturing for
21 Illinois Tax Credit project applications.

22 (a) The Advancing Innovative Manufacturing for Illinois
23 Tax Credit program is hereby established and shall be
24 administered by the Department. The Program will provide
25 investment tax credit incentives to eligible manufacturers of

1 critically demanded goods.

2 (b) A taxpayer planning a project to be located in
3 Illinois may request consideration for designation of its
4 project as an Advancing Innovative Manufacturing for Illinois
5 Tax Credit program project by formal written letter of request
6 to the Department. The letter must, at a minimum, identify the
7 company name and project location, detail the scope of the
8 project, and specify the amount of intended capital investment
9 in the project, the number of new full-time employees at a
10 designated location in Illinois, the number of retained
11 employees at a project location and across Illinois, and any
12 change in the statewide baseline. As circumstances require,
13 the Department shall require a formal application from an
14 applicant.

15 (c) The Department of Commerce and Economic Opportunity
16 shall review the merits of each letter provided to evaluate
17 the taxpayer's demonstrated commitment to expanding
18 manufacturing within Illinois, the overall positive fiscal
19 impact of the project on the State, the economic soundness of
20 the project, and the benefit of the project to the people of
21 the State through increased, retained, or improved employment
22 opportunities. In the Department's evaluation of the project,
23 special consideration may be applied to projects located
24 within underserved areas; projects targeting industries that
25 are vital to the Illinois economy; projects with significant
26 job creation or job retention, or both; and projects with

1 considerable capital improvement investments. At a minimum,
2 the Department shall review project applications that include
3 a capital improvement investment of at least \$10,000,000.

4 (d) A taxpayer may not enter into more than one agreement
5 under this Act with respect to a single address or location for
6 the same period of time. A taxpayer may not enter into an
7 agreement under this Act with respect to a single address or
8 location if the taxpayer also holds an active agreement under
9 the Economic Development for a Growing Economy Tax Credit Act,
10 Reimagining Electric Vehicles in Illinois Tax Credit Act,
11 Manufacturing Illinois Chips for Real Opportunity Act, or Data
12 Center Investment Tax Exemptions and Credits for the same
13 period of time. This provision does not preclude the applicant
14 from entering into an additional agreement after the
15 expiration or voluntary termination of an earlier agreement
16 under this Act or under the Economic Development for a Growing
17 Economy Tax Credit Act, Reimagining Electric Vehicles in
18 Illinois Tax Credit Act, Manufacturing Illinois Chips for Real
19 Opportunity Act, or Data Center Investment Tax Exemptions and
20 Credits to the extent that the taxpayer's application
21 otherwise satisfies the terms and conditions of this Act and
22 is approved by the Department. An applicant with an existing
23 agreement under the Economic Development for a Growing Economy
24 Tax Credit Act, Reimagining Electric Vehicles in Illinois Tax
25 Credit Act, Manufacturing Illinois Chips for Real Opportunity
26 Act, or Data Center Investment Tax Exemptions and Credits may

1 submit an application for an agreement under this Act after it
2 terminates any existing agreement under the Economic
3 Development for a Growing Economy Tax Credit Act, Reimagining
4 Electric Vehicles in Illinois Tax Credit Act, Manufacturing
5 Illinois Chips for Real Opportunity Act, or Data Center
6 Investment Tax Exemptions and Credits with respect to the same
7 address or location.

8 Section 10-25. Tax credit awards.

9 (a) Subject to the conditions set forth in this Act, a
10 taxpayer is entitled to a credit against the tax imposed under
11 subsections (a) and (b) of Section 201 of the Illinois Income
12 Tax Act for taxable years beginning on or after January 1,
13 2026. The Department may award credits under this Act on and
14 after January 1, 2027.

15 (b) The credit under this Act shall not exceed 7% of the
16 applicant's total capital improvement investments for the year
17 for which the applicant seeks credit. Credits awarded under
18 this Act shall not reduce a taxpayer's liability for the tax
19 imposed by subsections (a) and (b) of Section 201 of the
20 Illinois Income Tax Act to less than zero. Unused credit may be
21 carried forward for a maximum of 10 years for use in future
22 taxable years. Any taxpayer qualifying for credits under this
23 Act shall not be eligible for the credits under subsections
24 (e), (f), or (h) of Section 201 of the Illinois Income Tax Act
25 for the same expenditures for the same taxable period.

1 (c) The Department shall certify to the Department of
2 Revenue: (1) the identity of taxpayers that are eligible to
3 receive tax credits under this Act and (2) the amount of the
4 credits awarded in each calendar year. Credits so earned and
5 certified by the Department may be applied against the tax
6 imposed by subsections (a) and (b) of Section 201 of the
7 Illinois Income Tax Act for taxable years beginning on or
8 after January 1, 2026.

9 (d) Any applicant issued a certificate for a tax credit
10 under this Act must report to the Department the total project
11 tax benefits received. Reports are due no later than April 15
12 of the year in which the applicant is seeking the credit and
13 shall cover the entire project period. Failure to report data
14 may result in ineligibility to receive incentives. The
15 Department, in consultation with the Department of Revenue, is
16 authorized to adopt rules governing ineligibility to receive
17 exemptions, including the length of ineligibility. Factors to
18 be considered in determining whether a business is ineligible
19 include, but are not limited to, prior compliance with the
20 reporting requirements, cooperation in discontinuing and
21 correcting violations, the extent of the violation, and
22 whether the violation was willful or inadvertent.

23 (e) The Department shall determine the amount and duration
24 of the credit awarded under this Act, subject to the
25 limitations set forth in this Act. The credit amount shall be
26 determined based on the total amount of the capital

1 improvement investment made by the taxpayer. A capital
2 improvement investment of \$10,000,000 or more but less than
3 \$50,000,000 shall result in a maximum credit of 3% of the
4 capital improvement amount; a capital improvement investment
5 of \$50,000,000 or more but less than \$100,000,000 shall result
6 in a maximum credit of 5% of the capital improvement amount; a
7 capital improvement investment of \$100,000,000 or more shall
8 result in a maximum credit of 7% of the capital improvement
9 amount. Projects may be granted a tax credit award that
10 reflects investments made within a maximum 5-year period. Each
11 program agreement will detail a specific placed-in-service
12 date by which the company must complete the project
13 investment. Credit for a project shall be issued after the
14 project is placed in service.

15 (f) Nothing in this Section shall prevent the Department,
16 in consultation with the Department of Revenue, from adopting
17 rules to extend the sunset of any earned, existing, and unused
18 tax credit or credits awarded under this Act that a taxpayer
19 may be in possession of.

20 Section 10-30. Contents of agreements with applicants.

21 (a) The Department shall enter into an agreement with an
22 applicant that is awarded a credit under this Act. The
23 agreement shall include all of the following:

24 (1) a detailed description of the project that is the
25 subject of the agreement, including the location and

1 amount of the investment and jobs created or retained;

2 (2) the duration of the credit, the first taxable year
3 for which the credit may be awarded, and the first taxable
4 year in which the credit may be used by the taxpayer;

5 (3) the maximum allowable credit as a percentage of
6 the project's total capital investment;

7 (4) a requirement that the taxpayer shall maintain
8 operations at the project location for a minimum of 15
9 years;

10 (5) a requirement that the taxpayer shall, at the time
11 that the project is placed in service, report to the
12 Department the number of new employees, the number of
13 retained employees, and the total capital improvement
14 investment of the project, and any other information the
15 Department deems necessary and appropriate to perform its
16 duties under this Act;

17 (6) a requirement authorizing the Director to verify
18 with the appropriate State agencies the amounts reported
19 under paragraph (5), and, after doing so, to issue a
20 certificate to the taxpayer stating that the amounts have
21 been verified;

22 (7) a requirement that the taxpayer shall provide
23 written notification to the Director not more than 30 days
24 after the taxpayer makes or receives a proposal that would
25 transfer the taxpayer's State tax liability obligations to
26 a successor taxpayer;

1 (8) a detailed description of the number of new
2 employees to be hired, and the occupation and payroll of
3 full-time jobs to be created or retained because of the
4 project;

5 (9) the minimum investment the taxpayer will make in
6 capital improvements, the time period for which the
7 project may claim credit, and the designated location in
8 Illinois for the investment;

9 (10) a requirement that the taxpayer shall provide
10 written notification to the Director and the Director's
11 designee not more than 30 days after the taxpayer
12 determines that the minimum job creation or retention,
13 employment payroll, or investment no longer is or will be
14 achieved or maintained as set forth in the terms and
15 conditions of the agreement. Additionally, the
16 notification should outline to the Department the number
17 of layoffs, date of the layoffs, and detail taxpayer's
18 efforts to provide career and training counseling for the
19 impacted workers with industry-related certifications and
20 trainings;

21 (11) a provision that, if the total number of new
22 employees falls below a specified level, the allowance of
23 credit shall be suspended until the number of new
24 employees equals or exceeds the agreement amount;

25 (12) a detailed description of the items for which the
26 costs incurred by the taxpayer will be included in the

1 limitation on the credit;

2 (13) a provision stating that if the taxpayer ceases
3 principal operations with the intent to permanently shut
4 down the project in the State during the term of the
5 agreement, then the entire credit amount awarded to the
6 taxpayer prior to the date the taxpayer ceases principal
7 operations shall be returned to the Department and shall
8 be reallocated to the local workforce investment area in
9 which the project was located; and

10 (14) any other performance conditions or contract
11 provisions the Department determines are necessary or
12 appropriate.

13 (b) The Department shall post on its website the terms of
14 each agreement entered into under this Act. The information
15 shall be posted within 10 days after entering into the
16 agreement and must include the following:

17 (1) the name of the taxpayer;

18 (2) the location of the project;

19 (3) the estimated value of the credit;

20 (4) the number of new employee jobs and, if
21 applicable, number of retained employee jobs at the
22 project; and

23 (5) whether or not the project is in an underserved
24 area or energy transition area.

25 Section 10-35. Certificate of verification; submission to

1 the Department of Revenue.

2 (a) A taxpayer claiming a credit under this Act shall
3 submit to the Department of Revenue a copy of the Director's
4 certificate of verification under this Act for the taxable
5 year. However, failure to submit a copy of the certificate
6 with the taxpayer's tax return shall not invalidate a claim
7 for a credit.

8 (b) For a taxpayer to be eligible for a certificate of
9 verification, the taxpayer shall provide proof as required by
10 the Department, prior to the end of each calendar year,
11 including, but not limited to, attestation by the taxpayer
12 that the project has achieved the level of capital
13 improvements in Illinois specified in its agreement.

14 Section 10-40. Noncompliance; notice; assessment. If the
15 Director determines that a taxpayer who has received a credit
16 under this Act is not complying with the requirements of the
17 agreement or all of the provisions of this Act, the Director
18 shall provide notice to the taxpayer of the alleged
19 noncompliance and allow the taxpayer a hearing under the
20 provisions of the Illinois Administrative Procedure Act. If,
21 after such notice and any hearing, the Director determines
22 that noncompliance exists, the Director shall issue to the
23 Department of Revenue a notice to that effect, stating the
24 noncompliance date. If, during the term of an agreement, the
25 taxpayer ceases operations at a project location that is the

1 subject of the agreement with the intent to terminate
2 operations in the State, the Department and the Department of
3 Revenue shall recapture from the taxpayer the entire credit
4 amount awarded under that agreement prior to the date the
5 taxpayer ceases operations. The Department shall, subject to
6 appropriation, reallocate the recaptured amounts within 6
7 months to the local workforce investment area in which the
8 project was located for purposes of workforce development,
9 expanded opportunities for unemployed persons, and expanded
10 opportunities for women and minority persons in the workforce.
11 The taxpayer will be ineligible for future funding under other
12 State tax credit or exemption programs for a 36-month period.
13 Noncompliance with the agreement will result in a default of
14 other agreements for State tax credits and exemption programs
15 for the project.

16 Section 10-45. Annual report.

17 (a) On or before July 1 of each year, the Department shall
18 submit a report on the tax credit program under this Act to the
19 Governor and the General Assembly. The report shall include
20 information on the number of agreements that were entered into
21 under this Act during the preceding calendar year, a
22 description of the project that is the subject of each
23 agreement, an update on the status of projects under
24 agreements entered into before the preceding calendar year,
25 and the sum of the credits awarded under this Act. A copy of

1 the report shall be delivered to the Governor and to each
2 member of the General Assembly.

3 (b) The report must include, for each agreement:

4 (1) the original estimates of the value of the credit
5 and the number of new employee jobs to be created and, if
6 applicable, the number of retained employee jobs;

7 (2) any relevant modifications to existing agreements;
8 and

9 (3) a copy of the original agreement or link to the
10 agreement on the Department's website.

11 Section 10-50. Sunset of new agreements. The Department
12 shall not enter into any new agreements under the provisions
13 of this Act after December 31, 2030.

14 Section 10-890. The Department of Central Management
15 Services Law of the Civil Administrative Code of Illinois is
16 amended by adding Section 405-550 as follows:

17 (20 ILCS 405/405-550 new)

18 Sec. 405-550. Site readiness work. The Department shall
19 have all powers, duties, rights, and responsibilities relating
20 to the procurement of site readiness work for surplus real
21 property. The Department is authorized to enter into any
22 agreements and execute any documents necessary or desirable to
23 exercise the authority granted by this Section. The Department

1 may accept assignment of contracts entered into by other State
2 agencies for site readiness work, whether or not such
3 contracts have been awarded in accordance with the terms of
4 the Illinois Procurement Code.

5 As used in this Section:

6 "Site readiness work" means services related to the
7 abatement, remediation, or demolition of surplus real
8 property. "Site readiness work" also includes, but is not
9 limited to, surveys, abstracts of title, or commitments for
10 title insurance, environmental reports, property condition
11 reports, or any other services or supplies as the Department
12 may, in its reasonable discretion, deem necessary to
13 demonstrate good and marketable title in and the existing
14 conditions or characteristics of the surplus real property.

15 "Surplus real property" has the meaning given to that term
16 in the State Property Control Act.

17 The Department may establish rules necessary or desirable
18 to exercise the authority granted by this Section.

19 Section 10-895. The Illinois Procurement Code is amended
20 by adding Section 1-45 as follows:

21 (30 ILCS 500/1-45 new)

22 Sec. 1-45. Application to site readiness work for surplus
23 real property. This Code shall not apply to any procurements
24 for or related to site readiness work for surplus real

1 property, as those terms are defined by the Department of
2 Central Management Services Law of the Civil Administrative
3 Code of Illinois and the State Property Control Act, provided
4 that the process shall be conducted in a manner substantially
5 in accordance with the requirements of the following Sections
6 of this Code: 20-160, 50-5, 50-10, 50-10.5, 50-12, 50-13,
7 50-15, 50-20, 50-21, 50-35, 50-36, 50-37, 50-38, and 50-50.

8 Section 10-900. The Department of Commerce and Economic
9 Opportunity Law of the Civil Administrative Code of Illinois
10 is amended by changing Sections 605-1025, 605-1055, and
11 605-1115 as follows:

12 (20 ILCS 605/605-1025)

13 Sec. 605-1025. Data center investment.

14 (a) The Department shall issue certificates of exemption
15 from the Retailers' Occupation Tax Act, the Use Tax Act, the
16 Service Use Tax Act, and the Service Occupation Tax Act, all
17 locally-imposed retailers' occupation taxes administered and
18 collected by the Department, the Chicago non-titled Use Tax,
19 and a credit certification against the taxes imposed under
20 subsections (a) and (b) of Section 201 of the Illinois Income
21 Tax Act to qualifying Illinois data centers.

22 (b) For taxable years beginning on or after January 1,
23 2019, the Department shall award credits against the taxes
24 imposed under subsections (a) and (b) of Section 201 of the

1 Illinois Income Tax Act as provided in Section 229 of the
2 Illinois Income Tax Act.

3 (c) For purposes of this Section:

4 "Data center" means a facility: (1) whose primary
5 services are the storage, management, and processing of
6 digital data; and (2) that is used to house (i) computer
7 and network systems, including associated components such
8 as servers, network equipment and appliances,
9 telecommunications, and data storage systems, (ii) systems
10 for monitoring and managing infrastructure performance,
11 (iii) Internet-related equipment and services, (iv) data
12 communications connections, (v) environmental controls,
13 (vi) fire protection systems, and (vii) security systems
14 and services.

15 "Qualifying Illinois data center" means a new or
16 existing data center that:

17 (1) is located in the State of Illinois;

18 (2) in the case of an existing data center, made a
19 capital investment of at least \$250,000,000
20 collectively by the data center operator and the
21 tenants of the data center over the 60-month period
22 immediately prior to January 1, 2020 or committed to
23 make a capital investment of at least \$250,000,000
24 over a 60-month period commencing before January 1,
25 2020 and ending after January 1, 2020; or

26 (3) in the case of a new data center, or an

1 existing data center making an upgrade, makes a
2 capital investment of at least \$250,000,000 over a
3 60-month period beginning on or after January 1, 2020;
4 and

5 (4) in the case of both existing and new data
6 centers, results in the creation of at least 20
7 full-time or full-time equivalent new jobs over a
8 period of 60 months by the data center operator and the
9 tenants of the data center, collectively, associated
10 with the operation or maintenance of the data center;
11 those jobs must have a total compensation equal to or
12 greater than 120% of the average wage paid to
13 full-time employees in the county where the data
14 center is located, as determined by the U.S. Bureau of
15 Labor Statistics; and

16 (5) within 2 years after being placed in service,
17 certifies to the Department that it is carbon neutral
18 or has attained certification under one or more of the
19 following green building standards:

20 (A) BREEAM for New Construction or BREEAM
21 In-Use;

22 (B) ENERGY STAR;

23 (C) Envision;

24 (D) ISO 50001-energy management;

25 (E) LEED for Building Design and Construction
26 or LEED for Operations and Maintenance;

1 (F) Green Globes for New Construction or Green
2 Globes for Existing Buildings;

3 (G) UL 3223; or

4 (H) an equivalent program approved by the
5 Department of Commerce and Economic Opportunity.

6 "Full-time equivalent job" means a job in which the
7 new employee works for the owner, operator, contractor, or
8 tenant of a data center or for a corporation under
9 contract with the owner, operator or tenant of a data
10 center at a rate of at least 35 hours per week. An owner,
11 operator or tenant who employs labor or services at a
12 specific site or facility under contract with another may
13 declare one full-time, permanent job for every 1,820 man
14 hours worked per year under that contract. Vacations, paid
15 holidays, and sick time are included in this computation.
16 Overtime is not considered a part of regular hours.

17 "Qualified tangible personal property" means:
18 electrical systems and equipment; climate control and
19 chilling equipment and systems; mechanical systems and
20 equipment; monitoring and secure systems; emergency
21 generators; hardware; computers; servers; data storage
22 devices; network connectivity equipment; racks; cabinets;
23 telecommunications cabling infrastructure; raised floor
24 systems; peripheral components or systems; software;
25 mechanical, electrical, or plumbing systems; battery
26 systems; cooling systems and towers; temperature control

1 systems; other cabling; and other data center
2 infrastructure equipment and systems necessary to operate
3 qualified tangible personal property, including fixtures;
4 and component parts of any of the foregoing, including
5 installation, maintenance, repair, refurbishment, and
6 replacement of qualified tangible personal property to
7 generate, transform, transmit, distribute, or manage
8 electricity necessary to operate qualified tangible
9 personal property; and all other tangible personal
10 property that is essential to the operations of a computer
11 data center. "Qualified tangible personal property" also
12 includes building materials physically incorporated into
13 ~~in to~~ the qualifying data center.

14 To document the exemption allowed under this Section, the
15 retailer must obtain from the purchaser a copy of the
16 certificate of eligibility issued by the Department.

17 (d) New and existing data centers seeking a certificate of
18 exemption for new or existing facilities shall apply to the
19 Department in the manner specified by the Department. The
20 Department shall determine the duration of the certificate of
21 exemption awarded under this Act. The duration of the
22 certificate of exemption may not exceed 20 calendar years. The
23 Department and any data center seeking the exemption,
24 including a data center operator on behalf of itself and its
25 tenants, must enter into a memorandum of understanding that at
26 a minimum provides:

1 (1) the details for determining the amount of capital
2 investment to be made;

3 (2) the number of new jobs created;

4 (3) the timeline for achieving the capital investment
5 and new job goals;

6 (4) the repayment obligation should those goals not be
7 achieved and any conditions under which repayment by the
8 qualifying data center or data center tenant claiming the
9 exemption will be required;

10 (5) the duration of the exemption; and

11 (6) other provisions as deemed necessary by the
12 Department.

13 (e) Beginning July 1, 2021, and each year thereafter, the
14 Department shall annually report to the Governor and the
15 General Assembly on the outcomes and effectiveness of Public
16 Act 101-31 that shall include the following:

17 (1) the name of each recipient business;

18 (2) the location of the project;

19 (3) the estimated value of the credit;

20 (4) the number of new jobs and, if applicable,
21 retained jobs pledged as a result of the project; and

22 (5) whether or not the project is located in an
23 underserved area.

24 (f) New and existing data centers seeking a certificate of
25 exemption related to the rehabilitation or construction of
26 data centers in the State shall require the contractor and all

1 subcontractors to comply with the requirements of Section
2 30-22 of the Illinois Procurement Code as they apply to
3 responsible bidders and to present satisfactory evidence of
4 that compliance to the Department.

5 (g) New and existing data centers seeking a certificate of
6 exemption for the rehabilitation or construction of data
7 centers in the State shall require the contractor to enter
8 into a project labor agreement ~~approved by the Department.~~
9 Executed project labor agreements must be submitted to the
10 Department for review upon the Department's request.

11 (h) Any qualifying data center issued a certificate of
12 exemption under this Section must annually report to the
13 Department the total data center tax benefits that are
14 received by the business. Reports are due no later than May 31
15 of each year and shall cover the previous calendar year. The
16 first report is for the 2019 calendar year and is due no later
17 than May 31, 2020.

18 To the extent that a business issued a certificate of
19 exemption under this Section has obtained an Enterprise Zone
20 Building Materials Exemption Certificate or a High Impact
21 Business Building Materials Exemption Certificate, no
22 additional reporting for those building materials exemption
23 benefits is required under this Section.

24 Failure to file a report under this subsection (h) may
25 result in suspension or revocation of the certificate of
26 exemption. Factors to be considered in determining whether a

1 data center certificate of exemption shall be suspended or
2 revoked include, but are not limited to, prior compliance with
3 the reporting requirements, cooperation in discontinuing and
4 correcting violations, the extent of the violation, and
5 whether the violation was willful or inadvertent.

6 (i) The Department shall not issue any new certificates of
7 exemption under the provisions of this Section after July 1,
8 2029. This sunset shall not affect any existing certificates
9 of exemption in effect on July 1, 2029.

10 (j) The Department shall adopt rules to implement and
11 administer this Section.

12 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 12-13-19;
13 102-427, eff. 8-20-21; 102-558, eff. 8-20-21.)

14 (20 ILCS 605/605-1055)

15 Sec. 605-1055. Illinois SBIR/STTR Matching Funds Program.

16 (a) There is established the Illinois Small Business
17 Innovation Research (SBIR) and Small Business Technology
18 Transfer (STTR) Matching Funds Program to be administered by
19 the Department. In order to foster job creation and economic
20 development in the State, the Department may make grants to
21 eligible businesses to match funds received by the business as
22 an SBIR or STTR Phase I award and to encourage businesses to
23 apply for Phase II awards.

24 (b) In order to be eligible for a grant under this Section,
25 a business must satisfy all of the following conditions:

1 (1) The business must be a for-profit, Illinois-based
2 business. For the purposes of this Section, an
3 Illinois-based business is one that has its principal
4 place of business in this State;

5 (2) The business must have received an SBIR/STTR Phase
6 I award from a participating federal agency in response to
7 a specific federal solicitation. To receive the full
8 match, the business must also have submitted a final Phase
9 I report, demonstrated that the sponsoring agency has
10 interest in the Phase II proposal, and submitted a Phase
11 II proposal to the agency.

12 (3) The business must satisfy all federal SBIR/STTR
13 requirements.

14 (4) The business shall not receive concurrent funding
15 support from other sources that duplicates the purpose of
16 this Section.

17 (5) The business must certify that at least 51% of the
18 research described in the federal SBIR/STTR Phase II
19 proposal will be conducted in this State and that the
20 business will remain an Illinois-based business for the
21 duration of the SBIR/STTR Phase II project.

22 (6) The business must demonstrate its ability to
23 conduct research in its SBIR/STTR Phase II proposal.

24 (c) The Department may award grants to match the funds
25 received by a business through an SBIR/STTR Phase I proposal
26 up to a maximum of \$75,000 ~~\$50,000~~. Seventy-five percent of

1 the total grant shall be remitted to the business upon receipt
2 of the SBIR/STTR Phase I award and application for funds under
3 this Section. Twenty-five percent of the total grant shall be
4 remitted to the business upon submission by the business of
5 the Phase II application to the funding agency and acceptance
6 of the Phase I report by the funding agency. A business may
7 receive only one grant under this subsection ~~Section~~ per year.
8 A business may receive only one grant under this subsection
9 ~~Section~~ with respect to each federal proposal submission. Over
10 its lifetime, a business may receive a maximum of 5 awards
11 under this subsection ~~Section~~.

12 (c-5) The Department may, subject to appropriation, award
13 grants to match the funds received by a business through an
14 SBIR/STTR Phase II proposal up to a maximum of \$250,000. Fifty
15 percent of the total grant shall be remitted to the business
16 upon receipt of the SBIR/STTR Phase II award and application
17 for funds under this Section. Fifty percent of the total grant
18 shall be remitted to the business upon submission by the
19 business of the Phase II final report to the federal funding
20 agency. A business may receive only one grant under this
21 subsection per year. A business may receive only one grant
22 under this subsection with respect to each federal proposal
23 submission. Over its lifetime, a business may receive a
24 maximum of 2 awards under this subsection.

25 (d) A business shall apply, under oath, to the Department
26 for a grant under this Section on a form prescribed by the

1 Department that includes at least all of the following:

2 (1) the name of the business, the form of business
3 organization under which it is operated, and the names and
4 addresses of the principals or management of the business;

5 (2) an acknowledgment of receipt of the Phase I report
6 and Phase II proposal by the relevant federal agency; and

7 (3) any other information necessary for the Department
8 to evaluate the application.

9 (Source: P.A. 101-657, eff. 3-23-21; 102-813, eff. 5-13-22.)

10 (20 ILCS 605/605-1115)

11 Sec. 605-1115. Quantum computing campuses.

12 (a) As used in this Section:

13 "Data center" means a facility: (1) whose primary services
14 are the storage, management, and processing of digital data;
15 and (2) that is used to house (A) computer and network systems,
16 including associated components such as servers, network
17 equipment and appliances, telecommunications, and data storage
18 systems, (B) systems for monitoring and managing
19 infrastructure performance, (C) Internet-related equipment and
20 services, (D) data communications connections, (E)
21 environmental controls, (F) fire protection systems, and (G)
22 security systems and services.

23 "Full-time equivalent job" means a job in which an
24 employee works for a tenant of the quantum campus at a rate of
25 at least 35 hours per week. Vacations, paid holidays, and sick

1 time are included in this computation. Overtime is not
2 considered a part of regular hours.

3 "Quantum computing campus" or "campus" is a contiguous
4 area located in the State of Illinois that is designated by the
5 Department as a quantum computing campus in order to support
6 the demand for quantum computing research, development, and
7 implementation for practical use. A quantum computing campus
8 may include educational institutions ~~intuitions~~, nonprofit
9 research and development organizations, and for-profit
10 organizations serving as anchor tenants and joining tenants
11 that, with approval from the Department, may change. Tenants
12 located at the campus shall have direct and supporting roles
13 in quantum computing activities. Eligible tenants include
14 quantum computer operators and research facilities, data
15 centers, manufacturers and assemblers of quantum computers and
16 component parts, cryogenic or refrigeration facilities, and
17 other facilities determined, by industry and academic leaders,
18 to be fundamental to the research and development of quantum
19 computing for practical solutions. Quantum computing shall
20 include the research, development, and use of computing
21 methods that generate and manipulate quantum bits in a
22 controlled quantum state. This includes the use of photons,
23 semiconductors, superconductors, trapped ions, and other
24 industry and academically regarded methods for simulating
25 quantum bits. Additionally, a quantum computing campus shall
26 meet the following criteria:

1 (1) the campus must comprise a minimum of 100 acres
2 ~~one-half square mile~~ and not more than 640 acres ~~4 square~~
3 ~~miles~~;

4 (2) the campus must contain tenants that demonstrate a
5 substantial plan for using the designation to encourage
6 participation by organizations owned by minorities, women,
7 and persons with disabilities, as those terms are defined
8 in the Business Enterprise for Minorities, Women, and
9 Persons with Disabilities Act, and the hiring of
10 minorities, women, and persons with disabilities;

11 (3) upon being placed in service, within 60 months
12 after designation or incorporation into a campus, the
13 owners of property located in a campus shall certify to
14 the Department that the property is carbon neutral or has
15 attained certification under one or more of the following
16 green building standards:

17 (A) BREEAM for New Construction or BREEAM, In-Use;

18 (B) ENERGY STAR;

19 (C) Envision;

20 (D) ISO 50001-energy management;

21 (E) LEED for Building Design and Construction, or
22 LEED for Operations and Maintenance;

23 (F) Green Globes for New Construction, or Green
24 Globes for Existing Buildings;

25 (G) UL 3223; or

26 (H) an equivalent program approved by the

1 Department.

2 (b) Tenants located in a designated quantum computing
3 campus shall qualify for the following exemptions ~~and credits~~:

4 (1) the Department may certify a taxpayer for an
5 exemption from any State or local use tax or retailers'
6 occupation tax on building materials that will be
7 incorporated into real estate at a quantum computing
8 campus; and

9 (2) an exemption from the charges imposed under
10 Section 9-222 of the Public Utilities Act, Section 5-10 of
11 the Gas Use Tax Law, Section 2-4 of the Electricity Excise
12 Tax Law, Section 2 of the Telecommunications Excise Tax
13 Act, Section 10 of the Telecommunications Infrastructure
14 Maintenance Fee Act, and Section 5-7 of the Simplified
15 Municipal Telecommunications Tax Act. ~~and~~

16 ~~(3) a credit against the taxes imposed under~~
17 ~~subsections (a) and (b) of Section 201 of the Illinois~~
18 ~~Income Tax Act as provided in Section 241 of the Illinois~~
19 ~~Income Tax Act.~~

20 (c) Each tenant eligible for exemptions under subsection
21 (b) of this Section shall be issued a certificate by the
22 Department. Upon issuing certificates under this Section, the
23 Department shall notify the Department of Revenue of the
24 certificates, and the Department of Revenue shall issue and
25 administer the exemptions listed in subsection (b) of this
26 Section. The duration of those exemptions may not exceed 20

1 calendar years and one renewal for an additional 20 years.
2 ~~Certificates of exemption and credit certificates under this~~
3 ~~Section shall be issued by the Department. Upon certification~~
4 ~~by the Department under this Section, the Department shall~~
5 ~~notify the Department of Revenue of the certification. The~~
6 ~~exemption status shall take effect within 3 months after~~
7 ~~certification of the taxpayer and notice to the Department of~~
8 ~~Revenue by the Department.~~

9 (d) Entities seeking to form a quantum computing campus
10 must apply to the Department in the manner specified by the
11 Department. ~~Entities seeking to join an established campus~~
12 ~~must apply for an amendment to the existing campus. This~~
13 ~~application for amendment must be submitted to the Department~~
14 ~~with support from other campus members.~~

15 ~~The Department shall determine the duration of~~
16 ~~certificates of exemption awarded under this Act. The duration~~
17 ~~of the certificates of exemption may not exceed 20 calendar~~
18 ~~years and one renewal for an additional 20 years.~~

19 The Department and any tenant located in a quantum
20 computing campus seeking the benefits under this Section must
21 enter into a memorandum of understanding that, at a minimum,
22 provides:

23 (1) the details for determining the amount of capital
24 investment to be made;

25 (2) the number of new jobs created;

26 (3) the timeline for achieving the capital investment

1 and new job goals;

2 (4) the repayment obligation should those goals not be
3 achieved and any conditions under which repayment by the
4 tenant or tenants claiming the exemption shall be
5 required;

6 (5) the duration of the exemptions; and

7 (6) other provisions as deemed necessary by the
8 Department.

9 A certificate designating a quantum computing campus shall
10 be issued by the Department to each qualifying campus. The
11 Department shall, within 10 days after the designation of a
12 quantum computing campus, send a letter of notification to
13 each member of the General Assembly whose legislative district
14 or representative district contains all or part of the
15 designated area.

16 (e) Beginning on July 1, 2025, and each year thereafter,
17 the Department shall annually report to the Governor and the
18 General Assembly on the outcomes and effectiveness of Public
19 Act 103-595 ~~this amendatory Act of the 103rd General Assembly.~~
20 The report shall include the following:

21 (1) the names of each tenant located within the
22 quantum computing campus;

23 (2) the location of each quantum computing campus;

24 (3) the estimated value of the credits to be issued to
25 quantum computing campus tenants;

26 (4) the number of new jobs and, if applicable,

1 retained jobs pledged at each quantum computing campus;
2 and

3 (5) whether or not the quantum computing campus is
4 located in an underserved area, an energy transition zone,
5 or an opportunity zone.

6 (f) (Blank). ~~Tenants at the quantum computing campus~~
7 ~~seeking a certificate of exemption related to the construction~~
8 ~~of required facilities shall require the contractor and all~~
9 ~~subcontractors to:~~

10 ~~(1) comply with the requirements of Section 30-22 of~~
11 ~~the Illinois Procurement Code as those requirements apply~~
12 ~~to responsible bidders and to present satisfactory~~
13 ~~evidence of that compliance to the Department; and~~

14 ~~(2) enter into a project labor agreement submitted to~~
15 ~~the Department.~~

16 (g) The Department shall not issue any new certificates of
17 exemption under the provisions of this Section after July 1,
18 2030. This sunset shall not affect any existing certificates
19 of exemption in effect on July 1, 2030.

20 (h) The Department shall adopt rules to implement and
21 administer this Section.

22 (Source: P.A. 103-595, eff. 6-26-24; revised 9-27-24.)

23 Section 10-910. The Illinois Enterprise Zone Act is
24 amended by changing Section 5.5 and by adding Section 5.3.1 as
25 follows:

1 (20 ILCS 655/5.3.1 new)

2 Sec. 5.3.1. Additional Enterprise Zones. Notwithstanding
3 any other provision of law, additional Enterprise Zones may be
4 certified as provided in the Central Illinois Economic
5 Development Authority Act, the Eastern Illinois Economic
6 Development Authority Act, the Quad Cities Regional Economic
7 Development Authority Act, the Southern Illinois Economic
8 Development Authority Act, the Tri-County River Valley
9 Development Authority Law, and the Will-Kankakee Regional
10 Development Authority Law. Enterprise Zones certified by any
11 Regional Development Authority shall not count as one of the
12 97 allowed Enterprise Zones. Enterprise Zones certified by any
13 Regional Development Authority may be noncontiguous within the
14 specified region under the purview of the certifying Regional
15 Development Authority.

16 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

17 Sec. 5.5. High Impact Business.

18 (a) In order to respond to unique opportunities to assist
19 in the encouragement, development, growth, and expansion of
20 the private sector through large scale investment and
21 development projects, the Department is authorized to receive
22 and approve applications for the designation of "High Impact
23 Businesses" in Illinois, for an initial term of 20 years with
24 an option for renewal for a term not to exceed 20 years,

1 subject to the following conditions:

2 (1) such applications may be submitted at any time
3 during the year;

4 (2) such business is not located, at the time of
5 designation, in an enterprise zone designated pursuant to
6 this Act, except for grocery stores, as defined in the
7 Grocery Initiative Act, ~~and~~ a new battery energy storage
8 solution facility, as defined by subparagraph (I) of
9 paragraph (3) of this subsection (a), or a high voltage
10 direct current converter station as defined in Section
11 1-10 of the Illinois Power Act;

12 (3) the business intends to do, commits to do, or is
13 one or more of the following:

14 (A) the business intends to make a minimum
15 investment of \$12,000,000 which will be placed in
16 service in qualified property and intends to create
17 500 full-time equivalent jobs at a designated location
18 in Illinois or intends to make a minimum investment of
19 \$30,000,000 which will be placed in service in
20 qualified property and intends to retain 1,500
21 full-time retained jobs at a designated location in
22 Illinois. The terms "placed in service" and "qualified
23 property" have the same meanings as described in
24 subsection (h) of Section 201 of the Illinois Income
25 Tax Act; or

26 (B) the business intends to establish a new

1 electric generating facility at a designated location
2 in Illinois. "New electric generating facility", for
3 purposes of this Section, means a newly constructed
4 electric generation plant or a newly constructed
5 generation capacity expansion at an existing electric
6 generation plant, including the transmission lines and
7 associated equipment that transfers electricity from
8 points of supply to points of delivery, and for which
9 such new foundation construction commenced not sooner
10 than July 1, 2001. Such facility shall be designed to
11 provide baseload electric generation and shall operate
12 on a continuous basis throughout the year; and (i)
13 shall have an aggregate rated generating capacity of
14 at least 1,000 megawatts for all new units at one site
15 if it uses natural gas as its primary fuel and
16 foundation construction of the facility is commenced
17 on or before December 31, 2004, or shall have an
18 aggregate rated generating capacity of at least 400
19 megawatts for all new units at one site if it uses coal
20 or gases derived from coal as its primary fuel and
21 shall support the creation of at least 150 new
22 Illinois coal mining jobs, or (ii) shall be funded
23 through a federal Department of Energy grant before
24 December 31, 2010 and shall support the creation of
25 Illinois coal mining jobs, or (iii) shall use coal
26 gasification or integrated gasification-combined cycle

1 units that generate electricity or chemicals, or both,
2 and shall support the creation of Illinois coal mining
3 jobs. The term "placed in service" has the same
4 meaning as described in subsection (h) of Section 201
5 of the Illinois Income Tax Act; or

6 (B-5) the business intends to establish a new
7 gasification facility at a designated location in
8 Illinois. As used in this Section, "new gasification
9 facility" means a newly constructed coal gasification
10 facility that generates chemical feedstocks or
11 transportation fuels derived from coal (which may
12 include, but are not limited to, methane, methanol,
13 and nitrogen fertilizer), that supports the creation
14 or retention of Illinois coal mining jobs, and that
15 qualifies for financial assistance from the Department
16 before December 31, 2010. A new gasification facility
17 does not include a pilot project located within
18 Jefferson County or within a county adjacent to
19 Jefferson County for synthetic natural gas from coal;
20 or

21 (C) the business intends to establish production
22 operations at a new coal mine, re-establish production
23 operations at a closed coal mine, or expand production
24 at an existing coal mine at a designated location in
25 Illinois not sooner than July 1, 2001; provided that
26 the production operations result in the creation of

1 150 new Illinois coal mining jobs as described in
2 subdivision (a)(3)(B) of this Section, and further
3 provided that the coal extracted from such mine is
4 utilized as the predominant source for a new electric
5 generating facility. The term "placed in service" has
6 the same meaning as described in subsection (h) of
7 Section 201 of the Illinois Income Tax Act; or

8 (D) the business intends to construct new
9 transmission facilities or upgrade existing
10 transmission facilities at designated locations in
11 Illinois, for which construction commenced not sooner
12 than July 1, 2001. For the purposes of this Section,
13 "transmission facilities" means transmission lines
14 with a voltage rating of 115 kilovolts or above,
15 including associated equipment, that transfer
16 electricity from points of supply to points of
17 delivery and that transmit a majority of the
18 electricity generated by a new electric generating
19 facility designated as a High Impact Business in
20 accordance with this Section. The term "placed in
21 service" has the same meaning as described in
22 subsection (h) of Section 201 of the Illinois Income
23 Tax Act; or

24 (E) the business intends to establish a new wind
25 power facility at a designated location in Illinois.
26 For purposes of this Section, "new wind power

1 facility" means a newly constructed electric
2 generation facility, a newly constructed expansion of
3 an existing electric generation facility, or the
4 replacement of an existing electric generation
5 facility, including the demolition and removal of an
6 electric generation facility irrespective of whether
7 it will be replaced, placed in service or replaced on
8 or after July 1, 2009, that generates electricity
9 using wind energy devices, and such facility shall be
10 deemed to include any permanent structures associated
11 with the electric generation facility and all
12 associated transmission lines, substations, and other
13 equipment related to the generation of electricity
14 from wind energy devices. For purposes of this
15 Section, "wind energy device" means any device, with a
16 nameplate capacity of at least 0.5 megawatts, that is
17 used in the process of converting kinetic energy from
18 the wind to generate electricity; or

19 (E-5) the business intends to establish a new
20 utility-scale solar facility at a designated location
21 in Illinois. For purposes of this Section, "new
22 utility-scale solar power facility" means a newly
23 constructed electric generation facility, or a newly
24 constructed expansion of an existing electric
25 generation facility, placed in service on or after
26 July 1, 2021, that (i) generates electricity using

1 photovoltaic cells and (ii) has a nameplate capacity
2 that is greater than 5,000 kilowatts, and such
3 facility shall be deemed to include all associated
4 transmission lines, substations, energy storage
5 facilities, and other equipment related to the
6 generation and storage of electricity from
7 photovoltaic cells; or

8 (F) the business commits to (i) make a minimum
9 investment of \$500,000,000, which will be placed in
10 service in a qualified property, (ii) create 125
11 full-time equivalent jobs at a designated location in
12 Illinois, (iii) establish a fertilizer plant at a
13 designated location in Illinois that complies with the
14 set-back standards as described in Table 1: Initial
15 Isolation and Protective Action Distances in the 2012
16 Emergency Response Guidebook published by the United
17 States Department of Transportation, (iv) pay a
18 prevailing wage for employees at that location who are
19 engaged in construction activities, and (v) secure an
20 appropriate level of general liability insurance to
21 protect against catastrophic failure of the fertilizer
22 plant or any of its constituent systems; in addition,
23 the business must agree to enter into a construction
24 project labor agreement including provisions
25 establishing wages, benefits, and other compensation
26 for employees performing work under the project labor

1 agreement at that location; for the purposes of this
2 Section, "fertilizer plant" means a newly constructed
3 or upgraded plant utilizing gas used in the production
4 of anhydrous ammonia and downstream nitrogen
5 fertilizer products for resale; for the purposes of
6 this Section, "prevailing wage" means the hourly cash
7 wages plus fringe benefits for training and
8 apprenticeship programs approved by the U.S.
9 Department of Labor, Bureau of Apprenticeship and
10 Training, health and welfare, insurance, vacations and
11 pensions paid generally, in the locality in which the
12 work is being performed, to employees engaged in work
13 of a similar character on public works; this paragraph
14 (F) applies only to businesses that submit an
15 application to the Department within 60 days after
16 July 25, 2013 (the effective date of Public Act
17 98-109); or

18 (G) the business intends to establish a new
19 cultured cell material food production facility at a
20 designated location in Illinois. As used in this
21 paragraph (G):

22 "Cultured cell material food production facility"
23 means a facility (i) at which cultured animal cell
24 food is developed using animal cell culture
25 technology, (ii) at which production processes occur
26 that include the establishment of cell lines and cell

1 banks, manufacturing controls, and all components and
2 inputs, and (iii) that complies with all existing
3 registrations, inspections, licensing, and approvals
4 from all applicable and participating State and
5 federal food agencies, including the Department of
6 Agriculture, the Department of Public Health, and the
7 United States Food and Drug Administration, to ensure
8 that all food production is safe and lawful under
9 provisions of the Federal Food, Drug and Cosmetic Act
10 related to the development, production, and storage of
11 cultured animal cell food.

12 "New cultured cell material food production
13 facility" means a newly constructed cultured cell
14 material food production facility that is placed in
15 service on or after June 7, 2023 (the effective date of
16 Public Act 103-9) or a newly constructed expansion of
17 an existing cultured cell material food production
18 facility, in a controlled environment, when the
19 improvements are placed in service on or after June 7,
20 2023 (the effective date of Public Act 103-9);

21 (H) the business is an existing or planned grocery
22 store, as that term is defined in Section 5 of the
23 Grocery Initiative Act, and receives financial support
24 under that Act within the 10 years before submitting
25 its application under this Act; or

26 (I) the business intends to establish a new

1 battery energy storage solution facility at a
2 designated location in Illinois. As used in this
3 paragraph (I):

4 "New battery energy storage solution facility"
5 means a newly constructed battery energy storage
6 facility, a newly constructed expansion of an existing
7 battery energy storage facility, or the replacement of
8 an existing battery energy storage facility that
9 stores electricity using battery devices and other
10 means. "New battery energy storage solution facility"
11 includes any permanent structures associated with the
12 new battery energy storage facility and all associated
13 transmission lines, substations, and other equipment
14 that is related to the storage and transmission of
15 electric power and that has a capacity of not less than
16 20 megawatt and storage capability of not less than 40
17 megawatt hours of energy; or

18 (J) the business intends to construct a new high
19 voltage direct current converter station at a
20 designated location in Illinois. As used in this
21 paragraph, "high voltage direct current converter
22 station" has the same meaning given to that term in
23 Section 1-10 of the Illinois Power Act; and

24 (4) no later than 90 days after an application is
25 submitted, the Department shall notify the applicant of
26 the Department's determination of the qualification of the

1 proposed High Impact Business under this Section.

2 (b) Businesses designated as High Impact Businesses
3 pursuant to subdivision (a)(3)(A) of this Section shall
4 qualify for the credits and exemptions described in the
5 following Acts: Section 9-222 and Section 9-222.1A of the
6 Public Utilities Act, subsection (h) of Section 201 of the
7 Illinois Income Tax Act, and Section 1d of the Retailers'
8 Occupation Tax Act; provided that these credits and exemptions
9 described in these Acts shall not be authorized until the
10 minimum investments set forth in subdivision (a)(3)(A) of this
11 Section have been placed in service in qualified properties
12 and, in the case of the exemptions described in the Public
13 Utilities Act and Section 1d of the Retailers' Occupation Tax
14 Act, the minimum full-time equivalent jobs or full-time
15 retained jobs set forth in subdivision (a)(3)(A) of this
16 Section have been created or retained. Businesses designated
17 as High Impact Businesses under this Section shall also
18 qualify for the exemption described in Section 5l of the
19 Retailers' Occupation Tax Act. The credit provided in
20 subsection (h) of Section 201 of the Illinois Income Tax Act
21 shall be applicable to investments in qualified property as
22 set forth in subdivision (a)(3)(A) of this Section.

23 (b-5) Businesses designated as High Impact Businesses
24 pursuant to subdivisions (a)(3)(B), (a)(3)(B-5), (a)(3)(C),
25 (a)(3)(D), (a)(3)(G), ~~and~~ (a)(3)(H), (a)(3)(I) and (a)(3)(J)
26 of this Section shall qualify for the credits and exemptions

1 described in the following Acts: Section 51 of the Retailers'
2 Occupation Tax Act, Section 9-222 and Section 9-222.1A of the
3 Public Utilities Act, and subsection (h) of Section 201 of the
4 Illinois Income Tax Act; however, the credits and exemptions
5 authorized under Section 9-222 and Section 9-222.1A of the
6 Public Utilities Act, and subsection (h) of Section 201 of the
7 Illinois Income Tax Act shall not be authorized until the new
8 electric generating facility, the new gasification facility,
9 the new transmission facility, the new, expanded, or reopened
10 coal mine, the new cultured cell material food production
11 facility, or the existing or planned grocery store is
12 operational, except that a new electric generating facility
13 whose primary fuel source is natural gas is eligible only for
14 the exemption under Section 51 of the Retailers' Occupation
15 Tax Act.

16 (b-6) Businesses designated as High Impact Businesses
17 pursuant to subdivision (a) (3) (E), (a) (3) (E-5), (A) (3) (I), or
18 (a) (3) (J) of this Section shall qualify for the exemptions
19 described in Section 51 of the Retailers' Occupation Tax Act;
20 any business so designated as a High Impact Business being,
21 for purposes of this Section, a "Wind Energy Business" or a
22 "High Voltage Direct Converter".

23 (b-7) Beginning on January 1, 2021, businesses designated
24 as High Impact Businesses by the Department shall qualify for
25 the High Impact Business construction jobs credit under
26 subsection (h-5) of Section 201 of the Illinois Income Tax Act

1 if the business meets the criteria set forth in subsection (i)
2 of this Section. The total aggregate amount of credits awarded
3 under the Blue Collar Jobs Act (Article 20 of Public Act 101-9)
4 shall not exceed \$20,000,000 in any State fiscal year.

5 (c) High Impact Businesses located in federally designated
6 foreign trade zones or sub-zones are also eligible for
7 additional credits, exemptions and deductions as described in
8 the following Acts: Section 9-221 and Section 9-222.1 of the
9 Public Utilities Act; and subsection (g) of Section 201, and
10 Section 203 of the Illinois Income Tax Act.

11 (d) Except for businesses contemplated under subdivision
12 (a) (3) (E), (a) (3) (E-5), (a) (3) (G), (a) (3) (H), (A) (3) (I), or
13 (a) (3) (J) of this Section, existing Illinois businesses which
14 apply for designation as a High Impact Business must provide
15 the Department with the prospective plan for which 1,500
16 full-time retained jobs would be eliminated in the event that
17 the business is not designated.

18 (e) Except for new businesses contemplated under
19 subdivision (a) (3) (E), subdivision (a) (3) (G), subdivision
20 (a) (3) (H), subdivision (a) (3) (I), or subdivision (a) (3) (J) of
21 this Section, new proposed facilities which apply for
22 designation as High Impact Business must provide the
23 Department with proof of alternative non-Illinois sites which
24 would receive the proposed investment and job creation in the
25 event that the business is not designated as a High Impact
26 Business.

1 (f) Except for businesses contemplated under subdivision
2 (a) (3) (E), subdivision (a) (3) (G), subdivision (a) (3) (H),
3 subdivision (a) (3) (I), or subdivision (a) (3) (J) of this
4 Section, in the event that a business is designated a High
5 Impact Business and it is later determined after reasonable
6 notice and an opportunity for a hearing as provided under the
7 Illinois Administrative Procedure Act, that the business would
8 have placed in service in qualified property the investments
9 and created or retained the requisite number of jobs without
10 the benefits of the High Impact Business designation, the
11 Department shall be required to immediately revoke the
12 designation and notify the Director of the Department of
13 Revenue who shall begin proceedings to recover all wrongfully
14 exempted State taxes with interest. ~~The business shall also be~~
15 ~~ineligible for all State funded Department programs for a~~
16 ~~period of 10 years.~~

17 (g) The Department shall revoke a High Impact Business
18 designation if the participating business fails to comply with
19 the terms and conditions of the designation.

20 (h) Prior to designating a business, the Department shall
21 provide the members of the General Assembly and Commission on
22 Government Forecasting and Accountability with a report
23 setting forth the terms and conditions of the designation and
24 guarantees that have been received by the Department in
25 relation to the proposed business being designated.

26 (i) High Impact Business construction jobs credit.

1 Beginning on January 1, 2021, a High Impact Business may
2 receive a tax credit against the tax imposed under subsections
3 (a) and (b) of Section 201 of the Illinois Income Tax Act in an
4 amount equal to 50% of the amount of the incremental income tax
5 attributable to High Impact Business construction jobs credit
6 employees employed in the course of completing a High Impact
7 Business construction jobs project. However, the High Impact
8 Business construction jobs credit may equal 75% of the amount
9 of the incremental income tax attributable to High Impact
10 Business construction jobs credit employees if the High Impact
11 Business construction jobs credit project is located in an
12 underserved area.

13 The Department shall certify to the Department of Revenue:
14 (1) the identity of taxpayers that are eligible for the High
15 Impact Business construction jobs credit; and (2) the amount
16 of High Impact Business construction jobs credits that are
17 claimed pursuant to subsection (h-5) of Section 201 of the
18 Illinois Income Tax Act in each taxable year.

19 As used in this subsection (i):

20 "High Impact Business construction jobs credit" means an
21 amount equal to 50% (or 75% if the High Impact Business
22 construction project is located in an underserved area) of the
23 incremental income tax attributable to High Impact Business
24 construction job employees. The total aggregate amount of
25 credits awarded under the Blue Collar Jobs Act (Article 20 of
26 Public Act 101-9) shall not exceed \$20,000,000 in any State

1 fiscal year

2 "High Impact Business construction job employee" means a
3 laborer or worker who is employed by a contractor or
4 subcontractor in the actual construction work on the site of a
5 High Impact Business construction job project.

6 "High Impact Business construction jobs project" means
7 building a structure or building or making improvements of any
8 kind to real property, undertaken and commissioned by a
9 business that was designated as a High Impact Business by the
10 Department. The term "High Impact Business construction jobs
11 project" does not include the routine operation, routine
12 repair, or routine maintenance of existing structures,
13 buildings, or real property.

14 "Incremental income tax" means the total amount withheld
15 during the taxable year from the compensation of High Impact
16 Business construction job employees.

17 "Underserved area" means a geographic area that meets one
18 or more of the following conditions:

19 (1) the area has a poverty rate of at least 20%
20 according to the latest American Community Survey;

21 (2) 35% or more of the families with children in the
22 area are living below 130% of the poverty line, according
23 to the latest American Community Survey;

24 (3) at least 20% of the households in the area receive
25 assistance under the Supplemental Nutrition Assistance
26 Program (SNAP); or

1 (4) the area has an average unemployment rate, as
2 determined by the Illinois Department of Employment
3 Security, that is more than 120% of the national
4 unemployment average, as determined by the U.S. Department
5 of Labor, for a period of at least 2 consecutive calendar
6 years preceding the date of the application.

7 (j) (Blank).

8 (j-5) Annually, until construction is completed, a company
9 seeking High Impact Business Construction Job credits shall
10 submit a report that, at a minimum, describes the projected
11 project scope, timeline, and anticipated budget. Once the
12 project has commenced, the annual report shall include actual
13 data for the prior year as well as projections for each
14 additional year through completion of the project. The
15 Department shall issue detailed reporting guidelines
16 prescribing the requirements of construction-related reports.

17 In order to receive credit for construction expenses, the
18 company must provide the Department with evidence that a
19 certified third-party executed an Agreed-Upon Procedure (AUP)
20 verifying the construction expenses or accept the standard
21 construction wage expense estimated by the Department.

22 Upon review of the final project scope, timeline, budget,
23 and AUP, the Department shall issue a tax credit certificate
24 reflecting a percentage of the total construction job wages
25 paid throughout the completion of the project.

26 (k) Upon 7 business days' notice, each taxpayer shall make

1 available to each State agency and to federal, State, or local
2 law enforcement agencies and prosecutors for inspection and
3 copying at a location within this State during reasonable
4 hours, the report under subsection (j-5).

5 (1) The changes made to this Section by Public Act
6 102-1125, other than the changes in subsection (a), apply to
7 High Impact Businesses that submit applications on or after
8 February 3, 2023 (the effective date of Public Act 102-1125).

9 (Source: P.A. 102-108, eff. 1-1-22; 102-558, eff. 8-20-21;
10 102-605, eff. 8-27-21; 102-662, eff. 9-15-21; 102-673, eff.
11 11-30-21; 102-813, eff. 5-13-22; 102-1125, eff. 2-3-23; 103-9,
12 eff. 6-7-23; 103-561, eff. 1-1-24; 103-595, eff. 6-26-24;
13 103-605, eff. 7-1-24; 103-1066, eff. 2-20-25.)

14 Section 10-915. The Reimagining Energy and Vehicles in
15 Illinois Act is amended by changing Sections 10, 20, and 45 as
16 follows:

17 (20 ILCS 686/10)

18 Sec. 10. Definitions. As used in this Act:

19 "Advanced battery" means a battery that consists of a
20 battery cell that can be integrated into a module, pack, or
21 system to be used in energy storage applications, including a
22 battery used in an electric vehicle or the electric grid.

23 "Advanced battery component" means a component of an
24 advanced battery, including materials, enhancements,

1 enclosures, anodes, cathodes, electrolytes, cells, and other
2 associated technologies that comprise an advanced battery.

3 "Agreement" means the agreement between a taxpayer and the
4 Department under the provisions of Section 45 of this Act.

5 "Applicant" means a taxpayer that (i) operates a business
6 in Illinois or is planning to locate a business within the
7 State of Illinois and (ii) is engaged in interstate or
8 intrastate commerce as an electric vehicle manufacturer, an
9 electric vehicle component parts manufacturer, or an electric
10 vehicle power supply equipment manufacturer. For applications
11 for credits under this Act that are submitted on or after
12 February 3, 2023 (the effective date of Public Act 102-1125)

13 ~~this amendatory Act of the 102nd General Assembly~~, "applicant"
14 also includes a taxpayer that (i) operates a business in
15 Illinois or is planning to locate a business within the State
16 of Illinois and (ii) is engaged in interstate or intrastate
17 commerce as a renewable energy manufacturer, a renewable
18 energy products manufacturer, the manufacturer of an eVTOL
19 aircraft or hybrid-electric or fully electric propulsion
20 system for airliners, a battery recycling and reuse
21 manufacturer, a green steel manufacturer, electrical
22 transformer or transformer component part manufacturer, an
23 assembler or manufacturer of retrofit electric vehicles, an
24 entity that manufactures machinery or equipment essential to
25 the production of electric vehicles, an electric vehicle
26 component parts service provider, a renewable energy service

1 provider, or a battery raw materials refining service
2 provider. "Applicant" does not include a taxpayer who closes
3 or substantially reduces by more than 50% operations at one
4 location in the State and relocates substantially the same
5 operation to another location in the State. This does not
6 prohibit a Taxpayer from expanding its operations at another
7 location in the State. This also does not prohibit a Taxpayer
8 from moving its operations from one location in the State to
9 another location in the State for the purpose of expanding the
10 operation, provided that the Department determines that
11 expansion cannot reasonably be accommodated within the
12 municipality or county in which the business is located, or,
13 in the case of a business located in an incorporated area of
14 the county, within the county in which the business is
15 located, after conferring with the chief elected official of
16 the municipality or county and taking into consideration any
17 evidence offered by the municipality or county regarding the
18 ability to accommodate expansion within the municipality or
19 county.

20 "Battery raw materials" means the raw and processed form
21 of a mineral, metal, chemical, or other material used in an
22 advanced battery component.

23 "Battery raw materials refining service provider" means a
24 business that operates a facility that filters, sifts, and
25 treats battery raw materials for use in an advanced battery.

26 "Battery recycling and reuse manufacturer" means a

1 manufacturer that is primarily engaged in the recovery,
2 retrieval, processing, recycling, or recirculating of battery
3 raw materials for new use in electric vehicle batteries.

4 "Capital improvements" means the purchase, renovation,
5 rehabilitation, or construction of permanent tangible land,
6 buildings, structures, equipment, and furnishings in an
7 approved project sited in Illinois and expenditures for goods
8 or services that are normally capitalized, including
9 organizational costs and research and development costs
10 incurred in Illinois. For land, buildings, structures, and
11 equipment that are leased, the lease must equal or exceed the
12 term of the agreement, and the cost of the property shall be
13 determined from the present value, using the corporate
14 interest rate prevailing at the time of the application, of
15 the lease payments.

16 "Credit" means either a "REV Illinois Credit" or a "REV
17 Construction Jobs Credit" agreed to between the Department and
18 applicant under this Act.

19 "Department" means the Department of Commerce and Economic
20 Opportunity.

21 "Director" means the Director of Commerce and Economic
22 Opportunity.

23 "Electric vehicle" means a vehicle that is exclusively or
24 partially powered by and refueled by electricity, including
25 electricity generated through hydrogen fuel cells or solar
26 technology. "Electric vehicle" also includes hybrid-electric

1 vehicles (HEV) but excludes electric bicycles ~~, except when~~
2 ~~referencing aircraft with hybrid electric propulsion systems,~~
3 ~~does not include hybrid electric vehicles, electric bicycles,~~
4 ~~or extended range electric vehicles that are also equipped~~
5 ~~with conventional fueled propulsion or auxiliary engines.~~

6 "Electric vehicle manufacturer" means a new or existing
7 manufacturer that is primarily focused on reequipping,
8 expanding, or establishing a manufacturing facility in
9 Illinois that produces electric vehicles as defined in this
10 Section.

11 "Electric vehicle component parts manufacturer" means a
12 new or existing manufacturer that is focused on reequipping,
13 expanding, or establishing a manufacturing facility in
14 Illinois that produces parts or accessories used in electric
15 vehicles, as defined by this Section, including advanced
16 battery component parts. The changes to this definition of
17 "electric vehicle component parts manufacturer" apply to
18 agreements under this Act that are entered into on or after
19 December 21, 2022 (the effective date of Public Act 102-1112)
20 ~~this amendatory Act of the 102nd General Assembly.~~

21 "Electric vehicle power supply equipment" means the
22 equipment used specifically for the purpose of delivering
23 electricity to an electric vehicle, including hydrogen fuel
24 cells or solar refueling infrastructure.

25 "Electric vehicle power supply manufacturer" means a new
26 or existing manufacturer that is focused on reequipping,

1 expanding, or establishing a manufacturing facility in
2 Illinois that produces electric vehicle power supply equipment
3 used for the purpose of delivering electricity to an electric
4 vehicle, including hydrogen fuel cell or solar refueling
5 infrastructure.

6 "Electric vehicle powertrain technology" means equipment
7 used to convert electricity for use in aerospace propulsion.

8 "Electric vehicle powertrain technology manufacturer"
9 means a new or existing manufacturer that is focused on
10 reequipping, expanding, or establishing a manufacturing
11 facility in Illinois that develops and validates electric
12 vehicle powertrain technology ~~for use in aerospace propulsion.~~

13 "Electric vertical takeoff and landing aircraft" or "eVTOL
14 aircraft" means a fully electric aircraft that lands and takes
15 off vertically.

16 "Energy Transition Area" means a county with less than
17 100,000 people or a municipality that contains one or more of
18 the following:

19 (1) a fossil fuel plant that was retired from service
20 or has significant reduced service within 6 years before
21 the time of the application or will be retired or have
22 service significantly reduced within 6 years following the
23 time of the application; or

24 (2) a coal mine that was closed or had operations
25 significantly reduced within 6 years before the time of
26 the application or is anticipated to be closed or have

1 operations significantly reduced within 6 years following
2 the time of the application.

3 "Full-time employee" means an individual who is employed
4 for consideration for at least 35 hours each week or who
5 renders any other standard of service generally accepted by
6 industry custom or practice as full-time employment. An
7 individual for whom a W-2 is issued by a Professional Employer
8 Organization (PEO) is a full-time employee if employed in the
9 service of the applicant for consideration for at least 35
10 hours each week.

11 "Green steel manufacturer" means an entity that
12 manufactures steel without the use of fossil fuels and with
13 zero net carbon emissions.

14 "Hybrid-electric vehicle (HEV)" means a motor vehicle
15 which draws propulsion energy from onboard sources of stored
16 energy that are both an internal combustion engine or heat
17 engine using consumable fuel, and a rechargeable energy
18 storage system such as a battery, capacitor, hydraulic
19 accumulator, or flywheel. This includes plug-in,
20 hybrid-electric vehicles.

21 "Incremental income tax" means the total amount withheld
22 during the taxable year from the compensation of new employees
23 and, if applicable, retained employees under Article 7 of the
24 Illinois Income Tax Act arising from employment at a project
25 that is the subject of an agreement.

26 "Institution of higher education" or "institution" means

1 any accredited public or private university, college,
2 community college, business, technical, or vocational school,
3 or other accredited educational institution offering degrees
4 and instruction beyond the secondary school level.

5 "Minority person" means a minority person as defined in
6 the Business Enterprise for Minorities, Women, and Persons
7 with Disabilities Act.

8 "New employee" means a newly hired, ~~newly hired~~ full-time
9 employee employed to work at the project site and whose work is
10 directly related to the project.

11 "Noncompliance date" means, in the case of a taxpayer that
12 is not complying with the requirements of the agreement or the
13 provisions of this Act, the day following the last date upon
14 which the taxpayer was in compliance with the requirements of
15 the agreement and the provisions of this Act, as determined by
16 the Director, pursuant to Section 70.

17 "Pass-through entity" means an entity that is exempt from
18 the tax under subsection (b) or (c) of Section 205 of the
19 Illinois Income Tax Act.

20 "Placed in service" means the state or condition of
21 readiness, availability for a specifically assigned function,
22 and the facility is constructed and ready to conduct its
23 facility operations to manufacture goods.

24 "Professional employer organization" (PEO) means an
25 employee leasing company, as defined in Section 206.1 of the
26 Illinois Unemployment Insurance Act.

1 "Program" means the Reimagining Energy and Vehicles in
2 Illinois Program (the REV Illinois Program) established in
3 this Act.

4 "Project" or "REV Illinois Project" means ~~a~~ for-profit
5 economic development activity that is designated by the
6 Department as a REV Illinois Project, is the subject of an
7 agreement, and involves one or more of the following:

8 (1) the manufacture of electric vehicles, electric
9 vehicle component parts, or electric vehicle power supply
10 equipment;

11 (2) the manufacture of renewable energy products;

12 (3) the manufacture of eVTOL aircraft or
13 hybrid-electric or fully electric propulsion systems for
14 airliners;

15 (4) the development of battery recycling and reuse
16 processes;

17 (5) the manufacture of green steel;

18 (6) the assembly or manufacture of retrofit
19 electric vehicles;

20 (7) the manufacture of machinery or equipment that
21 is essential to the production of electric vehicles,
22 electric vehicle component parts, or renewable energy;

23 (8) the provision of battery raw materials
24 refining service; or

25 (9) the manufacture of electrical transformer or
26 transformer component parts. ~~for the manufacture of~~

1 ~~electric vehicles, electric vehicle component parts,~~
2 ~~electric vehicle power supply equipment, or renewable~~
3 ~~energy products, which is designated by the Department as~~
4 ~~a REV Illinois Project and is the subject of an agreement.~~

5 "Recycling facility" means a location at which the
6 taxpayer disposes of batteries and other component parts in
7 manufacturing of electric vehicles, electric vehicle component
8 parts, or electric vehicle power supply equipment.

9 "Related member" means a person that, with respect to the
10 taxpayer during any portion of the taxable year, is any one of
11 the following:

12 (1) An individual stockholder, if the stockholder and
13 the members of the stockholder's family (as defined in
14 Section 318 of the Internal Revenue Code) own directly,
15 indirectly, beneficially, or constructively, in the
16 aggregate, at least 50% of the value of the taxpayer's
17 outstanding stock.

18 (2) A partnership, estate, trust and any partner or
19 beneficiary, if the partnership, estate, or trust, and its
20 partners or beneficiaries own directly, indirectly,
21 beneficially, or constructively, in the aggregate, at
22 least 50% of the profits, capital, stock, or value of the
23 taxpayer.

24 (3) A corporation, and any party related to the
25 corporation in a manner that would require an attribution
26 of stock from the corporation under the attribution rules

1 of Section 318 of the Internal Revenue Code, if the
2 Taxpayer owns directly, indirectly, beneficially, or
3 constructively at least 50% of the value of the
4 corporation's outstanding stock.

5 (4) A corporation and any party related to that
6 corporation in a manner that would require an attribution
7 of stock from the corporation to the party or from the
8 party to the corporation under the attribution rules of
9 Section 318 of the Internal Revenue Code, if the
10 corporation and all such related parties own in the
11 aggregate at least 50% of the profits, capital, stock, or
12 value of the taxpayer.

13 (5) A person to or from whom there is an attribution of
14 stock ownership in accordance with Section 1563(e) of the
15 Internal Revenue Code, except, for purposes of determining
16 whether a person is a related member under this paragraph,
17 20% shall be substituted for 5% wherever 5% appears in
18 Section 1563(e) of the Internal Revenue Code.

19 "Renewable energy" means energy produced through renewable
20 energy resources, as defined in Section 1-10 of the Illinois
21 Power Agency Act, and nuclear power ~~using the materials and~~
22 ~~sources of energy through which renewable energy resources are~~
23 ~~generated.~~

24 "Renewable energy manufacturer" means a manufacturer whose
25 primary function is to manufacture or assemble: (i) equipment,
26 systems, or products used to produce renewable or nuclear

1 energy; (ii) products used for energy storage, or grid
2 efficiency purposes; or (iii) component parts for that
3 equipment or those systems or products.

4 "Renewable energy resources" has the meaning ascribed to
5 that term in Section 1-10 of the Illinois Power Agency Act.

6 "Research and development" means work directed toward the
7 innovation, introduction, and improvement of products and
8 processes. "Research and development" includes all levels of
9 research and development that directly result in the potential
10 manufacturing and marketability of renewable energy, electric
11 vehicles, electric vehicle component parts, and electric or
12 hybrid aircraft.

13 "Retained employee" means a full-time employee employed by
14 the taxpayer prior to the term of the Agreement who continues
15 to be employed during the term of the agreement whose job
16 duties are directly related to the project. The term "retained
17 employee" does not include any individual who has a direct or
18 an indirect ownership interest of at least 5% in the profits,
19 equity, capital, or value of the taxpayer or a child,
20 grandchild, parent, or spouse, other than a spouse who is
21 legally separated from the individual, of any individual who
22 has a direct or indirect ownership of at least 5% in the
23 profits, equity, capital, or value of the taxpayer. The
24 changes to this definition of "retained employee" apply to
25 agreements for credits under this Act that are entered into on
26 or after December 21, 2022 (the effective date of Public Act

1 102-1112) ~~this amendatory Act of the 102nd General Assembly.~~

2 "REV Illinois credit" means a credit agreed to between the
3 Department and the applicant under this Act that is based on
4 the incremental income tax attributable to new employees and,
5 if applicable, retained employees, and on training costs for
6 such employees at the applicant's project.

7 "REV construction jobs credit" means a credit agreed to
8 between the Department and the applicant under this Act that
9 is based on the incremental income tax attributable to
10 construction wages paid in connection with construction of the
11 project facilities.

12 "Statewide baseline" means the total number of full-time
13 employees of the applicant and any related member employed by
14 such entities at the time of application for incentives under
15 this Act.

16 "Taxpayer" means an individual, corporation, partnership,
17 or other entity that has a legal obligation to pay Illinois
18 income taxes and file an Illinois income tax return.

19 "Training costs" means costs incurred to upgrade the
20 technological skills of full-time employees in Illinois and
21 includes: curriculum development; training materials
22 (including scrap product costs); trainee domestic travel
23 expenses; instructor costs (including wages, fringe benefits,
24 tuition, and domestic travel expenses); rent, purchase, or
25 lease of training equipment; and other usual and customary
26 training costs. "Training costs" do not include costs

1 associated with travel outside the United States (unless the
2 Taxpayer receives prior written approval for the travel by the
3 Director based on a showing of substantial need or other proof
4 the training is not reasonably available within the United
5 States), wages and fringe benefits of employees during periods
6 of training, or administrative cost related to full-time
7 employees of the taxpayer.

8 "Underserved area" means any geographic area as defined in
9 Section 5-5 of the Economic Development for a Growing Economy
10 Tax Credit Act.

11 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;
12 102-1112, eff. 12-21-22; 102-1125, eff. 2-3-23; 103-595, eff.
13 6-26-24; revised 10-24-24.)

14 (20 ILCS 686/20)

15 Sec. 20. REV Illinois Program; project applications.

16 (a) The Reimagining Energy and Vehicles in Illinois (REV
17 Illinois) Program is hereby established and shall be
18 administered by the Department. The Program will provide
19 financial incentives to any one or more of the following: (1)
20 eligible manufacturers of electric vehicles, electric vehicle
21 component parts, and electric vehicle power supply equipment;
22 (2) battery recycling and reuse manufacturers; (3) battery raw
23 materials refining service providers; or (4) renewable energy
24 manufacturers.

25 (b) Any taxpayer planning a project to be located in

1 Illinois may request consideration for designation of its
2 project as a REV Illinois Project, by formal written letter of
3 request or by formal application to the Department, in which
4 the applicant states its intent to make at least a specified
5 level of investment and intends to hire a specified number of
6 full-time employees at a designated location in Illinois. As
7 circumstances require, the Department shall require a formal
8 application from an applicant and a formal letter of request
9 for assistance.

10 (c) In order to qualify for credits under the REV Illinois
11 Program, an applicant must:

12 (1) if the applicant is an electric vehicle
13 manufacturer:

14 (A) make an investment of at least \$1,500,000,000
15 in capital improvements at the project site;

16 (B) to be placed in service within the State
17 within a 60-month period after approval of the
18 application; and

19 (C) create at least 500 new full-time employee
20 jobs; or

21 (2) if the applicant is: an electric vehicle component
22 parts manufacturer; or a renewable energy manufacturer; or a
23 green steel manufacturer; electrical transformer or
24 transformer component part manufacturer; an assembler or
25 manufacturer of retrofit electric vehicles; a manufacturer
26 of machinery or equipment that is essential to the

1 production of electric vehicles, electric vehicle
2 component parts, or renewable energy;~~or~~ an entity
3 engaged in research, development, or manufacturing of
4 eVTOL aircraft or hybrid-electric or fully electric
5 propulsion systems for airliners; an electric vehicle
6 power supply equipment manufacturer; a battery recycling
7 and reuse manufacturer; or a battery raw materials
8 refining service provider:

9 (A) make an investment of at least \$300,000,000 in
10 capital improvements at the project site;

11 (B) manufacture one or more parts that are
12 primarily used for electric vehicle, renewable energy,
13 or green steel manufacturing or electrical transformer
14 or transformer component part manufacturer;

15 (C) to be placed in service within the State
16 within a 60-month period after approval of the
17 application; and

18 (D) create at least 150 new full-time employee
19 jobs; or

20 (3) if the agreement is entered into before February
21 3, 2023 (the effective date of Public Act 102-1125) ~~this~~
22 ~~amendatory Act of the 102nd General Assembly~~ and the
23 applicant is an electric vehicle manufacturer, an electric
24 vehicle power supply equipment manufacturer, an electric
25 vehicle component part manufacturer, renewable energy
26 manufacturer, ~~or~~ green steel manufacturer, or electrical

1 transformer or transformer component part manufacturer,
2 that does not qualify under paragraph (2) above, a battery
3 recycling and reuse manufacturer, or a battery raw
4 materials refining service provider:

5 (A) make an investment of at least \$20,000,000 in
6 capital improvements at the project site;

7 (B) for electric vehicle component part
8 manufacturers, manufacture one or more parts that are
9 primarily used for electric vehicle manufacturing;

10 (C) to be placed in service within the State
11 within a 48-month period after approval of the
12 application; and

13 (D) create at least 50 new full-time employee
14 jobs; or

15 (3.1) if the agreement is entered into on or after
16 February 3, 2023 (the effective date of Public Act
17 102-1125), ~~this amendatory Act of the 102nd General~~
18 ~~Assembly~~ the applicant does not qualify under paragraph
19 (2) above, and the applicant is: an electric vehicle
20 manufacturer; τ an electric vehicle power supply equipment
21 manufacturer; τ an electric vehicle component part
22 manufacturer; τ a renewable energy manufacturer; τ a green
23 steel manufacturer; a manufacturer of electrical
24 transformers or transformer component parts; an assembler
25 or manufacturer of retrofit electric vehicles; an entity
26 that manufactures machinery or equipment that is essential

1 to the production of electric vehicles, electric vehicle
2 component parts, or renewable energy; ~~or~~ an entity
3 engaged in research, development, or manufacturing of
4 eVTOL aircraft or hybrid-electric or fully electric
5 propulsion systems for airliners; ~~that does not qualify~~
6 ~~under paragraph (2) above~~ a battery recycling and reuse
7 manufacturer; ~~or~~ or a battery raw materials refining
8 service provider:

9 (A) make an investment of at least \$2,500,000 in
10 capital improvements at the project site;

11 (B) in the case of electric vehicle component part
12 manufacturers, manufacture one or more parts that are
13 used for electric vehicle manufacturing;

14 (C) to be placed in service within the State
15 within a 48-month period after approval of the
16 application; and

17 (D) create the lesser of 50 new full-time employee
18 jobs or new full-time employee jobs equivalent to 10%
19 of the Statewide baseline applicable to the taxpayer
20 and any related member at the time of application; or

21 (4) if the agreement is entered into before February
22 3, 2023 (the effective date of Public Act 102-1125) ~~this~~
23 ~~amendatory Act of the 102nd General Assembly~~ and the
24 applicant is an electric vehicle manufacturer or electric
25 ~~vehicle~~ component parts manufacturer with existing
26 operations within Illinois that intends to convert or

1 expand, in whole or in part, the existing facility from
2 traditional manufacturing to primarily electric vehicle
3 manufacturing, electric vehicle component parts
4 manufacturing, ~~an~~ electric vehicle power supply equipment
5 manufacturing, ~~or~~ a green steel manufacturer, electrical
6 transformer or transformer component part manufacturer:

7 (A) make an investment of at least \$100,000,000 in
8 capital improvements at the project site;

9 (B) to be placed in service within the State
10 within a 60-month period after approval of the
11 application; and

12 (C) create the lesser of 75 new full-time employee
13 jobs or new full-time employee jobs equivalent to 10%
14 of the Statewide baseline applicable to the taxpayer
15 and any related member at the time of application;

16 (4.1) if the agreement is entered into on or after
17 February 3, 2023 (the effective date of Public Act
18 102-1125) ~~this amendatory Act of the 102nd General~~
19 ~~Assembly~~ and the applicant (i) is any of the following: an
20 electric vehicle manufacturer; τ an electric vehicle
21 component parts manufacturer; τ a renewable energy
22 manufacturer; τ a green steel manufacturer; electrical
23 transformer or transformer component part; an assembler or
24 manufacturer of retrofit electric vehicles; an entity that
25 manufactures machinery or equipment that is essential to
26 the production of electric vehicles, electric vehicle

1 component parts, or renewable energy; a battery recycling
2 and reuse manufacturer; a battery raw materials refining
3 service provider; ~~7~~ or an entity engaged in research,
4 development, or manufacturing of eVTOL aircraft or
5 hybrid-electric ~~hybrid-electric~~ or fully electric
6 propulsion systems for airliners and (ii) has existing
7 operations within Illinois that the applicant intends to
8 convert or expand, in whole or in part, from traditional
9 manufacturing to electric vehicle manufacturing, electric
10 vehicle component parts manufacturing, renewable energy
11 manufacturing, or electric vehicle power supply equipment
12 manufacturing:

13 (A) make an investment of at least \$100,000,000 in
14 capital improvements at the project site;

15 (B) to be placed in service within the State
16 within a 60-month period after approval of the
17 application; and

18 (C) create the lesser of 50 new full-time employee
19 jobs or new full-time employee jobs equivalent to 10%
20 of the Statewide baseline applicable to the taxpayer
21 and any related member at the time of application; or

22 (5) if the agreement is entered into on or after June
23 7, 2023 (the effective date of the changes made to this
24 Section by Public Act 103-9) ~~this amendatory Act of the~~
25 ~~103rd General Assembly~~ and before June 1, 2024 and the
26 applicant (i) is an electric vehicle manufacturer, an

1 electric vehicle component parts manufacturer, or a
2 renewable energy manufacturer or (ii) has existing
3 operations within Illinois that the applicant intends to
4 convert or expand, in whole or in part, from traditional
5 manufacturing to electric vehicle manufacturing, electric
6 vehicle component parts manufacturing, renewable energy
7 manufacturing, or electric vehicle power supply equipment
8 manufacturing:

9 (A) make an investment of at least \$500,000,000 in
10 capital improvements at the project site;

11 (B) to be placed in service within the State
12 within a 60-month period after approval of the
13 application; and

14 (C) retain at least 800 full-time employee jobs at
15 the project.

16 (d) For agreements entered into prior to April 19, 2022
17 (the effective date of Public Act 102-700), for any applicant
18 creating the full-time employee jobs noted in subsection (c),
19 those jobs must have a total compensation equal to or greater
20 than 120% of the average wage paid to full-time employees in
21 the county where the project is located, as determined by the
22 U.S. Bureau of Labor Statistics. For agreements entered into
23 on or after April 19, 2022 (the effective date of Public Act
24 102-700), for any applicant creating the full-time employee
25 jobs noted in subsection (c), those jobs must have a
26 compensation equal to or greater than 120% of the average wage

1 paid to full-time employees in a similar position within an
2 occupational group in the county where the project is located,
3 as determined by the Department.

4 (e) For any applicant, within 24 months after being placed
5 in service, it must certify to the Department that it is carbon
6 neutral or has attained certification under one of more of the
7 following green building standards:

8 (1) BREEAM for New Construction or BREEAM In-Use;

9 (2) ENERGY STAR;

10 (3) Envision;

11 (4) ISO 50001 - energy management;

12 (5) LEED for Building Design and Construction or LEED
13 for Building Operations and Maintenance;

14 (6) Green Globes for New Construction or Green Globes
15 for Existing Buildings; or

16 (7) UL 3223.

17 (f) Each applicant must outline its hiring plan and
18 commitment to recruit and hire full-time employee positions at
19 the project site. The hiring plan may include a partnership
20 with an institution of higher education to provide
21 internships, including, but not limited to, internships
22 supported by the Clean Jobs Workforce Network Program, or
23 full-time permanent employment for students at the project
24 site. Additionally, the applicant may create or utilize
25 participants from apprenticeship programs that are approved by
26 and registered with the United States Department of Labor's

1 Bureau of Apprenticeship and Training. The applicant may apply
2 for apprenticeship education expense credits in accordance
3 with the provisions set forth in 14 Ill. Adm. Code 522. Each
4 applicant, in each year when seeking a credit under this Act,
5 is required to report annually, on or before April 15, on the
6 diversity of its workforce in accordance with Section 50 of
7 this Act. For existing facilities of applicants under
8 paragraph (3) of subsection (b) above, if the taxpayer expects
9 a reduction in force due to its transition to manufacturing
10 electric vehicle, electric vehicle component parts, or
11 electric vehicle power supply equipment, the plan submitted
12 under this Section must outline the taxpayer's plan to assist
13 with retraining its workforce aligned with the taxpayer's
14 adoption of new technologies and anticipated efforts to
15 retrain employees through employment opportunities within the
16 taxpayer's workforce.

17 (g) Each applicant must demonstrate a contractual or other
18 relationship with a recycling facility, or demonstrate its own
19 recycling capabilities, at the time of application and report
20 annually a continuing contractual or other relationship with a
21 recycling facility and the percentage of batteries used in
22 electric vehicles recycled throughout the term of the
23 agreement.

24 (h) A taxpayer may not enter into more than one agreement
25 under this Act with respect to a single address or location for
26 the same period of time. Also, a taxpayer may not enter into an

1 agreement under this Act with respect to a single address or
2 location for the same period of time for which the taxpayer
3 currently holds an active agreement under the Economic
4 Development for a Growing Economy Tax Credit Act. This
5 provision does not preclude the applicant from entering into
6 an additional agreement after the expiration or voluntary
7 termination of an earlier agreement under this Act or under
8 the Economic Development for a Growing Economy Tax Credit Act
9 to the extent that the taxpayer's application otherwise
10 satisfies the terms and conditions of this Act and is approved
11 by the Department. An applicant with an existing agreement
12 under the Economic Development for a Growing Economy Tax
13 Credit Act may submit an application for an agreement under
14 this Act after it terminates any existing agreement under the
15 Economic Development for a Growing Economy Tax Credit Act with
16 respect to the same address or location. If a project that is
17 subject to an existing agreement under the Economic
18 Development for a Growing Economy Tax Credit Act meets the
19 requirements to be designated as a REV Illinois project under
20 this Act, including for actions undertaken prior to the
21 effective date of this Act, the taxpayer that is subject to
22 that existing agreement under the Economic Development for a
23 Growing Economy Tax Credit Act may apply to the Department to
24 amend the agreement to allow the project to become a
25 designated REV Illinois project. Following the amendment, time
26 accrued during which the project was eligible for credits

1 under the existing agreement under the Economic Development
2 for a Growing Economy Tax Credit Act shall count toward the
3 duration of the credit subject to limitations described in
4 Section 40 of this Act.

5 (i) If, at any time following the designation of a project
6 as a REV Illinois Project by the Department and prior to the
7 termination or expiration of an agreement under this Act, the
8 project ceases to qualify as a REV Illinois project because
9 the taxpayer is no longer an electric vehicle manufacturer, an
10 electric vehicle component manufacturer, an electric vehicle
11 power supply equipment manufacturer, a battery recycling and
12 reuse manufacturer, a battery raw materials refining service
13 provider, a green steel manufacturer, electrical transformer
14 manufacturer or transformer component part, an assembler or
15 manufacturer of retrofit electric vehicles, an entity that
16 manufactures machinery or equipment that is essential to the
17 production of electric vehicles, electric vehicle component
18 parts, or renewable energy, or an entity engaged in eVTOL or
19 hybrid-electric ~~hybrid electric~~ or fully electric propulsion
20 systems for airliners research, development, or manufacturing,
21 that project may receive tax credit awards as described in
22 Section 5-15 and Section 5-51 of the Economic Development for
23 a Growing Economy Tax Credit Act, as long as the project
24 continues to meet requirements to obtain those credits as
25 described in the Economic Development for a Growing Economy
26 Tax Credit Act and remains compliant with terms contained in

1 the Agreement under this Act not related to their status as an
2 electric vehicle manufacturer, an electric vehicle component
3 manufacturer, an electric vehicle power supply equipment
4 manufacturer, a battery recycling and reuse manufacturer, a
5 battery raw materials refining service provider, a green steel
6 manufacturer, electrical transformer or transformer component
7 part manufacturer, an assembler or manufacturer of retrofit
8 electric vehicles, an entity that manufactures machinery or
9 equipment essential to the production of electric vehicles,
10 electric vehicle component parts, or renewable energy, or an
11 entity engaged in eVTOL or hybrid-electric or fully electric
12 propulsion systems for airliners research, development, or
13 manufacturing. Time accrued during which the project was
14 eligible for credits under an agreement under this Act shall
15 count toward the duration of the credit subject to limitations
16 described in Section 5-45 of the Economic Development for a
17 Growing Economy Tax Credit Act.

18 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;
19 102-1112, eff. 12-21-22; 102-1125, eff. 2-3-23; 103-9, eff.
20 6-7-23; 103-595, eff. 6-26-24; revised 10-24-24.)

21 (20 ILCS 686/45)

22 Sec. 45. Contents of agreements with applicants.

23 (a) The Department shall enter into an agreement with an
24 applicant that is awarded a credit under this Act. The
25 agreement shall include all of the following:

1 (1) A detailed description of the project that is the
2 subject of the agreement, including the location and
3 amount of the investment and jobs created or retained.

4 (2) The duration of the credit, the first taxable year
5 for which the credit may be awarded, and the first taxable
6 year in which the credit may be used by the taxpayer.

7 (3) The credit amount that will be allowed for each
8 taxable year.

9 (4) For a project qualified under paragraphs (1), (2),
10 (4), or (5) of subsection (c) of Section 20, a requirement
11 that the taxpayer shall maintain operations at the project
12 location a minimum number of years not to exceed 15. For a
13 project qualified under paragraph (3) of subsection (c) of
14 Section 20, a requirement that the taxpayer shall maintain
15 operations at the project location a minimum number of
16 years not to exceed 10.

17 (5) A specific method for determining the number of
18 new employees and if applicable, retained employees,
19 employed during a taxable year.

20 (6) A requirement that the taxpayer shall report
21 annually, in the years when the taxpayer is seeking a tax
22 credit, annually report to the Department the number of
23 new employees, the incremental income tax withheld in
24 connection with the new employees, and any other
25 information the Department deems necessary and appropriate
26 to perform its duties under this Act.

1 (7) A requirement that the Director is authorized to
2 verify with the appropriate State agencies the amounts
3 reported under paragraph (6), and after doing so shall
4 issue a certificate to the taxpayer stating that the
5 amounts have been verified.

6 (8) A requirement that the taxpayer shall provide
7 written notification to the Director not more than 30 days
8 after the taxpayer makes or receives a proposal that would
9 transfer the taxpayer's State tax liability obligations to
10 a successor taxpayer.

11 (9) (Blank). ~~A detailed description of the number of~~
12 ~~new employees to be hired, and the occupation and payroll~~
13 ~~of full-time jobs to be created or retained because of the~~
14 ~~project.~~

15 (10) The minimum investment the taxpayer will make in
16 capital improvements, the time period for placing the
17 property in service, and the designated location in
18 Illinois for the investment.

19 (11) A requirement that the taxpayer shall provide
20 written notification to the Director and the Director's
21 designee not more than 30 days after the taxpayer
22 determines that the minimum job creation or retention,
23 employment payroll, or investment no longer is or will be
24 achieved or maintained as set forth in the terms and
25 conditions of the agreement. Additionally, the
26 notification should outline to the Department the number

1 of layoffs, date of the layoffs, and detail taxpayer's
2 efforts to provide career and training counseling for the
3 impacted workers with industry-related certifications and
4 trainings.

5 (12) If applicable, a provision that, if the total
6 number of new employees falls below a specified level, the
7 allowance of credit shall be suspended until the number of
8 new employees equals or exceeds the agreement amount.

9 (13) If applicable, a provision that specifies the
10 statewide baseline at the time of application for retained
11 employees. The agreement must have a provision addressing
12 if the total number of retained employees falls below the
13 lesser of the statewide baseline or the retention
14 requirements specified in the agreement, the allowance of
15 the credit shall be suspended until the number of retained
16 employees equals or exceeds the agreement amount.

17 (14) A detailed description of the items for which the
18 costs incurred by the Taxpayer will be included in the
19 limitation on the Credit provided in Section 40.

20 (15) If the agreement is entered into before the
21 effective date of the changes made to this Section by this
22 amendatory Act of the 103rd General Assembly, a provision
23 stating that if the taxpayer fails to meet either the
24 investment or job creation and retention requirements
25 specified in the agreement during the entire 5-year period
26 beginning on the first day of the first taxable year in

1 which the agreement is executed and ending on the last day
2 of the fifth taxable year after the agreement is executed,
3 then the agreement is automatically terminated on the last
4 day of the fifth taxable year after the agreement is
5 executed, and the taxpayer is not entitled to the award of
6 any credits for any of that 5-year period. If the
7 agreement is entered into on or after the effective date
8 of the changes made to this Section by this amendatory Act
9 of the 103rd General Assembly, a provision stating that if
10 the taxpayer fails to meet either the investment or job
11 creation and retention requirements specified in the
12 agreement during the entire 10-year period beginning on
13 the effective date of the agreement and ending 10 years
14 after the effective date of the agreement, then the
15 agreement is automatically terminated, and the taxpayer is
16 not entitled to the award of any credits for any of that
17 10-year period.

18 (16) A provision stating that if the taxpayer ceases
19 principal operations with the intent to permanently shut
20 down the project in the State during the term of the
21 Agreement, then the entire credit amount awarded to the
22 taxpayer prior to the date the taxpayer ceases principal
23 operations shall be returned to the Department and shall
24 be reallocated to the local workforce investment area in
25 which the project was located.

26 (17) A provision stating that the Taxpayer must

1 provide the reports outlined in Sections 50 and 55 on or
2 before April 15 each year.

3 (18) A provision requiring the taxpayer to report
4 annually its contractual obligations or otherwise with a
5 recycling facility for its operations.

6 (19) Any other performance conditions or contract
7 provisions the Department determines are necessary or
8 appropriate.

9 (20) Each taxpayer under paragraph (1) of subsection
10 (c) of Section 20 above shall maintain labor neutrality
11 toward any union organizing campaign for any employees of
12 the taxpayer assigned to work on the premises of the REV
13 Illinois Project Site. This paragraph shall not apply to
14 an electric vehicle manufacturer, electric vehicle
15 component part manufacturer, electric vehicle power supply
16 manufacturer, or renewable energy manufacturer, or any
17 joint venture including an electric vehicle manufacturer,
18 electric vehicle component part manufacturer, electric
19 vehicle power supply manufacturer, renewable energy
20 manufacturer, or an entity engaged in eVTOL or
21 hybrid-electric or fully electric propulsion systems for
22 airliners research, development, or manufacturing, who is
23 subject to collective bargaining agreement entered into
24 prior to the taxpayer filing an application pursuant to
25 this Act.

26 (b) The Department shall post on its website the terms of

1 each agreement entered into under this Act. Such information
2 shall be posted within 10 days after entering into the
3 agreement and must include the following:

4 (1) the name of the taxpayer;

5 (2) the location of the project;

6 (3) the estimated value of the credit;

7 (4) the number of new employee jobs and, if
8 applicable, number of retained employee jobs at the
9 project; and

10 (5) whether or not the project is in an underserved
11 area or energy transition area.

12 (Source: P.A. 102-669, eff. 11-16-21; 102-1125, eff. 2-3-23;
13 103-9, eff. 6-7-23; 103-595, eff. 6-26-24.)

14 Section 10-917. The Design-Build Procurement Act is
15 amended by changing Sections 10 and 90 as follows:

16 (30 ILCS 537/10)

17 (Section scheduled to be repealed on January 1, 2026)

18 Sec. 10. Definitions. As used in this Act:

19 "State construction agency" means the Capital Development
20 Board or, in the case of a design-build procurement for a
21 public institution of higher education, the public institution
22 of higher education, or in the case of a design-build
23 procurement by the Department of Central management Services
24 in accordance with the authority established by the Department

1 of Central Management Services Law of the Civil Administrative
2 Code of Illinois.

3 "Delivery system" means the design and construction
4 approach used to develop and construct a project.

5 "Design-bid-build" means the traditional delivery system
6 used on public projects in this State that incorporates the
7 Architectural, Engineering, and Land Surveying Qualification
8 Based Selection Act (30 ILCS 535/) and the principles of
9 competitive selection in the Illinois Procurement Code (30
10 ILCS 500/).

11 "Design-build" means a delivery system that provides
12 responsibility within a single contract for the furnishing of
13 architecture, engineering, land surveying and related services
14 as required, and the labor, materials, equipment, and other
15 construction services for the project.

16 "Design-build contract" means a contract for a public
17 project under this Act between the State construction agency
18 and a design-build entity to furnish architecture,
19 engineering, land surveying, and related services as required,
20 and to furnish the labor, materials, equipment, and other
21 construction services for the project. The design-build
22 contract may be conditioned upon subsequent refinements in
23 scope and price and may allow the State construction agency to
24 make modifications in the project scope without invalidating
25 the design-build contract.

26 "Design-build entity" means any individual, sole

1 proprietorship, firm, partnership, joint venture, corporation,
2 professional corporation, or other entity that proposes to
3 design and construct any public project under this Act. A
4 design-build entity and associated design-build professionals
5 shall conduct themselves in accordance with the laws of this
6 State and the related provisions of the Illinois
7 Administrative Code, as referenced by the licensed design
8 professionals Acts of this State.

9 "Design professional" means any individual, sole
10 proprietorship, firm, partnership, joint venture, corporation,
11 professional corporation, or other entity that offers services
12 under the Illinois Architecture Practice Act of 1989 (225 ILCS
13 305/), the Professional Engineering Practice Act of 1989 (225
14 ILCS 325/), the Structural Engineering Licensing Act of 1989
15 (225 ILCS 340/), or the Illinois Professional Land Surveyor
16 Act of 1989 (225 ILCS 330/).

17 "Evaluation criteria" means the requirements for the
18 separate phases of the selection process as defined in this
19 Act and may include the specialized experience, technical
20 qualifications and competence, capacity to perform, past
21 performance, experience with similar projects, assignment of
22 personnel to the project, and other appropriate factors. Price
23 may not be used as a factor in the evaluation of Phase I
24 proposals.

25 "Proposal" means the offer to enter into a design-build
26 contract as submitted by a design-build entity in accordance

1 with this Act.

2 "Public institution of higher education" has the meaning
3 ascribed in subsection (f) of Section 1-13 of the Illinois
4 Procurement Code.

5 "Request for proposal" means the document used by the
6 State construction agency to solicit proposals for a
7 design-build contract.

8 "Scope and performance criteria" means the requirements
9 for the public project, including, but not limited to, the
10 intended usage, capacity, size, scope, quality and performance
11 standards, life-cycle costs, and other programmatic criteria
12 that are expressed in performance-oriented and quantifiable
13 specifications and drawings that can be reasonably inferred
14 and are suited to allow a design-build entity to develop a
15 proposal.

16 (Source: P.A. 102-1119, eff. 1-23-23.)

17 (30 ILCS 537/90)

18 (Section scheduled to be repealed on January 1, 2026)

19 Sec. 90. Repealer. This Act is repealed on January 1, 2030
20 ~~January 1, 2026~~.

21 (Source: P.A. 102-1016, eff. 5-27-22; 102-1119, eff. 1-23-23.)

22 Section 10-920. The Illinois Income Tax Act is amended by
23 changing Section 231 and by adding Section 252 as follows:

1 (35 ILCS 5/231)

2 Sec. 231. Apprenticeship education expense credit.

3 (a) As used in this Section:

4 "Accredited training organization" means an organization
5 that:

6 (1) incurs costs related to training apprentice
7 employees;

8 (2) maintains an apprenticeship program approved by
9 the United States Department of Labor, Office of
10 Apprenticeships, that results in an industry-recognized
11 credential; and either

12 (3) is affiliated with a public or nonpublic secondary
13 school in Illinois and is:

14 (A) an institution of higher education that
15 provides a program that leads to an
16 industry-recognized postsecondary credential or
17 degree;

18 (B) an entity that carries out programs that
19 are registered under the federal National
20 Apprenticeship Act; or

21 (C) a public or private provider of a program
22 of training services, including, but not limited to, a
23 joint labor-management organization; or

24 (4) is not affiliated with a public or nonpublic
25 secondary school in Illinois but receives preapproval from
26 the Department to receive tax credits under this Section.

1 "Department" means the Department of Commerce and Economic
2 Opportunity.

3 "Employer" means an Illinois taxpayer who is the employer
4 of the qualifying apprentice.

5 "Qualifying apprentice" means an individual who: (i) is a
6 resident of the State of Illinois; (ii) is at least 16 years
7 old at the close of the school year for which a credit is
8 sought; (iii) during the school year for which a credit is
9 sought, was a full-time apprentice enrolled in an
10 apprenticeship program which is registered with the United
11 States Department of Labor, Office of Apprenticeship; and (iv)
12 is employed in Illinois by the taxpayer who is the employer.

13 "Qualified education expense" means the amount incurred on
14 behalf of a qualifying apprentice not to exceed \$3,500 for
15 tuition, instructional materials, book fees (including, but
16 not limited to, book, license, and lab fees), or ~~and lab fees~~
17 other expenses that are directly related to training the
18 apprentices and that are preapproved by the Department. All
19 expenses must be paid to or incurred for training at the
20 school, or community college, or organization where in which
21 the apprentice receives training is enrolled during the
22 regular school year.

23 ~~"School" means any public or nonpublic secondary school in~~
24 ~~Illinois that is: (i) an institution of higher education that~~
25 ~~provides a program that leads to an industry recognized~~
26 ~~postsecondary credential or degree; (ii) an entity that~~

1 ~~carries out programs registered under the federal National~~
2 ~~Apprenticeship Act; or (iii) another public or private~~
3 ~~provider of a program of training services, which may include~~
4 ~~a joint labor-management organization.~~

5 (b) For taxable years beginning on or after January 1,
6 2020, and beginning on or before January 1, 2026, the employer
7 of one or more qualifying apprentices shall be allowed a
8 credit against the tax imposed by subsections (a) and (b) of
9 Section 201 of the Illinois Income Tax Act ~~for qualified~~
10 ~~education expenses incurred on behalf of a qualifying~~
11 ~~apprentice.~~ The credit shall be equal to ~~100% of the qualified~~
12 ~~education expenses, but in no event may the total credit~~
13 ~~amount awarded to a single taxpayer in a single taxable year~~
14 ~~exceed~~ \$3,500 per qualifying apprentice. A taxpayer shall be
15 entitled to an additional \$1,500 credit against the tax
16 imposed by subsections (a) and (b) of Section 201 of the
17 Illinois Income Tax Act if (i) the qualifying apprentice
18 resides in an underserved area as defined in Section 5-5 of the
19 Economic Development for a Growing Economy Tax Credit Act
20 during the school year for which a credit is sought by an
21 employer or (ii) the employer's principal place of business is
22 located in an underserved area, as defined in Section 5-5 of
23 the Economic Development for a Growing Economy Tax Credit Act.
24 The taxpayer shall also be entitled to receive an additional
25 \$1,500 credit against the tax imposed by subsections (a) and
26 (b) of Section 201 of the Illinois Income Tax Act if (i) the

1 qualified apprentice identifies as a Socially or Economically
2 Disadvantaged Individual (SEDI), as defined by the United
3 States Department of the Treasury, or (ii) the employer
4 identifies as a business owned by a Socially or Economically
5 Disadvantaged Individual (SEDI). In no event shall a credit
6 under this Section reduce the taxpayer's liability under this
7 Act to less than zero. For taxable years ending before
8 December 31, 2023, for partners, shareholders of Subchapter S
9 corporations, and owners of limited liability companies, if
10 the liability company is treated as a partnership for purposes
11 of federal and State income taxation, there shall be allowed a
12 credit under this Section to be determined in accordance with
13 the determination of income and distributive share of income
14 under Sections 702 and 704 and Subchapter S of the Internal
15 Revenue Code. For taxable years ending on or after December
16 31, 2023, partners and shareholders of subchapter S
17 corporations are entitled to a credit under this Section as
18 provided in Section 251.

19 (c) The Department shall implement a program to certify
20 applicants for an apprenticeship credit under this Section.
21 Upon satisfactory review, the Department shall issue a tax
22 credit certificate to an employer incurring costs on behalf of
23 a qualifying apprentice stating the amount of the tax credit
24 to which the employer is entitled. If the employer is seeking a
25 tax credit for multiple qualifying apprentices, the Department
26 may issue a single tax credit certificate that encompasses the

1 aggregate total of tax credits for qualifying apprentices for
2 a single employer.

3 (d) The Department, in addition to those powers granted
4 under the Civil Administrative Code of Illinois, is granted
5 and shall have all the powers necessary or convenient to carry
6 out and effectuate the purposes and provisions of this
7 Section, including, but not limited to, power and authority
8 to:

9 (1) Adopt rules deemed necessary and appropriate for
10 the administration of this Section; establish forms for
11 applications, notifications, contracts, or any other
12 agreements; and accept applications at any time during the
13 year and require that all applications be submitted via
14 the Internet. The Department shall require that
15 applications be submitted in electronic form.

16 (2) Provide guidance and assistance to applicants
17 pursuant to the provisions of this Section and cooperate
18 with applicants to promote, foster, and support job
19 creation within the State.

20 (3) Enter into agreements and memoranda of
21 understanding for participation of and engage in
22 cooperation with agencies of the federal government, units
23 of local government, universities, research foundations or
24 institutions, regional economic development corporations,
25 or other organizations for the purposes of this Section.

26 (4) Gather information and conduct inquiries, in the

1 manner and by the methods it deems desirable, including,
2 without limitation, gathering information with respect to
3 applicants for the purpose of making any designations or
4 certifications necessary or desirable or to gather
5 information in furtherance of the purposes of this Act.

6 (5) Establish, negotiate, and effectuate any term,
7 agreement, or other document with any person necessary or
8 appropriate to accomplish the purposes of this Section,
9 and consent, subject to the provisions of any agreement
10 with another party, to the modification or restructuring
11 of any agreement to which the Department is a party.

12 (6) Provide for sufficient personnel to permit
13 administration, staffing, operation, and related support
14 required to adequately discharge its duties and
15 responsibilities described in this Section from funds made
16 available through charges to applicants or from funds as
17 may be appropriated by the General Assembly for the
18 administration of this Section.

19 (7) Require applicants, upon written request, to issue
20 any necessary authorization to the appropriate federal,
21 State, or local authority or any other person for the
22 release to the Department of information requested by the
23 Department, including, but not be limited to, financial
24 reports, returns, or records relating to the applicant or
25 to the amount of credit allowable under this Section.

26 (8) Require that an applicant shall, at all times,

1 keep proper books of record and account in accordance with
2 generally accepted accounting principles consistently
3 applied, with the books, records, or papers related to the
4 agreement in the custody or control of the applicant open
5 for reasonable Department inspection and audits,
6 including, without limitation, the making of copies of the
7 books, records, or papers.

8 (9) Take whatever actions are necessary or appropriate
9 to protect the State's interest in the event of
10 bankruptcy, default, foreclosure, or noncompliance with
11 the terms and conditions of financial assistance or
12 participation required under this Section or any agreement
13 entered into under this Section, including the power to
14 sell, dispose of, lease, or rent, upon terms and
15 conditions determined by the Department to be appropriate,
16 real or personal property that the Department may recover
17 as a result of these actions.

18 (e) The Department, in consultation with the Department of
19 Revenue, shall adopt rules to administer this Section. The
20 aggregate amount of the tax credits that may be claimed under
21 this Section for qualified education expenses incurred by an
22 employer on behalf of a qualifying apprentice shall be limited
23 to \$5,000,000 per calendar year. If applications for a greater
24 amount are received, credits shall be allowed on a first-come
25 first-served basis, based on the date on which each properly
26 completed application for a certificate of eligibility is

1 received by the Department. If more than one certificate is
2 received on the same day, the credits will be awarded based on
3 the time of submission for that particular day.

4 (f) An employer may not sell or otherwise transfer a
5 credit awarded under this Section to another person or
6 taxpayer.

7 (g) The employer shall provide the Department such
8 information as the Department may require, including, but not
9 limited to: (i) the name, age, and ~~taxpayer~~ identification
10 number of each qualifying apprentice employed by the taxpayer
11 during the taxable year; (ii) the amount of qualified
12 education expenses incurred with respect to each qualifying
13 apprentice; and (iii) the name of the accredited training
14 organization ~~school~~ at which the qualifying apprentice is
15 enrolled and the qualified education expenses are incurred.

16 (h) On or before July 1 of each year, the Department shall
17 report to the Governor and the General Assembly on the tax
18 credit certificates awarded under this Section for the prior
19 calendar year. The report must include:

20 (1) the name of each employer awarded or allocated a
21 credit;

22 (2) the number of qualifying apprentices for whom the
23 employer has incurred qualified education expenses;

24 (3) the North American Industry Classification System
25 (NAICS) code applicable to each employer awarded or
26 allocated a credit;

1 (4) the amount of the credit awarded or allocated to
2 each employer;

3 (5) the total number of employers awarded or allocated
4 a credit;

5 (6) the total number of qualifying apprentices for
6 whom employers receiving credits under this Section
7 incurred qualified education expenses; and

8 (7) the average cost to the employer of all
9 apprenticeships receiving credits under this Section.

10 (Source: P.A. 102-558, eff. 8-20-21; 103-396, eff. 1-1-24;
11 103-1059, eff. 12-20-24.)

12 (35 ILCS 5/252 new)

13 Sec. 252. Advancing Innovative Manufacturing for Illinois
14 Tax Credit.

15 (a) For tax years beginning on or after January 1, 2026, a
16 taxpayer who has entered into an agreement under the Advancing
17 Innovative Manufacturing for Illinois Tax Credit Act is
18 entitled to a credit against the taxes imposed under
19 subsections (a) and (b) of Section 201 of this Act in an amount
20 to be determined in the Agreement. If the taxpayer is a
21 partnership or Subchapter S corporation, the credit shall be
22 allowed to the partners or shareholders in accordance with the
23 provisions of Section 251. The Department, in cooperation with
24 the Department of Commerce and Economic Opportunity, shall
25 adopt rules to enforce and administer the provisions of this

1 Section. This Section is exempt from the provisions of Section
2 250 of this Act.

3 (b) The credit established under this Section is subject
4 to the conditions set forth in the agreement and the following
5 limitations:

6 (1) The amount of the credit shall be as stated in the
7 agreement between the taxpayer and the Department of
8 Commerce and Economic Opportunity. The production of a tax
9 credit certificate shall occur after the project is placed
10 in service and the taxpayer adequately completes all
11 required reporting demonstrating completion of the capital
12 improvement investment as outlined within the program
13 agreement. The credit shall be available only in the
14 taxable year in which the project is placed in service.
15 Except as applied in a carryover year pursuant to
16 paragraph (2), the credit may not be applied against any
17 State income tax liability in more than 10 taxable years.

18 (2) The credit shall be claimed for the taxable year
19 in which the tax credit award certificate is issued, and
20 the certificate shall be attached to the return. The
21 credit may not exceed the amount of the taxpayer's
22 liability under subsections (a) and (b) of Section 201 of
23 this Act. Any credit that is unused in the year the credit
24 is computed may be carried forward and applied to the tax
25 liability for 10 taxable years following the excess credit
26 year. The credit shall be applied to the earliest year for

1 which there is a tax liability.

2 (3) No credit shall be allowed with respect to any
3 agreement for any taxable year ending after the
4 noncompliance date. Upon receiving notification by the
5 Department of Commerce and Economic Opportunity of the
6 noncompliance of a taxpayer with an agreement, the
7 Department shall notify the taxpayer that no credit is
8 allowed with respect to that agreement for any taxable
9 year ending after the noncompliance date, as stated in the
10 notification. If any credit has been allowed with respect
11 to an agreement for a taxable year ending after the
12 noncompliance date for that agreement, any refund paid to
13 the taxpayer for that taxable year shall, to the extent of
14 that credit allowed, be an erroneous refund within the
15 meaning of Section 912 of this Act.

16 (4) If the credit awarded under this Section is
17 required to be recaptured under the provisions of Section
18 10-40 of the Advanced Innovative Manufacturing for
19 Illinois Tax Credit Act, then the tax imposed under
20 subsections (a) and (b) of Section 201 shall be increased
21 by the amount of the recapture for the taxable year in
22 which recapture is made.

23 Section 10-925. The Economic Development for a Growing
24 Economy Tax Credit Act is amended by changing Sections 5-15,
25 5-20, and 5-45 as follows:

1 (35 ILCS 10/5-15)

2 Sec. 5-15. Tax Credit Awards. Subject to the conditions
3 set forth in this Act, a Taxpayer is entitled to a Credit
4 against or, as described in subsection (g) of this Section, a
5 payment towards taxes imposed pursuant to subsections (a) and
6 (b) of Section 201 of the Illinois Income Tax Act that may be
7 imposed on the Taxpayer for a taxable year beginning on or
8 after January 1, 1999, if the Taxpayer is awarded a Credit by
9 the Department under this Act for that taxable year.

10 (a) The Department shall make Credit awards under this Act
11 to foster job creation and retention in Illinois.

12 (b) A person that proposes a project to create new jobs in
13 Illinois must enter into an Agreement with the Department for
14 the Credit under this Act.

15 (c) The Credit shall be claimed for the taxable years
16 specified in the Agreement.

17 (d) The Credit shall not exceed the Incremental Income Tax
18 attributable to the project that is the subject of the
19 Agreement.

20 (e) Nothing herein shall prohibit a Tax Credit Award to an
21 Applicant that uses a PEO if all other award criteria are
22 satisfied.

23 (f) In lieu of the Credit allowed under this Act against
24 the taxes imposed pursuant to subsections (a) and (b) of
25 Section 201 of the Illinois Income Tax Act for any taxable year

1 ending on or after December 31, 2009, for Taxpayers that
2 entered into Agreements prior to January 1, 2015 and otherwise
3 meet the criteria set forth in this subsection (f), the
4 Taxpayer may elect to claim the Credit against its obligation
5 to pay over withholding under Section 704A of the Illinois
6 Income Tax Act.

7 (1) The election under this subsection (f) may be made
8 only by a Taxpayer that (i) is primarily engaged in one of
9 the following business activities: water purification and
10 treatment, motor vehicle metal stamping, automobile
11 manufacturing, automobile and light duty motor vehicle
12 manufacturing, motor vehicle manufacturing, light truck
13 and utility vehicle manufacturing, heavy duty truck
14 manufacturing, motor vehicle body manufacturing, cable
15 television infrastructure design or manufacturing, or
16 wireless telecommunication or computing terminal device
17 design or manufacturing for use on public networks and
18 (ii) meets the following criteria:

19 (A) the Taxpayer (i) had an Illinois net loss or an
20 Illinois net loss deduction under Section 207 of the
21 Illinois Income Tax Act for the taxable year in which
22 the Credit is awarded, (ii) employed a minimum of
23 1,000 full-time employees in this State during the
24 taxable year in which the Credit is awarded, (iii) has
25 an Agreement under this Act on December 14, 2009 (the
26 effective date of Public Act 96-834), and (iv) is in

1 compliance with all provisions of that Agreement;

2 (B) the Taxpayer (i) had an Illinois net loss or an
3 Illinois net loss deduction under Section 207 of the
4 Illinois Income Tax Act for the taxable year in which
5 the Credit is awarded, (ii) employed a minimum of
6 1,000 full-time employees in this State during the
7 taxable year in which the Credit is awarded, and (iii)
8 has applied for an Agreement within 365 days after
9 December 14, 2009 (the effective date of Public Act
10 96-834);

11 (C) the Taxpayer (i) had an Illinois net operating
12 loss carryforward under Section 207 of the Illinois
13 Income Tax Act in a taxable year ending during
14 calendar year 2008, (ii) has applied for an Agreement
15 within 150 days after the effective date of this
16 amendatory Act of the 96th General Assembly, (iii)
17 creates at least 400 new jobs in Illinois, (iv)
18 retains at least 2,000 jobs in Illinois that would
19 have been at risk of relocation out of Illinois over a
20 10-year period, and (v) makes a capital investment of
21 at least \$75,000,000;

22 (D) the Taxpayer (i) had an Illinois net operating
23 loss carryforward under Section 207 of the Illinois
24 Income Tax Act in a taxable year ending during
25 calendar year 2009, (ii) has applied for an Agreement
26 within 150 days after the effective date of this

1 amendatory Act of the 96th General Assembly, (iii)
2 creates at least 150 new jobs, (iv) retains at least
3 1,000 jobs in Illinois that would have been at risk of
4 relocation out of Illinois over a 10-year period, and
5 (v) makes a capital investment of at least
6 \$57,000,000; or

7 (E) the Taxpayer (i) employed at least 2,500
8 full-time employees in the State during the year in
9 which the Credit is awarded, (ii) commits to make at
10 least \$500,000,000 in combined capital improvements
11 and project costs under the Agreement, (iii) applies
12 for an Agreement between January 1, 2011 and June 30,
13 2011, (iv) executes an Agreement for the Credit during
14 calendar year 2011, and (v) was incorporated no more
15 than 5 years before the filing of an application for an
16 Agreement.

17 (1.5) The election under this subsection (f) may also
18 be made by a Taxpayer for any Credit awarded pursuant to an
19 agreement that was executed between January 1, 2011 and
20 June 30, 2011, if the Taxpayer (i) is primarily engaged in
21 the manufacture of inner tubes or tires, or both, from
22 natural and synthetic rubber, (ii) employs a minimum of
23 2,400 full-time employees in Illinois at the time of
24 application, (iii) creates at least 350 full-time jobs and
25 retains at least 250 full-time jobs in Illinois that would
26 have been at risk of being created or retained outside of

1 Illinois, and (iv) makes a capital investment of at least
2 \$200,000,000 at the project location.

3 (1.6) The election under this subsection (f) may also
4 be made by a Taxpayer for any Credit awarded pursuant to an
5 agreement that was executed within 150 days after the
6 effective date of this amendatory Act of the 97th General
7 Assembly, if the Taxpayer (i) is primarily engaged in the
8 operation of a discount department store, (ii) maintains
9 its corporate headquarters in Illinois, (iii) employs a
10 minimum of 4,250 full-time employees at its corporate
11 headquarters in Illinois at the time of application, (iv)
12 retains at least 4,250 full-time jobs in Illinois that
13 would have been at risk of being relocated outside of
14 Illinois, (v) had a minimum of \$40,000,000,000 in total
15 revenue in 2010, and (vi) makes a capital investment of at
16 least \$300,000,000 at the project location.

17 (1.7) Notwithstanding any other provision of law, the
18 election under this subsection (f) may also be made by a
19 Taxpayer for any Credit awarded pursuant to an agreement
20 that was executed or applied for on or after July 1, 2011
21 and on or before March 31, 2012, if the Taxpayer is
22 primarily engaged in the manufacture of original and
23 aftermarket filtration parts and products for automobiles,
24 motor vehicles, light duty motor vehicles, light trucks
25 and utility vehicles, and heavy duty trucks, (ii) employs
26 a minimum of 1,000 full-time employees in Illinois at the

1 time of application, (iii) creates at least 250 full-time
2 jobs in Illinois, (iv) relocates its corporate
3 headquarters to Illinois from another state, and (v) makes
4 a capital investment of at least \$4,000,000 at the project
5 location.

6 (1.8) Notwithstanding any other provision of law, the
7 election under this subsection (f) may also be made by a
8 startup taxpayer for any Credit awarded pursuant to an
9 Agreement that was executed on or after the effective date
10 of this amendatory Act of the 102nd General Assembly. Any
11 such election under this paragraph (1.8) shall be
12 effective unless and until such startup taxpayer has any
13 Illinois income tax liability. This election under this
14 paragraph (1.8) shall automatically terminate when the
15 startup taxpayer has any Illinois income tax liability at
16 the end of any taxable year during the term of the
17 Agreement. Thereafter, the startup taxpayer may receive a
18 Credit, taking into account any benefits previously
19 enjoyed or received by way of the election under this
20 paragraph (1.8), so long as the startup taxpayer remains
21 in compliance with the terms and conditions of the
22 Agreement.

23 (1.9) Notwithstanding any other provision of law, the
24 election under this subsection (f) may ~~also~~ be made by an
25 applicant qualified under paragraph (1.7) or 1.8 of
26 subsection (b) of Section 5-20 for any Credit awarded

1 pursuant to an Agreement that was executed on or after the
2 effective date of this amendatory Act of the 104th ~~103rd~~
3 General Assembly. Any such election under this paragraph
4 (1.9) shall be made by entering into an agreement with the
5 Department that allows for such an election and remain
6 effective for the duration of the agreement allowing for
7 the election. ~~effective unless and until such taxpayer has~~
8 ~~any Illinois income tax liability. This election under~~
9 ~~this paragraph (1.9) shall automatically terminate when~~
10 ~~the taxpayer has any Illinois income tax liability at the~~
11 ~~end of any taxable year during the term of the Agreement.~~
12 ~~Thereafter, the startup taxpayer may receive a Credit,~~
13 ~~taking into account any benefits previously enjoyed or~~
14 ~~received by way of the election under this paragraph~~
15 ~~(1.9), so long as the startup taxpayer remains in~~
16 ~~compliance with the terms and conditions of the Agreement.~~

17 (1.10) The election under this subsection (f) may also
18 be made by a taxpayer that (i) is primarily engaged in the
19 recycling and melting of steel products and in the
20 manufacturing of new steel wire and rod products, (ii)
21 retains at least 700 full-time jobs that would have been
22 at risk of facing termination or relocation outside of
23 Illinois, (iii) relocates its corporate headquarters to
24 Illinois from another state, (iv) makes a capital
25 investment of at least \$40,000,000 within 4 years after
26 the effective date of an Agreement under this Act, and (v)

1 makes an application for an agreement within 90 days after
2 the effective date of this amendatory Act of the 104th
3 General Assembly. The duration of this credit may not
4 exceed 15 taxable years.

5 (2) An election under this subsection shall allow the
6 credit to be taken against payments otherwise due under
7 Section 704A of the Illinois Income Tax Act during the
8 first calendar quarter beginning after the end of the
9 taxable quarter in which the credit is awarded under this
10 Act.

11 (3) The election shall be made in the form and manner
12 required by the Illinois Department of Revenue and, once
13 made, shall be irrevocable.

14 (4) If a Taxpayer who meets the requirements of
15 subparagraph (A) of paragraph (1) of this subsection (f)
16 elects to claim the Credit against its withholdings as
17 provided in this subsection (f), then, on and after the
18 date of the election, the terms of the Agreement between
19 the Taxpayer and the Department may not be further amended
20 during the term of the Agreement.

21 (g) A pass-through entity that has been awarded a credit
22 under this Act, its shareholders, or its partners may treat
23 some or all of the credit awarded pursuant to this Act as a tax
24 payment for purposes of the Illinois Income Tax Act. The term
25 "tax payment" means a payment as described in Article 6 or
26 Article 8 of the Illinois Income Tax Act or a composite payment

1 made by a pass-through entity on behalf of any of its
2 shareholders or partners to satisfy such shareholders' or
3 partners' taxes imposed pursuant to subsections (a) and (b) of
4 Section 201 of the Illinois Income Tax Act. In no event shall
5 the amount of the award credited pursuant to this Act exceed
6 the Illinois income tax liability of the pass-through entity
7 or its shareholders or partners for the taxable year.

8 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
9 103-595, eff. 6-26-24.)

10 (35 ILCS 10/5-20)

11 Sec. 5-20. Application for a project to create and retain
12 new jobs.

13 (a) Any Taxpayer proposing a project located or planned to
14 be located in Illinois may request consideration for
15 designation of its project, by formal written letter of
16 request or by formal application to the Department, in which
17 the Applicant states its intent to make at least a specified
18 level of investment and intends to hire or retain a specified
19 number of full-time employees at a designated location in
20 Illinois. As circumstances require, the Department may require
21 a formal application from an Applicant and a formal letter of
22 request for assistance.

23 (b) In order to qualify for Credits under this Act, an
24 Applicant's project must:

25 (1) if the Applicant has more than 100 employees,

1 involve an investment of at least \$2,500,000 in capital
2 improvements to be placed in service within the State as a
3 direct result of the project; if the Applicant has 100 or
4 fewer employees, then there is no capital investment
5 requirement;

6 (1.5) if the Applicant has more than 100 employees,
7 employ a number of new employees in the State equal to the
8 lesser of (A) 10% of the number of full-time employees
9 employed by the applicant world-wide on the date the
10 application is filed with the Department or (B) 50 New
11 Employees; and, if the Applicant has 100 or fewer
12 employees, employ a number of new employees in the State
13 equal to the lesser of (A) 5% of the number of full-time
14 employees employed by the applicant world-wide on the date
15 the application is filed with the Department or (B) 50 New
16 Employees;

17 (1.6) if the Applicant is a startup taxpayer, the
18 employees employed by Related Members shall not be
19 attributed to the Applicant for purposes of determining
20 the capital investment or job creation requirements under
21 this subsection (b);

22 (1.7) if the agreement is entered into on or after the
23 effective date of this amendatory Act of the 103rd General
24 Assembly and the Applicant's project:

25 (A) makes an investment of at least \$50,000,000 in
26 capital improvements at the project site;

1 (B) is placed in service after approval of the
2 application; and

3 (C) creates jobs for at least 100 new full-time
4 employees; ~~and~~

5 (1.8) if the agreement is entered into on or after the
6 effective date of this amendatory Act of the 104th General
7 Assembly and the Applicant's project:

8 (A) makes an investment of at least \$100,000,000
9 in capital improvements at the project site;

10 (B) is placed in service as described within the
11 agreement; and

12 (C) retains at least 500 full-time employees.

13 (2) (blank);

14 (3) (blank); and

15 (4) include an annual sexual harassment policy report
16 as provided under Section 5-58.

17 (c) After receipt of an application, the Department may
18 enter into an Agreement with the Applicant if the application
19 is accepted in accordance with Section 5-25.

20 (Source: P.A. 102-700, eff. 4-19-22; 103-595, eff. 6-26-24.)

21 (35 ILCS 10/5-45)

22 Sec. 5-45. Amount and duration of the credit.

23 (a) The Department shall determine the amount and duration
24 of the credit awarded under this Act. The duration of the
25 credit may not exceed 10 taxable years for projects qualified

1 under paragraph (1), (1.5), or (1.6) of subsection (b) of
2 Section 5-20 or 15 taxable years for projects qualified under
3 paragraph (1.7) or (1.8) of subsection (b) of Section 5-20.
4 The credit may be stated as a percentage of the Incremental
5 Income Tax attributable to the applicant's project and may
6 include a fixed dollar limitation.

7 (b) Notwithstanding subsection (a), and except as the
8 credit may be applied in a carryover year pursuant to Section
9 211(4) of the Illinois Income Tax Act, the credit may be
10 applied against the State income tax liability in more than 10
11 taxable years but not in more than 15 taxable years for an
12 eligible business that (i) qualifies under this Act and the
13 Corporate Headquarters Relocation Act and has in fact
14 undertaken a qualifying project within the time frame
15 specified by the Department of Commerce and Economic
16 Opportunity under that Act, and (ii) applies against its State
17 income tax liability, during the entire 15-year period, no
18 more than 60% of the maximum credit per year that would
19 otherwise be available under this Act.

20 (c) Nothing in this Section shall prevent the Department,
21 in consultation with the Department of Revenue, from adopting
22 rules to extend the sunset of any earned, existing, and unused
23 tax credit or credits a taxpayer may be in possession of, as
24 provided for in Section 605-1070 of the Department of Commerce
25 and Economic Opportunity Law of the Civil Administrative Code
26 of Illinois, notwithstanding the carry-forward provisions

1 pursuant to paragraph (4) of Section 211 of the Illinois
2 Income Tax Act.

3 (Source: P.A. 102-16, eff. 6-17-21; 102-813, eff. 5-13-22;
4 103-595, eff. 6-26-24.)

5 Section 10-930. The Manufacturing Illinois Chips for Real
6 Opportunity (MICRO) Act is amended by changing Section 110-45
7 as follows:

8 (35 ILCS 45/110-45)

9 Sec. 110-45. Contents of agreements with applicants.

10 (a) The Department shall enter into an agreement with an
11 applicant that is awarded a credit under this Act. The
12 agreement shall include all of the following:

13 (1) A detailed description of the project that is the
14 subject of the agreement, including the location and
15 amount of the investment and jobs created or retained.

16 (2) The duration of the credit, the first taxable year
17 for which the credit may be awarded, and the first taxable
18 year in which the credit may be used by the taxpayer.

19 (3) The credit amount that will be allowed for each
20 taxable year.

21 (4) For a project qualified under paragraphs (1), (2),
22 or (4) of subsection (c) of Section 110-20, a requirement
23 that the taxpayer shall maintain operations at the project
24 location a minimum number of years not to exceed 15. For

1 projects ~~project~~ qualified under paragraph (3) of
2 subsection (c) of Section 110-20, a requirement that the
3 taxpayer shall maintain operations at the project location
4 a minimum number of years not to exceed 10.

5 (5) A specific method for determining the number of
6 new employees and, if applicable, retained employees,
7 employed during a taxable year.

8 (6) A requirement that the taxpayer shall annually
9 report to the Department the number of new employees, the
10 incremental income tax withheld in connection with the new
11 employees, and any other information the Department deems
12 necessary and appropriate to perform its duties under this
13 Act.

14 (7) A requirement that the Director is authorized to
15 verify with the appropriate State agencies the amounts
16 reported under paragraph (6), and after doing so shall
17 issue a certificate to the taxpayer stating that the
18 amounts have been verified.

19 (8) A requirement that the taxpayer shall provide
20 written notification to the Director not more than 30 days
21 after the taxpayer makes or receives a proposal that would
22 transfer the taxpayer's State tax liability obligations to
23 a successor taxpayer.

24 (9) A detailed description of the number of new
25 employees to be hired, and the occupation and payroll of
26 full-time jobs to be created or retained because of the

1 project.

2 (10) The minimum investment the taxpayer will make in
3 capital improvements, the time period for placing the
4 property in service, and the designated location in
5 Illinois for the investment.

6 (11) A requirement that the taxpayer shall provide
7 written notification to the Director and the Director's
8 designee not more than 30 days after the taxpayer
9 determines that the minimum job creation or retention,
10 employment payroll, or investment no longer is or will be
11 achieved or maintained as set forth in the terms and
12 conditions of the agreement. Additionally, the
13 notification should outline to the Department the number
14 of layoffs, date of the layoffs, and detail taxpayer's
15 efforts to provide career and training counseling for the
16 impacted workers with industry-related certifications and
17 trainings.

18 (12) A provision that, if the total number of new
19 employees falls below a specified level, the allowance of
20 credit shall be suspended until the number of new
21 employees equals or exceeds the agreement amount.

22 (13) If applicable, a provision that specifies the
23 statewide baseline at the time of application for retained
24 employees. Additionally, the agreement must have a
25 provision addressing if the total number retained
26 employees falls below the statewide baseline, the

1 allowance of the credit shall be suspended until the
2 number of retained employees equals or exceeds the
3 agreement amount.

4 (14) A detailed description of the items for which the
5 costs incurred by the taxpayer will be included in the
6 limitation on the credit.

7 (15) A provision stating that if the taxpayer fails to
8 meet either the investment or job creation and retention
9 requirements specified in the agreement during the entire
10 10-year ~~5-year~~ period beginning on the first day of the
11 first taxable year in which the agreement is executed and
12 ending on the last day of the tenth ~~fifth~~ taxable year
13 after the agreement is executed, then the agreement is
14 automatically terminated on the last day of the tenth
15 ~~fifth~~ taxable year after the agreement is executed, and
16 the taxpayer is not entitled to the award of any credits
17 for any of that 10-year ~~5-year~~ period.

18 (16) A provision stating that if the taxpayer ceases
19 principal operations with the intent to permanently shut
20 down the project in the State during the term of the
21 agreement, then the entire credit amount awarded to the
22 taxpayer prior to the date the taxpayer ceases principal
23 operations shall be returned to the Department and shall
24 be reallocated to the local workforce investment area in
25 which the project was located.

26 (17) A provision stating that the taxpayer must

1 provide the reports outlined in Sections 110-50 and 110-55
2 on or before April 15 each year.

3 (18) (Blank). ~~A provision requiring the taxpayer to~~
4 ~~report annually its contractual obligations or otherwise~~
5 ~~with a recycling facility for its operations.~~

6 (19) Any other performance conditions or contract
7 provisions the Department determines are necessary or
8 appropriate.

9 (20) Each taxpayer under paragraph (1) of subsection
10 (c) of Section 110-20 above shall maintain labor
11 neutrality toward any union organizing campaign for any
12 employees of the taxpayer assigned to work on the premises
13 of the project. This paragraph shall not apply to a
14 manufacturer who is subject to collective bargaining
15 agreement entered into prior to the taxpayer filing an
16 application pursuant to this Act.

17 (b) The Department shall post on its website the terms of
18 each agreement entered into under this Act. Such information
19 shall be posted within 10 days after entering into the
20 agreement and must include the following:

21 (1) the name of the taxpayer;

22 (2) the location of the project;

23 (3) the estimated value of the credit;

24 (4) the number of new employee jobs and, if
25 applicable, number of retained employee jobs at the
26 project; and

1 (5) whether or not the project is in an underserved
2 area or energy transition area.

3 (Source: P.A. 102-700, eff. 4-19-22.)

4 Section 10-935. The Central Illinois Economic Development
5 Authority Act is amended by adding Section 50 as follows:

6 (70 ILCS 504/50 new)

7 Sec. 50. Enterprise zones. The Authority may, by ordinance
8 or resolution, designate a portion of the territorial
9 jurisdiction of the Authority for certification as an
10 Enterprise Zone under the Illinois Enterprise Zone Act in
11 addition to any other enterprise zones that may be created
12 under that Act. The area so designated shall have all the
13 privileges and rights of an Enterprise Zone under the Illinois
14 Enterprise Zone Act but shall not be counted in determining
15 the number of Enterprise Zones to be created in any year
16 pursuant to that Act.

17 Section 10-940. The Eastern Illinois Economic Development
18 Authority Act is amended by adding Section 50 as follows:

19 (70 ILCS 506/50 new)

20 Sec. 50. Enterprise zones. The Authority may, by ordinance
21 or resolution, designate a portion of the territorial
22 jurisdiction of the Authority for certification as an

1 Enterprise Zone under the Illinois Enterprise Zone Act in
2 addition to any other enterprise zones that may be created
3 under that Act. The area so designated shall have all the
4 privileges and rights of an Enterprise Zone under the Illinois
5 Enterprise Zone Act but shall not be counted in determining
6 the number of Enterprise Zones to be created in any year
7 pursuant to that Act.

8 Section 10-950. The Southern Illinois Economic Development
9 Authority Act is amended by adding Section 5-55 as follows:

10 (70 ILCS 519/5-55 new)

11 Sec. 5-55. Enterprise zones. The Authority may, by
12 ordinance or resolution, designate a portion of the
13 territorial jurisdiction of the Authority for certification as
14 an Enterprise Zone under the Illinois Enterprise Zone Act in
15 addition to any other enterprise zones that may be created
16 under that Act. The area so designated shall have all the
17 privileges and rights of an Enterprise Zone under the Illinois
18 Enterprise Zone Act but shall not be counted in determining
19 the number of Enterprise Zones to be created in any year
20 pursuant to that Act.

21 Section 10-955. The Tri-County River Valley Development
22 Authority Law is amended by adding Section 2008.1 as follows:

1 (70 ILCS 525/2008.1 new)

2 Sec. 2008.1. Enterprise zones. The Authority may, by
3 ordinance or resolution, designate a portion of the
4 territorial jurisdiction of the Authority for certification as
5 an Enterprise Zone under the Illinois Enterprise Zone Act in
6 addition to any other enterprise zones that may be created
7 under that Act. The area so designated shall have all the
8 privileges and rights of an Enterprise Zone under the Illinois
9 Enterprise Zone Act but shall not be counted in determining
10 the number of Enterprise Zones to be created in any year
11 pursuant to that Act.

12 Section 10-960. The Will-Kankakee Regional Development
13 Authority Law is amended by adding Section 9.1 as follows:

14 (70 ILCS 535/9.1 new)

15 Sec. 9.1. Enterprise zones. The Authority may, by
16 ordinance or resolution, designate a portion of the
17 territorial jurisdiction of the Authority for certification as
18 an Enterprise Zone under the Illinois Enterprise Zone Act in
19 addition to any other enterprise zones that may be created
20 under that Act. The area so designated shall have all the
21 privileges and rights of an Enterprise Zone under the Illinois
22 Enterprise Zone Act but shall not be counted in determining
23 the number of Enterprise Zones to be created in any year
24 pursuant to that Act.

ARTICLE 15

Section 15-5. The Illinois Income Tax Act is amended by changing Section 701 as follows:

(35 ILCS 5/701) (from Ch. 120, par. 7-701)

Sec. 701. Requirement and amount of withholding.

(a) In General. Every employer maintaining an office or transacting business within this State and required under the provisions of the Internal Revenue Code to withhold a tax on:

(1) compensation paid in this State (as determined under Section 304(a)(2)(B)) to an individual; or

(2) payments described in subsection (b) shall deduct and withhold from such compensation for each payroll period (as defined in Section 3401 of the Internal Revenue Code) an amount equal to the amount by which such individual's compensation exceeds the proportionate part of this withholding exemption (computed as provided in Section 702) attributable to the payroll period for which such compensation is payable multiplied by a percentage equal to the percentage tax rate for individuals provided in subsection (b) of Section 201.

(a-5) Withholding from nonresident employees. For taxable years beginning on or after January 1, 2020, for purposes of determining compensation paid in this State under paragraph

1 (B) of item (2) of subsection (a) of Section 304:

2 (1) If an employer maintains a time and attendance
3 system that tracks where employees perform services on a
4 daily basis, then data from the time and attendance system
5 shall be used. For purposes of this paragraph, time and
6 attendance system means a system:

7 (A) in which the employee is required, on a
8 contemporaneous basis, to record the work location for
9 every day worked outside of the State where the
10 employment duties are primarily performed; and

11 (B) that is designed to allow the employer to
12 allocate the employee's wages for income tax purposes
13 among all states in which the employee performs
14 services.

15 (2) In all other cases, the employer shall obtain a
16 written statement from the employee of the number of days
17 reasonably expected to be spent performing services in
18 this State during the taxable year. Absent the employer's
19 actual knowledge of fraud or gross negligence by the
20 employee in making the determination or collusion between
21 the employer and the employee to evade tax, the
22 certification so made by the employee and maintained in
23 the employer's books and records shall be prima facie
24 evidence and constitute a rebuttable presumption of the
25 number of days spent performing services in this State.

26 (a-10) If the compensation is paid through a loan out

1 company, as defined under Section 10 of the Film Production
2 Services Tax Credit Act of 2008, if the compensation is
3 considered compensation paid in this State under paragraph (B)
4 of item (2) of subsection (a) of Section 304, and if the
5 compensation is for in-State services performed for a
6 production that is accredited under Section 10 of the Film
7 Production Services Tax Credit Act of 2008 and concludes on or
8 after July 1, 2025, then the production company or its
9 authorized payroll service company shall be considered the
10 employer for the purpose of withholding tax on that
11 compensation under this Article 7 and shall withhold at the
12 tax rate provided in subsection (b) of Section 201 on all
13 payments to loan out companies for services performed in
14 Illinois by the loan out company's employees. Notwithstanding
15 any other provision of law, nonresident employees of loan out
16 companies who perform services in Illinois shall be considered
17 taxable nonresidents and shall be subject to the tax under
18 this Act in the taxable year in which the employee performs
19 services in Illinois.

20 (b) Payment to Residents. Any payment (including
21 compensation, but not including a payment from which
22 withholding is required under Section 710 of this Act) to a
23 resident by a payor maintaining an office or transacting
24 business within this State (including any agency, officer, or
25 employee of this State or of any political subdivision of this
26 State) and on which withholding of tax is required under the

1 provisions of the Internal Revenue Code shall be deemed to be
2 compensation paid in this State by an employer to an employee
3 for the purposes of Article 7 and Section 601(b)(1) to the
4 extent such payment is included in the recipient's base income
5 and not subjected to withholding by another state.
6 Notwithstanding any other provision to the contrary, no amount
7 shall be withheld from unemployment insurance benefit payments
8 made to an individual pursuant to the Unemployment Insurance
9 Act unless the individual has voluntarily elected the
10 withholding pursuant to rules promulgated by the Director of
11 Employment Security.

12 (c) Special Definitions. Withholding shall be considered
13 required under the provisions of the Internal Revenue Code to
14 the extent the Internal Revenue Code either requires
15 withholding or allows for voluntary withholding the payor and
16 recipient have entered into such a voluntary withholding
17 agreement. For the purposes of Article 7 and Section 1002(c)
18 the term "employer" includes any payor who is required to
19 withhold tax pursuant to this Section.

20 (d) Reciprocal Exemption. The Director may enter into an
21 agreement with the taxing authorities of any state which
22 imposes a tax on or measured by income to provide that
23 compensation paid in such state to residents of this State
24 shall be exempt from withholding of such tax; in such case, any
25 compensation paid in this State to residents of such state
26 shall be exempt from withholding. All reciprocal agreements

1 shall be subject to the requirements of Section 2505-575 of
2 the Department of Revenue Law (20 ILCS 2505/2505-575).

3 (e) Notwithstanding subsection (a)(2) of this Section, no
4 withholding is required on payments for which withholding is
5 required under Section 3405 or 3406 of the Internal Revenue
6 Code.

7 (Source: P.A. 101-585, eff. 8-26-19; 102-558, eff. 8-20-21.)

8 Section 15-10. The Film Production Services Tax Credit Act
9 of 2008 is amended by changing Sections 10 and 42 as follows:

10 (35 ILCS 16/10)

11 Sec. 10. Definitions. As used in this Act:

12 "Accredited production" means: (i) for productions
13 commencing before May 1, 2006, a film, video, or television
14 production that has been certified by the Department in which
15 the aggregate Illinois labor expenditures included in the cost
16 of the production, in the period that ends 12 months after the
17 time principal filming or taping of the production began,
18 exceed \$100,000 for productions of 30 minutes or longer, or
19 \$50,000 for productions of less than 30 minutes; and (ii) for
20 productions commencing on or after May 1, 2006, a film, video,
21 or television production that has been certified by the
22 Department in which the Illinois production spending included
23 in the cost of production in the period that ends 12 months
24 after the time principal filming or taping of the production

1 began exceeds \$100,000 for productions of 30 minutes or longer
2 or exceeds \$50,000 for productions of less than 30 minutes.

3 "Accredited production" does not include a production that:

4 (1) is news, current events, or public programming, or
5 a program that includes weather or market reports;

6 (2) is a talk show produced for local or regional
7 markets;

8 (3) (blank);

9 (4) is a sports event or activity;

10 (5) is a gala presentation or awards show;

11 (6) is a finished production that solicits funds;

12 (7) is a production produced by a film production
13 company if records, as required by 18 U.S.C. 2257, are to
14 be maintained by that film production company with respect
15 to any performer portrayed in that single media or
16 multimedia program; or

17 (8) is a production produced primarily for industrial,
18 corporate, or institutional purposes.

19 "Accredited animated production" means an accredited
20 production in which movement and characters' performances are
21 created using a frame-by-frame technique and a significant
22 number of major characters are animated. Motion capture by
23 itself is not an animation technique.

24 "Accredited production certificate" means a certificate
25 issued by the Department certifying that the production is an
26 accredited production that meets the guidelines of this Act.

1 "Applicant" means a taxpayer that is a film production
2 company that is operating or has operated an accredited
3 production located within the State of Illinois and that (i)
4 owns the copyright in the accredited production throughout the
5 Illinois production period or (ii) has contracted directly
6 with the owner of the copyright in the accredited production
7 or a person acting on behalf of the owner to provide services
8 for the production, where the owner of the copyright is not an
9 eligible production corporation.

10 "Credit" means:

11 (1) for an accredited production approved by the
12 Department on or before January 1, 2005 and commencing
13 before May 1, 2006, the amount equal to 25% of the Illinois
14 labor expenditure approved by the Department. The
15 applicant is deemed to have paid, on its balance due day
16 for the year, an amount equal to 25% of its qualified
17 Illinois labor expenditure for the tax year. For Illinois
18 labor expenditures generated by the employment of
19 residents of geographic areas of high poverty or high
20 unemployment, as determined by the Department, in an
21 accredited production commencing before May 1, 2006 and
22 approved by the Department after January 1, 2005, the
23 applicant shall receive an enhanced credit of 10% in
24 addition to the 25% credit; ~~and~~

25 (2) for an accredited production commencing on or
26 after May 1, 2006 and before January 1, 2009, the amount

1 equal to:

2 (i) 20% of the Illinois production spending for
3 the taxable year; plus

4 (ii) 15% of the Illinois labor expenditures
5 generated by the employment of residents of geographic
6 areas of high poverty or high unemployment, as
7 determined by the Department; ~~and~~

8 (3) for an accredited production commencing on or
9 after January 1, 2009 and before July 1, 2025, the amount
10 equal to:

11 (i) 30% of the Illinois production spending for
12 the taxable year; plus

13 (ii) 15% of the Illinois labor expenditures
14 generated by the employment of residents of geographic
15 areas of high poverty or high unemployment, as
16 determined by the Department; and -

17 (4) for an accredited production commencing on or
18 after July 1, 2025, the amount equal to:

19 (i) 35% of the Illinois production spending for
20 the use of tangible personal property or the expenses
21 to acquire services from vendors in Illinois and for
22 Illinois labor expenditures generated by the
23 employment of Illinois residents; plus

24 (ii) 30% of the wages paid to nonresidents for
25 services performed on an accredited production,
26 subject to the limitations in Section 10; plus

1 (iii) 15% of the Illinois labor expenditures
2 generated by the employment of residents of geographic
3 areas of high poverty or high unemployment, as
4 determined by the Department; plus

5 (iv) 10% of the Illinois labor expenditures
6 generated by the employment of residents of counties
7 outside of Cook, DuPage, Kane, Lake, McHenry, and Will
8 Counties; plus

9 (v) 5% of the Illinois production spending for
10 television series relocating to Illinois from another
11 jurisdiction. To qualify under this subparagraph (v),
12 the production must be a television series in which
13 all prior seasons of the series were filmed outside of
14 Illinois; plus

15 (vi) 5% of the Illinois Production Spending for
16 productions certified as green pursuant to rules
17 adopted by the Department.

18 "Department" means the Department of Commerce and Economic
19 Opportunity.

20 "Director" means the Director of Commerce and Economic
21 Opportunity.

22 "Illinois labor expenditure" means salary or wages paid to
23 employees of the applicant for services on the accredited
24 production, subject to the following limitations: -

25 ~~To qualify as an Illinois labor expenditure, the~~
26 ~~expenditure must be:~~

1 (1) The expenditure must be reasonable ~~Reasonable~~ in
2 the circumstances.

3 (2) The expenditure must be included ~~Included~~ in the
4 federal income tax basis of the property.

5 (3) The expenditure must be incurred ~~Incurred~~ by the
6 applicant for services on or after January 1, 2004.

7 (4) The expenditure must be incurred ~~Incurred~~ for the
8 production stages of the accredited production, from the
9 final script stage to the end of the post-production
10 stage.

11 (5) The expenditure is limited ~~Limited~~ to the first
12 \$25,000 of wages paid or incurred to each employee of a
13 production commencing before May 1, 2006 and the first
14 \$100,000 of wages paid or incurred to each employee of a
15 production commencing on or after May 1, 2006 and prior to
16 July 1, 2022. For productions commencing on or after July
17 1, 2022, the expenditure is limited to the first \$500,000
18 of wages paid or incurred to each eligible nonresident or
19 resident employee of a production company or loan out
20 company that provides in-State services to a production,
21 whether those wages are paid or incurred by the production
22 company, loan out company, or both, subject to withholding
23 payments provided for in Article 7 of the Illinois Income
24 Tax Act. For purposes of calculating Illinois labor
25 expenditures for a television series, the eligible
26 nonresident wage limitations provided under this

1 subparagraph are applied per episode to the entire season.
2 For the purpose of this paragraph (5), an eligible
3 nonresident is a nonresident whose wages qualify as an
4 Illinois labor expenditure under the provisions of
5 paragraphs paragraph (9) through (9.3) that apply to that
6 production.

7 (6) For a production commencing before May 1, 2006,
8 Illinois labor expenditures are exclusive of the salary or
9 wages paid to or incurred for the 2 highest paid employees
10 of the production.

11 (7) The expenditure must be directly ~~Directly~~
12 attributable to the accredited production.

13 (8) (Blank).

14 (8.5) For a production commencing on or after July 1,
15 2025, subject to the other limitations of this definition,
16 wages paid to no more than 2 producers per accredited
17 production may be considered Illinois labor expenditures;
18 of those 2 producers, only one may be an individual who is
19 responsible for overseeing the creative and managerial
20 process of the accredited production, and only one may be
21 an individual who is responsible for the day-to-day
22 operational management of the accredited production. If
23 the producer is compensated for any other position on the
24 production for services performed, then, subject to the
25 other requirements of this definition, only the wages paid
26 for the other position may be considered Illinois labor

1 expenditures.

2 (9) Prior to July 1, 2022, the expenditure must be
3 paid to persons resident in Illinois at the time the
4 payments were made. For a production commencing on or
5 after July 1, 2022, subject to the limitations of
6 paragraphs (9.1) through (9.3), the expenditure may be
7 paid to a person ~~persons~~ resident in Illinois at the time
8 the payment is made or to a person who is a nonresident and
9 ~~nonresidents~~ at the time the payment is ~~payments were~~
10 made.

11 (9.1) For purposes of paragraph (9) ~~this subparagraph~~,
12 if the production is accredited by the Department before
13 the effective date of this amendatory Act of the 102nd
14 General Assembly, only wages paid to nonresidents working
15 in the following positions shall be considered Illinois
16 labor expenditures: Writer, Director, Director of
17 Photography, Production Designer, Costume Designer,
18 Production Accountant, VFX Supervisor, Editor, Composer,
19 and Actor, subject to the limitations set forth under this
20 subparagraph. For an accredited Illinois production
21 spending of \$25,000,000 or less, no more than 2
22 nonresident actors' wages shall qualify as an Illinois
23 labor expenditure. For an accredited production with
24 Illinois production spending of more than \$25,000,000, no
25 more than 4 nonresident actor's wages shall qualify as
26 Illinois labor expenditures.

1 (9.2) For purposes of paragraph (9) ~~this subparagraph~~,
2 if the production is accredited by the Department on or
3 after the effective date of this amendatory Act of the
4 102nd General Assembly and before July 1, 2025, wages paid
5 to nonresidents shall qualify as Illinois labor
6 expenditures only under the following conditions:

7 (A) the nonresident must be employed in a
8 qualified position;

9 (B) for each of those accredited productions, the
10 wages of not more than 9 nonresidents who are employed
11 in a qualified position other than Actor shall qualify
12 as Illinois labor expenditures;

13 (C) for an accredited production with Illinois
14 production spending of \$25,000,000 or less, no more
15 than 2 nonresident actors' wages shall qualify as
16 Illinois labor expenditures; and

17 (D) for an accredited production with Illinois
18 production spending of more than \$25,000,000, no more
19 than 4 nonresident actors' wages shall qualify as
20 Illinois labor expenditures.

21 As used in this paragraph (9.2) ~~(9)~~, "qualified
22 position" means: Writer, Director, Director of
23 Photography, Production Designer, Costume Designer,
24 Production Accountant, VFX Supervisor, Editor, Composer,
25 or Actor.

26 (9.3) For the purposes of paragraph (9), in the case

1 of a production that commences on or after July 1, 2025,
2 wages paid to nonresidents shall qualify as Illinois labor
3 expenditures only under the following conditions:

4 (A) the wages of not more than 13 nonresidents who
5 are selected by the accredited production and employed
6 in a position other than Actor shall qualify as
7 Illinois labor expenditures;

8 (B) for an accredited production with Illinois
9 production spending of less than \$ 20,000,000, no more
10 than 4 nonresident actors' wages shall qualify as
11 Illinois labor expenditures; and

12 (C) for an accredited production with Illinois
13 production spending of more than \$20,000,000 and less
14 than \$40,000,000, no more than 5 nonresident actors'
15 wages shall qualify as Illinois labor expenditures;
16 and

17 (D) for an accredited production with Illinois
18 production spending of \$40,000,000 or more, no more
19 than 6 nonresident actors' wages shall qualify as
20 Illinois labor expenditures.

21 (10) Paid for services rendered in Illinois.

22 "Illinois production spending" means the expenses incurred
23 by the applicant for an accredited production, but does not
24 include any monetary prize or the cost of any non-monetary
25 prize awarded pursuant to a production in respect of a game,
26 questionnaire, or contest. "Illinois production spending"

1 includes, without limitation, all of the following:

2 (1) expenses to purchase, from vendors within
3 Illinois, tangible personal property that is used in the
4 accredited production;

5 (2) expenses to acquire services, from vendors in
6 Illinois, for film production, editing, or processing; ~~and~~

7 (2.1) airfare, if purchased from an airline domiciled
8 in Illinois; and

9 (3) for a production commencing before July 1, 2022,
10 the compensation, not to exceed \$100,000 for any one
11 employee, for contractual or salaried employees who are
12 Illinois residents performing services with respect to the
13 accredited production. For a production commencing on or
14 after July 1, 2022, the compensation, not to exceed
15 \$500,000 for any one employee, for contractual or salaried
16 employees who are Illinois residents or nonresident
17 employees, subject to the limitations set forth under
18 Section 10 of this Act.

19 "Loan out company" means a personal service corporation or
20 other entity that is under contract with the taxpayer to
21 provide specified individual personnel, such as artists, crew,
22 actors, producers, or directors for the performance of
23 services used directly in a production. "Loan out company"
24 does not include entities contracted with by the taxpayer to
25 provide goods or ancillary contractor services such as
26 catering, construction, trailers, equipment, or

1 transportation.

2 "Qualified production facility" means stage facilities in
3 the State in which television shows and films are or are
4 intended to be regularly produced and that contain at least
5 one sound stage of at least 15,000 square feet.

6 Rulemaking authority to implement Public Act 95-1006, if
7 any, is conditioned on the rules being adopted in accordance
8 with all provisions of the Illinois Administrative Procedure
9 Act and all rules and procedures of the Joint Committee on
10 Administrative Rules; any purported rule not so adopted, for
11 whatever reason, is unauthorized.

12 (Source: P.A. 102-558, eff. 8-20-21; 102-700, eff. 4-19-22;
13 102-1125, eff. 2-3-23; 103-595, eff. 6-26-24.)

14 (35 ILCS 16/42)

15 Sec. 42. Sunset of credits. The application of credits
16 awarded pursuant to this Act shall be limited by a reasonable
17 and appropriate sunset date. A taxpayer shall not be awarded
18 any new credits pursuant to this Act for tax years beginning on
19 or after January 1, 2039 ~~2033~~.

20 (Source: P.A. 101-178, eff. 8-1-19; 102-700, eff. 4-19-22;
21 102-1125, eff. 2-3-23.)

22 ARTICLE 99

23 Section 99-999. Effective date. This Act takes effect upon

1 becoming law.".