



Rep. Jay Hoffman

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10400SB2008ham002

LRB104 11383 HLH 27042 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 "Professional sports" means any of the following sports at
4 the major league level: baseball, basketball, football, or ice
5 hockey.

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

14 (1) costs of studies, surveys, development of plans
15 and specifications, formation, implementation, and
16 administration of a STAR bond district, STAR bond district
17 plan, any STAR bond projects, or any STAR bond project
18 plans, including, but not limited to, staff and
19 professional service costs for architectural, engineering,
20 legal, financial, planning, or other services, provided,
21 however, that no charges for professional services may be
22 based on a percentage of the tax increment collected and
23 no contracts for professional services, excluding
24 architectural and engineering services, may be entered
25 into if the terms of the contract extend beyond a period of
26 3 years;

1 (2) property assembly costs, including, but not
2 limited to, acquisition of land and other real property or
3 rights or interests therein, located within the boundaries
4 of a STAR bond district, demolition of buildings, site
5 preparation, site improvements that serve as an engineered
6 barrier addressing ground level or below ground
7 environmental contamination, including, but not limited
8 to, parking lots and other concrete or asphalt barriers,
9 the clearing and grading of land, and importing additional
10 soil and fill materials, or removal of soil and fill
11 materials from the site;

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

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

25 (5) costs of buildings; rides and attractions, which
26 include carousels, slides, roller coasters, displays,

1 models, towers, works of art, and similar theme and
2 amusement park improvements; and other vertical
3 improvements that are located within the boundaries of a
4 STAR bond district and owned by an entertainment venue;
5 except that only one entertainment venue in a STAR bond
6 district is eligible to include the cost of those vertical
7 improvements as project costs;

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

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

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

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

1 (10) interest cost incurred by a developer for project
2 costs related to the acquisition, formation,
3 implementation, development, construction, and
4 administration of a STAR bond district, STAR bond district
5 plan, STAR bond projects, or any STAR bond project plans
6 provided that:

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

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

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

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

26 (13) costs of landscaping and plantings, retaining

1 walls and fences, man-made lakes and ponds, shelters,
2 benches, lighting, and similar amenities located within
3 the boundaries of a STAR bond district;

4 (14) costs of mounted building signs, site monument,
5 and pylon signs located within the boundaries of a STAR
6 bond district; or

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

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

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

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

21 (C) property taxes for property located in the STAR
22 bond district;

23 (D) lobbying costs; and

24 (E) general overhead or administrative costs of the
25 political subdivision that would still have been incurred
26 by the political subdivision if the political subdivision

1 had not established a STAR bond district.

2 "Project development agreement" means any one or more
3 agreements, including any amendments thereto, between a master
4 developer and any co-developer or subdeveloper in connection
5 with a STAR bond project, which project development agreement
6 may include the political subdivision as a party.

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

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

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

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

25 "STAR bond district plan" means the preliminary or
26 conceptual plan that generally identifies the proposed STAR

1 bond project areas and identifies in a general manner the
2 buildings, facilities, and improvements to be constructed or
3 improved in each STAR bond project area.

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

6 "STAR bond project area" means the geographic area within
7 a STAR bond district in which there may be one or more STAR
8 bond projects.

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

1 description or an estimate of the type, class, and number of
2 employees to be employed in the operation of the STAR bond
3 project.

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

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

1 "Substantial change" means a change wherein the proposed
2 STAR bond project plan differs substantially in size, scope,
3 or use from the approved STAR bond district plan or STAR bond
4 project plan.

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

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

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

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

1 Development Region having a population of less than 600,000,
2 up to 2 STAR bond projects may be approved for each Economic
3 Development Region having a population between 600,000 and
4 999,999, and up to 4 STAR bond projects may be approved for
5 each Economic Development Region having a population of
6 1,000,000 or more, if the STAR bond projects are in separate
7 STAR bond districts, excluding projects located in STAR bond
8 districts established under the Innovation Development and
9 Economy Act. Each approved STAR bond project in a STAR bond
10 district may only receive 50% of the total development costs
11 up to \$75,000,000 in State sales tax increment. If the STAR
12 bond project commits to create 500 new jobs, then the STAR bond
13 project may only receive 50% of the total development costs up
14 to \$150,000,000 in State sales tax. A STAR bond district under
15 this Act may not be located either entirely or partially
16 inside of a municipality with a population in excess of
17 2,000,000.

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

1 county may establish a STAR bond district in an eligible area
2 in any unincorporated area of the county.

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

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

23 (2) describe the proposed general boundaries of the
24 STAR bond district;

25 (3) describe the STAR bond district plan;

26 (4) require that a description and map of the proposed

1 STAR bond district are available for inspection at a time
2 and place designated;

3 (5) identify the master developer for the STAR bond
4 district; and

5 (6) require that the corporate authorities consider
6 findings necessary for the establishment of a STAR bond
7 district.

8 (b) Upon the conclusion of the public hearing the
9 corporate authorities of the political subdivision may
10 consider a resolution to establish the STAR bond district.

11 (1) A resolution to establish a STAR bond district
12 shall:

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

15 (B) make findings that the STAR bond district is
16 an eligible area;

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

22 (D) contain the legal description of the STAR bond
23 district;

24 (E) appoint the master developer for the STAR bond
25 district; and

26 (F) establish the STAR bond district, contingent

1 upon approval of the State as set forth in subsection
2 (d) .

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

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

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

24 (c) Upon adoption of a resolution to establish a STAR bond
25 district, the STAR bond district and any STAR bond project
26 shall be governed by a master development agreement between

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

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

1 (e) Upon receipt of the written findings and
2 recommendation, the Office of the Governor shall review the
3 submission and issue a final approval or denial of the STAR
4 bond district and send written notice of its approval or
5 denial to the requesting political subdivision and to the
6 agencies.

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

1 least 300 new jobs existing in the STAR bond district, the
2 State may require the master developer to pay the State a
3 penalty of \$1,500 per job under 300 each year until the earlier
4 of (i) the twenty-third anniversary of the first date of
5 distribution of State sales tax increment from the approved
6 STAR bond project in the STAR bond district, (ii) the date that
7 all STAR bonds issued in the STAR bond district have been paid
8 off, or (iii) the date that at least 300 jobs have been created
9 in the STAR bond district. Upon creation of 300 jobs in the
10 STAR bond district, there shall not be an ongoing obligation
11 to maintain those jobs after the fifth anniversary of the
12 first date of distribution of State sales tax increment from
13 the approved STAR bond project in the STAR bond district, and
14 the master developer shall be relieved of any liability with
15 respect to job creation under this subsection. Notwithstanding
16 anything to the contrary in this subsection, the master
17 developer shall not be liable for the penalties set forth
18 under this subsection if the breach of agreement, failure to
19 reach at least \$30,000,000 in total development costs, or
20 failure to create 300 jobs is due to delays caused by force
21 majeure, as that term shall be defined in the master
22 development agreement.

23 Section 5-20. Approval of STAR bond projects. The
24 Department of Commerce and Economic Opportunity, the
25 Department of Revenue, and the Governor's Office of Management

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

1 (a) After the establishment of a STAR bond district, the
2 master developer may propose a STAR bond project to a
3 political subdivision and the master developer shall, in
4 cooperation with the political subdivision, prepare a STAR
5 bond project plan in consultation with the planning commission
6 of the political subdivision, if any. The STAR bond project
7 plan may be implemented in separate development stages.

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

17 (1) the estimated amount of pledged STAR revenues
18 expected to be collected in each year through the maturity
19 date of the proposed STAR bonds;

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

23 (3) visitation expectations;

24 (4) the unique quality of the project;

25 (5) an economic impact study;

26 (6) a market study;

1 (7) current and anticipated infrastructure analysis;

2 (8) integration and collaboration with other resources
3 or businesses;

4 (9) the quality of service and experience provided, as
5 measured against national consumer standards for the
6 specific target market;

7 (10) project accountability, measured according to
8 best industry practices;

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

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

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

20 The failure to include all information enumerated in this
21 subsection in the feasibility study for a STAR bond project
22 shall not affect the validity of STAR bonds issued pursuant to
23 this Act.

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

26 (1) a summary of the feasibility study;

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

4 (3) a legal description and map of the STAR bond
5 project area to be developed or redeveloped;

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

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

14 (6) if the anticipated initial capital investment,
15 including project costs and other direct costs, is
16 \$50,000,000 or more, a copy of a project labor agreement
17 entered into by the master developer and a commitment by
18 the master developer, other developers, contractors, and
19 subcontractors to comply with the requirements of Section
20 30-22 of the Procurement Code as they apply to responsible
21 bidders; and

22 (7) any other information the corporate authorities of
23 the political subdivision deems reasonable and necessary
24 to advise the public of the intent of the STAR bond project
25 plan.

26 (d) Before a political subdivision may hold a public

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

13 An application for approval of a STAR bond project plan
14 must not be approved by the State unless all of the components
15 of the feasibility study set forth in paragraphs (1) through
16 (12) of subsection (b) have been completed and submitted for
17 review and recommendation for approval or denial. In addition
18 to reviewing all of the other elements of the STAR bond project
19 plan required under subsection (c), which must be included in
20 the application and include a letter of intent as required
21 under paragraph (5) of subsection (c) in order to receive
22 State approval, the Department of Commerce and Economic
23 Opportunity, the Department of Revenue, and the Governor's
24 Office of Management and Budget must review the feasibility
25 study and consider all of the components of the feasibility
26 study set forth in paragraphs (1) through (12) of subsection

1 (b), including, without limitation, the economic impact study
2 and the financial benefit of the proposed STAR bond project to
3 the local, regional, and State economies, the proposed adverse
4 impacts on similar businesses and projects as well as
5 municipalities within the market area, and the net effect of
6 the proposed STAR bond project on the local, regional, and
7 State economies. In addition to the economic impact study, the
8 political subdivision must also submit to the agencies, as
9 part of its application, the financial and other information
10 that substantiates the basis for the conclusion of the
11 economic impact study, in the form and manner as required by
12 the agencies, so that the agencies can verify the results of
13 the study. In addition to any other criteria in this
14 subsection, for the State to approve the STAR bond project
15 plan, the agencies must be satisfied that the proposed
16 development users are in fact true development users and find
17 that the STAR bond project plan is in accordance with the
18 purpose of this Act and the public interest. As part of the
19 review, the agencies shall evaluate the conclusions of the
20 feasibility study as it relates to the projected State and
21 local sales tax increments expected to be generated in the
22 STAR bond district. The Department of Commerce and Economic
23 Opportunity, the Department of Revenue, and the Governor's
24 Office of Management and Budget shall jointly recommend the
25 approval of up to one STAR bond project plan for each Economic
26 Development Region having a population of less than 600,000,

1 up to 2 STAR bond projects for each Economic Development
2 Region having a population between 600,000 and 999,999, and up
3 to 4 STAR bond projects for each Economic Development Region
4 having a population of 1,000,000 or more, if the STAR bond
5 projects are in separate STAR bond districts, based on the
6 criteria in this subsection, subject to an aggregate
7 limitation on State sales tax increment of \$75,000,000 per
8 approved STAR bond project. In the event the STAR bond project
9 commits to create 500 new jobs, then the STAR bond project is
10 subject to an aggregate limitation on State sales tax
11 increment of \$150,000,000 for that project. In making the
12 recommendation, the agencies shall consider the proximity of a
13 proposed STAR bond project to another proposed or existing
14 STAR bond project. Notwithstanding any other provision of this
15 Act, the Department of Commerce and Economic Opportunity, the
16 Department of Revenue, and the Governor's Office of Management
17 and Budget shall not approve any STAR bond project plan that
18 includes as part of the plan the development of any facility,
19 stadium, arena or other structure if: (1) the primary purpose
20 of the facility, stadium, arena, or other structure is the
21 holding of professional sports contests; or (2) the facility,
22 stadium, arena, or other structure is within a one-mile radius
23 of any structure that is developed on or after the effective
24 date of this Act and has as its primary purpose the holding of
25 professional sports contests. The agencies shall send a copy
26 of their written findings and recommended approval or denial

1 of a STAR bond project plan to the Office of the Governor for
2 final action. Upon receipt of the Director's written findings
3 and recommendation, the Office of the Governor shall issue a
4 final approval or denial of up to one STAR bond project plan
5 for each Economic Development Region having a population of
6 less than 600,000, up to 2 STAR bond projects for each Economic
7 Development Region having a population between 600,000 and
8 999,999, and up to 4 STAR bond projects for each Economic
9 Development Region having a population of 1,000,000 or more,
10 if the STAR bond projects are in separate STAR bond districts,
11 based on the criteria in this subsection, subject to an
12 aggregate limitation on State sales tax increment of
13 \$75,000,000 per approved STAR bond project. If the STAR bond
14 project commits to create 500 new jobs, then the STAR bond
15 project is subject to an aggregate limitation on State sales
16 tax increment of \$150,000,000 for that project. In granting
17 its approval, the Office of the Governor may require the
18 political subdivision to execute a binding agreement or
19 memorandum of understanding with the State. The terms of the
20 agreement or memorandum may include, among other things, the
21 political subdivision's repayment of the State sales tax
22 increment distributed to it should any violation of the
23 agreement or memorandum or this Act occur.

24 (e) Upon a finding by the planning and zoning commission
25 of the political subdivision, if any, that the STAR bond
26 project plan is consistent with the intent of the

1 comprehensive plan for the development of the political
2 subdivision and upon issuance of written approval of the STAR
3 bond project plan from the Office of the Governor pursuant to
4 subsection (d) of this Section 5-20, the corporate authorities
5 of the political subdivision shall adopt a resolution stating
6 that the political subdivision is considering the adoption of
7 the STAR bond project plan. The resolution shall:

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

11 (2) describe the general boundaries of the STAR bond
12 district within which the STAR bond project will be
13 located and the date of establishment of the STAR bond
14 district;

15 (3) describe the general boundaries of the area
16 proposed to be included within the STAR bond project area;

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

21 (5) contain a summary of the terms and conditions of
22 any proposed project development agreement with the
23 political subdivision.

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

26 (1) The date fixed for the public hearing to consider

1 the adoption of the STAR bond project plan shall be not
2 less than 20 nor more than 90 days following the date of
3 the adoption of the resolution fixing the date of the
4 hearing.

5 (2) A copy of the political subdivision's resolution
6 providing for the public hearing shall be sent by
7 certified mail, return receipt requested, to the corporate
8 authorities of the county. A copy of the political
9 subdivision's resolution providing for the public hearing
10 shall be sent by certified mail, return receipt requested,
11 to each person or persons in whose name the general taxes
12 for the last preceding year were paid on each parcel of
13 land lying within the proposed STAR bond project area
14 within 10 days following the date of the adoption of the
15 resolution. The resolution shall be published once in a
16 newspaper of general circulation in the political
17 subdivision not less than one week nor more than 3 weeks
18 preceding the date fixed for the public hearing. A map or
19 aerial photo clearly delineating the area of land proposed
20 to be included within the STAR bond project area shall be
21 published with the resolution.

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

26 (4) At the public hearing, a representative of the

1 political subdivision or master developer shall present
2 the STAR bond project plan. Following the presentation of
3 the STAR bond project plan, all interested persons shall
4 be given an opportunity to be heard. The corporate
5 authorities may continue the date and time of the public
6 hearing.

7 (g) Upon conclusion of the public hearing, the governing
8 body of the political subdivision may adopt the STAR bond
9 project plan by a resolution approving the STAR bond project
10 plan.

11 (h) After the adoption by the corporate authorities of the
12 political subdivision of a STAR bond project plan, the
13 political subdivision may enter into a project development
14 agreement if the master developer has requested the political
15 subdivision to be a party to the project development agreement
16 pursuant to subsection (b) of Section 5-25.

17 (i) Within 30 days after the adoption by the political
18 subdivision of a STAR bond project plan, the clerk of the
19 political subdivision shall transmit a copy of the legal
20 description of the land and a list of all new and existing
21 mailing addresses within the STAR bond district, a copy of the
22 resolution adopting the STAR bond project plan, and a map or
23 plat indicating the boundaries of the STAR bond project area
24 and STAR bond district to the clerk, treasurer, and governing
25 body of the county and to the Department and Department of
26 Revenue. Within 30 days of creation of any new mailing

1 addresses within a STAR bond district, the clerk of the
2 political subdivision shall provide written notice of such new
3 addresses to the Department and the Department of Revenue.

4 If a certified copy of the resolution adopting the STAR
5 bond project plan is filed with the Department of Revenue on or
6 before the first day of April, the Department of Revenue, if
7 all other requirements of this subsection are met, shall
8 proceed to collect and allocate any local sales tax increment
9 and any State sales tax increment in accordance with the
10 provisions of this Act as of the first day of July next
11 following the adoption and filing. If a certified copy of the
12 resolution adopting the STAR bond project plan is filed with
13 the Department of Revenue after April 1 but on or before the
14 first day of October, the Department of Revenue, if all other
15 requirements of this subsection are met, shall proceed to
16 collect and allocate any local sales tax increment and any
17 State sales tax increment in accordance with the provisions of
18 this Act as of the first day of January next following the
19 adoption and filing.

20 Any substantial changes to a STAR bond project plan as
21 adopted shall be subject to a public hearing following
22 publication of notice thereof in a newspaper of general
23 circulation in the political subdivision and approval by
24 resolution of the governing body of the political subdivision.

25 The Department of Revenue shall not collect or allocate
26 any local sales tax increment or State sales tax increment

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

1 addition, or deletion beginning on the following January 1. If
2 a retailer is incorrectly included or excluded from the list
3 of those located in the STAR bond district, the Department of
4 Revenue shall be held harmless if it reasonably relied on
5 information provided by the political subdivision.

6 (j) Any STAR bond project must be approved by the
7 political subdivision within 23 years after the date of the
8 approval of the STAR bond district, provided, however, that
9 any amendments to such STAR bond project may occur following
10 such date.

11 (k) Any developer of a STAR bond project shall commence
12 work on the STAR bond project within 3 years from the date of
13 adoption of the STAR bond project plan. If the developer fails
14 to commence work on the STAR bond project within the 3-year
15 period, funding for the project shall cease and the developer
16 of the project or complex shall have one year to appeal to the
17 political subdivision for a one-time reapproval of the project
18 and funding. If the project is reapproved, the 3-year period
19 for commencement shall begin again on the date of the
20 reapproval. If the project is not reapproved or if the
21 developer again fails to commence work on the STAR bond
22 project within the second 3-year period, the project shall be
23 terminated, and the Department may accept applications for a
24 new STAR bond project in the Economic Development Region.

25 (l) After the adoption by the corporate authorities of the
26 political subdivision of a STAR bond project plan and approval

1 of the Office of the Governor pursuant to subsection (d), the
2 political subdivision may authorize the issuance of STAR bonds
3 in one or more series to finance the STAR bond project in
4 accordance with the provisions of this Act.

5 (m) The maximum maturity of STAR bonds issued to finance a
6 STAR bond project shall not exceed 23 years from the first date
7 of distribution of State sales tax increment from such STAR
8 bond project to the political subdivision unless the political
9 subdivision extends such maturity by resolution up to a
10 maximum of 35 years from such first distribution date. Any
11 such extension shall require the approval of the Office of the
12 Governor, upon the recommendation of the Directors. In no
13 event shall the maximum maturity date for any STAR bonds
14 exceed that date which is 35 years from the first distribution
15 date of the first STAR bonds issued in a STAR bond district.

16 Section 5-25. Co-developers and sub-developers. Upon
17 approval of a STAR bond project by the political subdivision,
18 the master developer may, subject to the approval of the State
19 and the political subdivision, develop the STAR bond project
20 on its own or it may develop the STAR bond project with another
21 developer, which may include an assignment or transfer of
22 development rights.

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

1 (b) A master developer may enter into one or more
2 agreements with a co-developer or sub-developer in connection
3 with a STAR bond project, and the master developer may request
4 that the political subdivision become a party to the project
5 development agreement, or the master developer may request
6 that the political subdivision amend its master development
7 agreement to provide for certain terms and conditions that may
8 be related to the co-developer or sub-developer and the STAR
9 bond project. For any project development agreement to which
10 the political subdivision would be a party or for any
11 amendments to the master development agreement, the terms and
12 conditions must be acceptable to both the master developer and
13 the political subdivision. The Director shall receive a copy
14 of the master development agreement and any amendments.

15 Section 5-30. STAR bonds; source of payment. Any political
16 subdivision shall have the power to issue STAR bonds in one or
17 more series to finance the undertaking of any STAR bond
18 project in accordance with the provisions of this Act and the
19 Omnibus Bond Acts. STAR bonds may be issued as revenue bonds,
20 alternate bonds, or general obligation bonds as defined in and
21 subject to the procedures provided in the Local Government
22 Debt Reform Act.

23 (a) STAR bonds may be made payable, both as to principal
24 and interest, from the following revenues, which to the extent
25 pledged by each respective political subdivision or other

1 public entity for such purpose shall constitute pledged STAR
2 revenues:

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

6 (2) available private funds and contributions, grants,
7 tax credits, or other financial assistance from the State
8 or federal government;

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

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

14 (5) any special service area taxes collected within
15 the STAR bond district under the Special Service Area Tax
16 Act, may be used for the purposes of funding project costs
17 or paying debt service on STAR bonds in addition to the
18 purposes contained in the special service area plan;

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

20 (7) any other revenues appropriated by the political
21 subdivision; and

22 (8) any combination of these methods.

23 (b) The political subdivision may pledge the pledged STAR
24 revenues to the repayment of STAR bonds prior to,
25 simultaneously with, or subsequent to the issuance of the STAR
26 bonds.

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

7 (d) For each STAR bond project financed with STAR bonds
8 payable from the pledged STAR revenues, the political
9 subdivision shall prepare and submit to the Department, the
10 Department of Revenue, the Office of the Governor, and the
11 Governor's Office of Management and Budget by June 1 of each
12 year a report describing the status of the STAR bond project,
13 any expenditures of the proceeds of STAR bonds that have
14 occurred for the preceding calendar year, and any expenditures
15 of the proceeds of the bonds expected to occur in the future,
16 including the amount of pledged STAR revenue, the amount of
17 revenue that has been spent, the projected amount of the
18 revenue, and the anticipated use of the revenue. Each annual
19 report shall be accompanied by an affidavit of the master
20 developer certifying the contents of the report as true to the
21 best of the master developer's knowledge. The Department shall
22 have the right, but not the obligation, to request the Auditor
23 General to review the annual report and the political
24 subdivision's records containing the source information for
25 the report for the purpose of verifying the report's contents.
26 If the Auditor General declines the request for review, the

1 Department shall have the right to select an independent
2 third-party auditor to conduct an audit of the annual report
3 and the political subdivision's records containing the source
4 information for the report. The reasonable cost of the audit
5 shall be paid by the master developer. The master development
6 agreement shall grant the Department and the Auditor General
7 the right to review the records of the political subdivision
8 containing the source information for the report.

9 (e) As soon as possible after the first day of each month,
10 upon certification of the Department of Revenue, the
11 Comptroller shall order transferred, and the Treasurer shall
12 transfer, from the General Revenue Fund to the STAR Bonds
13 Revenue Fund the State sales tax increment for the second
14 preceding month, less 3% of that amount, which shall be
15 transferred into the Tax Compliance and Administration Fund
16 and shall be used by the Department of Revenue, subject to
17 appropriation, to cover the costs of the Department of Revenue
18 in administering the Statewide Innovation Development and
19 Economy Act. As soon as possible after the first day of each
20 month, upon certification of the Department of Revenue, the
21 Comptroller shall order transferred, and the Treasurer shall
22 transfer, from the Local Government Tax Fund to the STAR Bonds
23 Revenue Fund the local sales tax increment for the second
24 preceding month, as provided in Section 6z-18 of the State
25 Finance Act and from the County and Mass Transit District Fund
26 to the STAR Bonds Revenue Fund the local sales tax increment

1 for the second preceding month, as provided in Section 6z-20
2 of the State Finance Act. On or before the 25th day of each
3 calendar month, the Department of Revenue shall prepare and
4 certify to the Comptroller the disbursement of stated sums of
5 money out of the STAR Bonds Revenue Fund to named
6 municipalities and counties, the municipalities and counties
7 to be those entitled to distribution of taxes or penalties
8 paid to the Department of Revenue during the second preceding
9 calendar month. The amount to be paid to each municipality or
10 county shall be the amount of the State sales tax increment and
11 the local sales tax increment (not including credit memoranda
12 or the amount transferred into the Tax Compliance and
13 Administration Fund) collected during the second preceding
14 calendar month by the Department of Revenue from retailers and
15 servicepersons on transactions at places of business located
16 within a STAR bond district in that municipality or county,
17 plus an amount the Department of Revenue determines is
18 necessary to offset any amounts which were erroneously paid to
19 a different taxing body, and not including an amount equal to
20 the amount of refunds made during the second preceding
21 calendar month by the Department of Revenue, and not including
22 any amount which the Department of Revenue determines is
23 necessary to offset any amounts which are payable to a
24 different taxing body but were erroneously paid to the
25 municipality or county. Within 10 days after receipt by the
26 Comptroller of the disbursement certification to the

1 municipalities and counties, provided for in this Section to
2 be given to the Comptroller by the Department of Revenue, the
3 Comptroller shall cause the orders to be drawn for the
4 respective amounts in accordance with the directions contained
5 in such certification. When certifying the amount of monthly
6 disbursement to a municipality or county under this
7 subsection, the Department of Revenue shall increase or
8 decrease that amount by an amount necessary to offset any
9 misallocation of previous disbursements. The offset amount
10 shall be the amount erroneously disbursed within the 6 months
11 preceding the time a misallocation is discovered.

12 (f) The corporate authorities of the political subdivision
13 shall deposit the proceeds for the STAR Bonds Revenue Fund
14 into a special fund of the political subdivision called the
15 "[Name of political subdivision] STAR Bond District Revenue
16 Fund" for the purpose of paying or reimbursing STAR bond
17 project costs and obligations incurred in the payment of those
18 costs. If the political subdivision fails to issue STAR bonds
19 within 180 days after the first distribution to the political
20 subdivision from the STAR Bonds Revenue Fund, the Department
21 of Revenue shall cease distribution of the State sales tax
22 increment to the political subdivision, shall transfer any
23 State sales tax increment in the STAR Bonds Revenue Fund to the
24 General Revenue Fund, and shall cease deposits of State sales
25 tax increment amounts into the STAR Bonds Revenue Fund. The
26 political subdivision shall repay all of the State sales tax

1 increment distributed to the political subdivision to date,
2 which amounts shall be deposited into the General Revenue
3 Fund. If not repaid within 90 days after notice from the State,
4 the Department of Revenue shall withhold distributions to the
5 political subdivision from the Local Government Tax Fund until
6 the excess amount is repaid, which withheld amounts shall be
7 transferred to the General Revenue Fund. At such time as the
8 political subdivision notifies the Department of Revenue in
9 writing that it has issued STAR Bonds in accordance with this
10 Act and provides the Department with a copy of the political
11 subdivision's official statement, bond purchase agreements,
12 indenture, or other evidence of bond sale, the Department of
13 Revenue shall resume deposits of the State sales tax increment
14 into the STAR Bonds Revenue Fund and distribution of the State
15 sales tax increment to the political subdivision in accordance
16 with this Section.

17 (g) If at any time after the seventh anniversary of the
18 date of distribution of State sales tax increment from a STAR
19 bond project the Auditor General determines that the
20 percentage of the aggregate proceeds of STAR bonds issued to
21 date that is derived from the State sales tax increment has
22 exceeded 50% of the total development costs of that STAR Bonds
23 project, no additional STAR bonds may be issued for that STAR
24 Bonds project until that percentage is reduced to 50% or
25 below. When the percentage has been reduced to 50% or below,
26 the master developer shall have the right, at its own cost, to

1 obtain a new audit prepared by an independent third-party
2 auditor verifying compliance and shall provide such audit to
3 the Auditor General for review and approval. Upon the Auditor
4 General's determination from the audit that the percentage has
5 been reduced to 50% or below, STAR bonds may again be issued
6 for the STAR bond project.

7 (h) Notwithstanding the provisions of the Tax Increment
8 Allocation Redevelopment Act, if any portion of property taxes
9 attributable to the increase in equalized assessed value
10 within a STAR bond district are, at the time of formation of
11 the STAR bond district, already subject to tax increment
12 financing under the Tax Increment Allocation Redevelopment
13 Act, then the tax increment for such portion shall be frozen at
14 the base year established in accordance with this Act, and all
15 future incremental increases over the base year shall not be
16 subject to tax increment financing under the Tax Increment
17 Allocation Redevelopment Act. Any party otherwise entitled to
18 receipt of incremental tax revenues through an existing tax
19 increment financing district shall be entitled to continue to
20 receive such revenues up to the amount frozen in the base year.
21 Nothing in this Act shall affect the prior qualification of
22 existing redevelopment project costs incurred that are
23 eligible for reimbursement under the Tax Increment Allocation
24 Redevelopment Act. In such event, prior to approving a STAR
25 bond district, the political subdivision forming the STAR bond
26 district shall take such action as is necessary, including

1 amending the existing tax increment financing district
2 redevelopment plan, to carry out the provisions of this Act.

3 Section 5-31. STAR bond occupation taxes.

4 (a) If the corporate authorities of a political
5 subdivision have established a STAR bond district and have
6 elected to impose a tax by ordinance pursuant to subsection
7 (b) or (c) of this Section, each year after the date of the
8 adoption of the ordinance and until all STAR bond project
9 costs and all political subdivision obligations financing the
10 STAR bond project costs, if any, have been paid in accordance
11 with the STAR bond project plans, but in no event longer than
12 the maximum maturity date of the last of the STAR bonds issued
13 for projects in the STAR bond district, all amounts generated
14 by the retailers' occupation tax and service occupation tax
15 shall be collected and the tax shall be enforced by the
16 Department of Revenue in the same manner as all retailers'
17 occupation taxes and service occupation taxes imposed in the
18 political subdivision imposing the tax. The corporate
19 authorities of the political subdivision shall deposit the
20 proceeds of the taxes imposed under subsections (b) and (c)
21 into either (i) a special fund held by the corporate
22 authorities of the political subdivision called the STAR Bonds
23 Tax Allocation Fund for the purpose of paying STAR bond
24 project costs and obligations incurred in the payment of those
25 costs if such taxes are designated as pledged STAR revenues by

1 resolution or ordinance of the political subdivision or (ii)
2 the political subdivision's general corporate fund if such
3 taxes are not designated as pledged STAR revenues by
4 resolution or ordinance.

5 The tax imposed under this Section by a municipality may
6 be imposed only on the portion of a STAR bond district that is
7 within the boundaries of the municipality. For any part of a
8 STAR bond district that lies outside of the boundaries of that
9 municipality, the municipality in which the other part of the
10 STAR bond district lies (or the county, in cases where a
11 portion of the STAR bond district lies in the unincorporated
12 area of a county) is authorized to impose the tax under this
13 Section on that part of the STAR bond district.

14 (b) The corporate authorities of a political subdivision
15 that has established a STAR bond district under this Act may,
16 by ordinance or resolution, impose a STAR Bond Retailers'
17 Occupation Tax upon all persons engaged in the business of
18 selling tangible personal property, other than an item of
19 tangible personal property titled or registered with an agency
20 of this State's government, at retail in the STAR bond
21 district at a rate not to exceed 1% of the gross receipts from
22 the sales made in the course of that business, to be imposed
23 only in 0.25% increments. The tax may not be imposed on
24 tangible personal property taxed at the 1% rate under the
25 Retailers' Occupation Tax Act. The tax may not be imposed on
26 aviation fuel 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 political subdivision.

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

1 disposition of taxes and penalties collected), 4, 5, 5a, 5b,
2 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10,
3 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all
4 provisions of the Uniform Penalty and Interest Act, as fully
5 as if those provisions were set forth herein.

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

8 (c) If a tax has been imposed under subsection (b), a STAR
9 Bond Service Occupation Tax shall also be imposed upon all
10 persons engaged, in the STAR bond district, in the business of
11 making sales of service, who, as an incident to making those
12 sales of service, transfer tangible personal property within
13 the STAR bond district, either in the form of tangible
14 personal property or in the form of real estate as an incident
15 to a sale of service. The tax shall be imposed at the same rate
16 as the tax imposed in subsection (b) and shall not exceed 1% of
17 the selling price of tangible personal property so transferred
18 within the STAR bond district, to be imposed only in 0.25%
19 increments. The tax may not be imposed on tangible personal
20 property taxed at the 1% rate under the Service Occupation Tax
21 Act. The tax may not be imposed on aviation fuel for so long as
22 the revenue use requirements of 49 U.S.C. 47107(b) and 49
23 U.S.C. 47133 are binding on the political subdivision.

24 The tax imposed under this subsection and all civil
25 penalties that may be assessed as an incident thereof shall be
26 collected and enforced by the Department of Revenue. The

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

1 disposition of taxes and penalties collected, and except that
2 the returned merchandise credit for this tax may not be taken
3 against any State tax), 10, 11, 12 (except the reference
4 therein to Section 2b of the Retailers' Occupation Tax Act),
5 13 (except that any reference to the State shall mean the
6 political subdivision), the first paragraph of Section 15, and
7 Sections 16, 17, 18, 19 and 20 of the Service Occupation Tax
8 Act and all provisions of the Uniform Penalty and Interest
9 Act, as fully as if those provisions were set forth herein.

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

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

19 Whenever the Department of Revenue determines that a
20 refund should be made under this Section to a claimant the
21 Department of Revenue shall not issue a credit memorandum. The
22 Department of Revenue shall notify the State Comptroller, who
23 shall cause the order to be drawn for the amount specified and
24 to the person named in the notification from the Department of
25 Revenue. The refund shall be paid by the State Treasurer out of
26 the STAR Bond Retailers' Occupation Tax Fund.

1 Except as otherwise provided in this paragraph, the
2 Department of Revenue shall immediately pay over to the State
3 Treasurer, ex officio, as trustee, all taxes, penalties, and
4 interest collected under this Section for deposit into the
5 STAR Bond Retailers' Occupation Tax Fund. On or before the
6 25th day of each calendar month, the Department of Revenue
7 shall prepare and certify to the Comptroller the disbursement
8 of stated sums of money to named political subdivisions from
9 the STAR Bond Retailers' Occupation Tax Fund, the political
10 subdivisions to be those from which retailers have paid taxes
11 or penalties under this Section to the Department of Revenue
12 during the second preceding calendar month. The amount to be
13 paid to each political subdivision shall be the amount (not
14 including credit memoranda) collected under this Section
15 during the second preceding calendar month by the Department
16 of Revenue plus an amount the Department of Revenue determines
17 is necessary to offset any amounts that were erroneously paid
18 to a different taxing body, and not including an amount equal
19 to the amount of refunds made during the second preceding
20 calendar month by the Department of Revenue, less 3% of that
21 amount, which shall be deposited into the Tax Compliance and
22 Administration Fund and shall be used by the Department of
23 Revenue, subject to appropriation, to cover the costs of the
24 Department of Revenue in administering and enforcing the
25 provisions of this Section, on behalf of such political
26 subdivision, and not including any amount that the Department

1 of Revenue determines is necessary to offset any amounts that
2 were payable to a different taxing body but were erroneously
3 paid to the political subdivision. Within 10 days after
4 receipt by the Comptroller of the disbursement certification
5 to the political subdivisions provided for in this Section to
6 be given to the Comptroller by the Department, the Comptroller
7 shall cause the orders to be drawn for the respective amounts
8 in accordance with the directions contained in the
9 certification. The proceeds of the tax paid to political
10 subdivisions under this Section shall be deposited into either
11 (i) the STAR Bonds Tax Allocation Fund by the political
12 subdivision if the political subdivision has designated them
13 as pledged STAR revenues by resolution or ordinance or (ii)
14 the political subdivision's general corporate fund if the
15 political subdivision has not designated them as pledged STAR
16 revenues.

17 An ordinance or resolution imposing or discontinuing the
18 tax under this Section or effecting a change in the rate
19 thereof shall either (i) be adopted and a certified copy
20 thereof filed with the Department of Revenue on or before the
21 first day of April, whereupon the Department of Revenue, if
22 all other requirements of this Section are met, shall proceed
23 to administer and enforce this Section as of the first day of
24 July next following the adoption and filing; or (ii) be
25 adopted and a certified copy thereof filed with the Department
26 of Revenue on or before the first day of October, whereupon, if

1 all other requirements of this Section are met, the Department
2 of Revenue shall proceed to administer and enforce this
3 Section as of the first day of January next following the
4 adoption and filing.

5 The Department of Revenue shall not administer or enforce
6 an ordinance imposing, discontinuing, or changing the rate of
7 the tax under this Section until the political subdivision
8 also provides, in the manner prescribed by the Department of
9 Revenue, the boundaries of the STAR bond district and each
10 address in the STAR bond district in such a way that the
11 Department of Revenue can determine by its address whether a
12 business is located in the STAR bond district. The political
13 subdivision must provide this boundary and address information
14 to the Department of Revenue on or before April 1 for
15 administration and enforcement of the tax under this Section
16 by the Department of Revenue beginning on the following July 1
17 and on or before October 1 for administration and enforcement
18 of the tax under this Section by the Department of Revenue
19 beginning on the following January 1. The Department of
20 Revenue shall not administer or enforce any change made to the
21 boundaries of a STAR bond district or any address change,
22 addition, or deletion until the political subdivision reports
23 the boundary change or address change, addition, or deletion
24 to the Department of Revenue in the manner prescribed by the
25 Department of Revenue. The political subdivision must provide
26 this boundary change or address change, addition, or deletion

1 information to the Department of Revenue on or before April 1
2 for administration and enforcement by the Department of
3 Revenue of the change, addition, or deletion beginning on the
4 following July 1 and on or before October 1 for administration
5 and enforcement by the Department of Revenue of the change,
6 addition, or deletion beginning on the following January 1.
7 The retailers in the STAR bond district shall be responsible
8 for charging the tax imposed under this Section. If a retailer
9 is incorrectly included or excluded from the list of those
10 required to collect the tax under this Section, both the
11 Department of Revenue and the retailer shall be held harmless
12 if they reasonably relied on information provided by the
13 political subdivision.

14 A political subdivision that imposes the tax under this
15 Section must submit to the Department of Revenue any other
16 information as the Department of Revenue may require that is
17 necessary for the administration and enforcement of the tax.

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

25 Nothing in this Section shall be construed to authorize
26 the political subdivision to impose a tax upon the privilege

1 of engaging in any business which under the Constitution of
2 the United States may not be made the subject of taxation by
3 this State.

4 (e) When STAR bond project costs, including, without
5 limitation, all political subdivision obligations financing
6 STAR bond project costs, have been paid, any surplus funds
7 then remaining in the STAR Bonds Tax Allocation Fund shall be
8 distributed to the treasurer of the political subdivision for
9 deposit into the political subdivision's general corporate
10 fund. Upon payment of all STAR bond project costs and
11 retirement of obligations, but in no event later than the
12 maximum maturity date of the last of the STAR bonds issued in
13 the STAR bond district, the political subdivision shall adopt
14 an ordinance immediately rescinding the taxes imposed pursuant
15 to this Section and file a certified copy of the ordinance with
16 the Department of Revenue in the form and manner as described
17 in this Section.

18 Section 5-33. STAR Bonds School Improvement and Operations
19 Trust Fund.

20 (a) Deposits into the STAR Bonds School Improvement and
21 Operations Trust Fund, established under Section 33 of the
22 Innovation Development and Economy Act, shall be made as
23 provided under this Section. Moneys in the Trust Fund shall be
24 used by the Department of Revenue only for the purpose of
25 making payments to regional superintendents of schools to make

1 distributions to school districts in educational service
2 regions that include the STAR bond district. Moneys in the
3 Trust Fund are not subject to appropriation and shall be used
4 solely as provided in this Section. All deposits into the
5 Trust Fund shall be held in the Trust Fund by the State
6 Treasurer as ex officio custodian separate and apart from all
7 public moneys or funds of this State and shall be distributed
8 by the Department of Revenue exclusively for the purposes set
9 forth in this Section. All moneys in the Trust Fund shall be
10 invested and reinvested by the State Treasurer. All interest
11 accruing from these investments shall be deposited in the
12 Trust Fund.

13 (b) Upon approval of a STAR bond district, the political
14 subdivision shall immediately transmit to the county clerk of
15 the county in which the district is located a certified copy of
16 the ordinance creating the district, a legal description of
17 the district, a map of the district, identification of the
18 year that the county clerk shall use for determining the total
19 initial equalized assessed value of the district consistent
20 with subsection (c), and a list of the parcel or tax
21 identification number of each parcel of property included in
22 the district.

23 (c) Upon approval of a STAR bond district, the county
24 clerk immediately thereafter shall determine (i) the most
25 recently ascertained equalized assessed value of each lot,
26 block, tract, or parcel of real property within the STAR bond

1 district, from which shall be deducted the homestead
2 exemptions under Article 15 of the Property Tax Code, which
3 value shall be the initial equalized assessed value of each
4 such piece of property, and (ii) the total equalized assessed
5 value of all taxable real property within the district by
6 adding together the most recently ascertained equalized
7 assessed value of each taxable lot, block, tract, or parcel of
8 real property within the district, from which shall be
9 deducted the homestead exemptions under Article 15 of the
10 Property Tax Code, and shall certify that amount as the total
11 initial equalized assessed value of the taxable real property
12 within the STAR bond district.

13 (d) In reference to any STAR bond district created within
14 any political subdivision, and in respect to which the county
15 clerk has certified the total initial equalized assessed value
16 of the property in the area, the political subdivision may
17 thereafter request the clerk in writing to adjust the initial
18 equalized value of all taxable real property within the STAR
19 bond district by deducting therefrom the exemptions under
20 Article 15 of the Property Tax Code applicable to each lot,
21 block, tract, or parcel of real property within the STAR bond
22 district. The county clerk shall immediately, after the
23 written request to adjust the total initial equalized value is
24 received, determine the total homestead exemptions in the STAR
25 bond district as provided under Article 15 of the Property Tax
26 Code by adding together the homestead exemptions provided by

1 said Article on each lot, block, tract, or parcel of real
2 property within the STAR bond district and then shall deduct
3 the total of said exemptions from the total initial equalized
4 assessed value. The county clerk shall then promptly certify
5 that amount as the total initial equalized assessed value as
6 adjusted of the taxable real property within the STAR bond
7 district.

8 (e) The county clerk or other person authorized by law
9 shall compute the tax rates for each taxing district with all
10 or a portion of its equalized assessed value located in the
11 STAR bond district. The rate per cent of tax determined shall
12 be extended to the current equalized assessed value of all
13 property in the district in the same manner as the rate per
14 cent of tax is extended to all other taxable property in the
15 taxing district.

16 (f) Beginning with the assessment year in which the first
17 development user in the first STAR bond project in a STAR bond
18 district makes its first retail sales and for each assessment
19 year thereafter until final maturity of the last STAR bonds
20 issued in the district, the county clerk or other person
21 authorized by law shall determine the increase in equalized
22 assessed value of all real property within the STAR bond
23 district by subtracting the initial equalized assessed value
24 of all property in the district certified under subsection (c)
25 from the current equalized assessed value of all property in
26 the district. Each year, the property taxes arising from the

1 increase in equalized assessed value in the STAR bond district
2 shall be determined for each taxing district and shall be
3 certified to the county collector.

4 (g) Beginning with the year in which taxes are collected
5 based on the assessment year in which the first development
6 user in the first STAR bond project in a STAR bond district
7 makes its first retail sales and for each year thereafter
8 until final maturity of the last STAR bonds issued in the
9 district, the county collector shall, within 30 days after
10 receipt of property taxes, transmit to the Department of
11 Revenue to be deposited into the STAR Bonds School Improvement
12 and Operations Trust Fund 15% of property taxes attributable
13 to the increase in equalized assessed value within the STAR
14 bond district from each taxing district as certified in
15 subsection (f).

16 (h) The Department of Revenue shall pay to the regional
17 superintendent of schools whose educational service region
18 includes a STAR bond district, for each year for which money is
19 remitted to the Department of Revenue and paid into the STAR
20 Bonds School Improvement and Operations Trust Fund, the money
21 in the Fund as provided in this Section. The amount paid to
22 each school district shall be allocated proportionately by the
23 regional superintendent of schools, based on each qualifying
24 school district's fall enrollment for the then-current school
25 year, such that the school district with the largest fall
26 enrollment receives the largest proportionate share of money

1 paid out of the Fund or by any other method or formula that the
2 regional superintendent of schools deems fit, equitable, and
3 in the public interest. The regional superintendent may
4 allocate moneys to school districts that are outside of the
5 regional superintendent's educational service region or to
6 other regional superintendents.

7 The Department of Revenue shall be held harmless for the
8 distributions made under this Section and all distributions
9 shall be final.

10 (i) In any year that an assessment appeal is filed, the
11 extension of taxes on any assessment so appealed shall not be
12 delayed. In the case of an assessment that is altered, any
13 taxes extended upon the unauthorized assessment or part
14 thereof shall be abated, or, if already paid, shall be
15 refunded with interest as provided in Section 23-20 of the
16 Property Tax Code. In the case of an assessment appeal, the
17 county collector shall notify the Department of Revenue that
18 an assessment appeal has been filed and the amount of the tax
19 that would have been deposited in the STAR Bonds School
20 Improvement and Operations Trust Fund. The county collector
21 shall hold that amount in a separate fund until the appeal
22 process is final. After the appeal process is finalized, the
23 county collector shall transmit to the Department of Revenue
24 the amount of tax that remains, if any, after all required
25 refunds are made.

26 (j) In any year that ad valorem taxes are allocated to the

1 STAR Bonds School Improvement and Operations Trust Fund, that
2 allocation shall not reduce or otherwise impact the school aid
3 provided to any school district under the general State school
4 aid formula provided for in Section 18-8.05 of the School Code
5 or the evidence-based funding formula provided for in Section
6 18-8.15 of the School Code.

7 Section 5-35. Alternate bonds and general obligation
8 bonds. A political subdivision shall have the power to issue
9 alternate revenue and other general obligation bonds to
10 finance the undertaking, establishment, or redevelopment of
11 any STAR bond project as provided and pursuant to the
12 procedures set forth in the Local Government Debt Reform Act.
13 A political subdivision shall have the power to issue general
14 obligation bonds to finance the undertaking, establishment, or
15 redevelopment of any STAR bond project on approval by the
16 voters of the political subdivision of a proposition
17 authorizing the issue of such bonds.

18 The full faith and credit of the State, any department,
19 authority, public corporation or quasi-public corporation of
20 the State, any State college or university, or any other
21 public agency created by the State shall not be pledged for any
22 payment under any obligation authorized by this Act.

23 Section 5-40. Amendments to STAR bond district. Any
24 addition of real property to a STAR bond district or any

1 substantial change to a STAR bond district plan shall be
2 subject to the same procedure for public notice, hearing, and
3 approval - including approval by the Department and the Office
4 of the Governor - as is required for the establishment of the
5 STAR bond district pursuant to this Act.

6 (a) The addition or removal of land to or from a STAR bond
7 district shall require the consent of the master developer of
8 the STAR bond district.

9 (b) Any land that is outside of, but is contiguous to an
10 established STAR bond district and is subsequently owned,
11 leased, or controlled by the master developer shall be added
12 to a STAR bond district at the request of the master developer
13 and by approval of the political subdivision, provided that
14 the land becomes a part of a STAR bond project area.

15 (c) If a political subdivision has undertaken a STAR bond
16 project within a STAR bond district, and the political
17 subdivision desires to subsequently remove more than a de
18 minimis amount of real property from the STAR bond district,
19 then prior to any removal of property the political
20 subdivision must provide a revised feasibility study showing
21 that the pledged STAR revenues from the resulting STAR bond
22 district within which the STAR bond project is located are
23 estimated to be sufficient to pay the project costs. If the
24 revenue from the resulting STAR bond district is insufficient
25 to pay the project costs, then the property may not be removed
26 from the STAR bond district. Any removal of real property from

1 a STAR bond district shall be approved by a resolution of the
2 corporate authorities of the political subdivision.

3 Section 5-45. Restrictions. STAR bond districts may lie
4 within an enterprise zone. STAR bond districts may overlay and
5 benefit from existing tax increment financing districts
6 created pursuant to the Tax Increment Allocation Redevelopment
7 Act, but no portion of a STAR bond project shall be financed
8 with tax increment financing under said Act. During any period
9 of time that STAR bonds are outstanding for a STAR bond
10 district, a developer may not use any land located in the STAR
11 bond district for any (i) retail store whose primary business
12 is the sale of automobiles, including trucks and other
13 automotive vehicles with 4 wheels designed for passenger
14 transportation on public streets and thoroughfares, or (ii)
15 multi-screen motion picture theater complex containing more
16 than 12 auditoriums for viewing motion pictures. No STAR bond
17 district may contain more than 900,000 square feet of floor
18 space devoted to traditional retail use, which shall not
19 include space devoted to entertainment venues, hotels,
20 warehouse space, or storage space.

21 Section 5-50. Reporting taxes. Notwithstanding any other
22 provisions of law to the contrary, the Department of Revenue
23 shall provide a certified report of the State sales tax
24 increment and local sales tax increment from all taxpayers

1 within a STAR bond district to the bond trustee, escrow agent,
2 or paying agent for such bonds upon the written request of the
3 political subdivision on or before the 25th day of each month.
4 Such report shall provide a detailed allocation of State sales
5 tax increment and local sales tax increment from each local
6 sales tax and State sales tax reported to the Department of
7 Revenue.

8 (a) The bond trustee, escrow agent, or paying agent shall
9 keep such sales and use tax reports and the information
10 contained therein confidential, but may use such information
11 for purposes of allocating and depositing the sales and use
12 tax revenues in connection with the bonds used to finance
13 project costs in such STAR bond district. Except as otherwise
14 provided herein, the sales and use tax reports received by the
15 bond trustee, escrow agent, or paying agent shall be subject
16 to the confidentiality provisions of Section 11 of the
17 Retailers' Occupation Tax Act.

18 (b) The political subdivision shall determine when the
19 amount of sales tax and other revenues that have been
20 collected and distributed to the bond debt service or reserve
21 fund is sufficient to satisfy all principal and interest costs
22 to the maturity date or dates of any STAR bond issued by a
23 political subdivision to finance a STAR bond project and shall
24 give the Department of Revenue written notice of such
25 determination. The notice shall include a date certain on
26 which deposits into the STAR Bonds Revenue Fund for that STAR

1 bond project shall terminate and shall be provided to the
2 Department of Revenue at least 60 days prior to that date.
3 Thereafter, all sales tax and other revenues shall be
4 collected and distributed in accordance with applicable law.

5 If the political subdivision fails to give timely notice
6 under this subsection (b), the Department of Revenue, upon
7 discovery of this failure, shall cease distribution of the
8 State sales tax increment to the political subdivision, shall
9 transfer any State sales tax increment in the STAR Bonds
10 Revenue Fund to the General Revenue Fund, and shall cease
11 deposits of State sales tax increment amounts into the STAR
12 Bonds Revenue Fund. Any amount of State sales tax increment
13 distributed to the political subdivision from the STAR Bonds
14 Revenue Fund in excess of the amount sufficient to satisfy all
15 principal and interest costs to the maturity date or dates of
16 any STAR bond issued by the political subdivision to finance a
17 STAR bond project shall be repaid to the Department of Revenue
18 and deposited into the General Revenue Fund. If not repaid
19 within 90 days after notice from the State, the Department of
20 Revenue shall withhold distributions to the political
21 subdivision from the Local Government Tax Fund until the
22 excess amount is repaid, which withheld amounts shall be
23 transferred to the General Revenue Fund.

24 Section 5-52. Review committee. Upon the seventh
25 anniversary of the first date of distribution of State sales

1 tax increment from the first STAR bond project in the State
2 under this Act, a 7-member STAR bonds review committee shall
3 be formed consisting of one appointee of each of the Director,
4 the Director of the Governor's Office of Management and
5 Budget, the Director of the Department of Revenue, the
6 President of the Senate, the Senate Minority Leader, the
7 Speaker of the House, and the House Minority Leader. The
8 review committee shall evaluate the success of all STAR bond
9 districts then existing in the State and make a determination
10 of the comprehensive economic benefits and detriments of STAR
11 bonds in the State as a whole. In making its determination, the
12 review committee shall examine available data regarding job
13 creation, sales revenues, and capital investment in STAR bond
14 districts; development that has occurred and is planned in
15 areas adjacent to STAR bond districts that will not be
16 directly financed with STAR bonds; effects of market
17 conditions on STAR bond districts and the likelihood of future
18 successes based on improving or declining market conditions;
19 retail sales migration and cannibalization of retail sales due
20 to STAR bond districts; and other relevant economic factors.
21 The review committee shall provide the Director, the Director
22 of the Governor's Office of Management and Budget, the
23 Director of the Department of Revenue, the General Assembly,
24 and the Governor with a written report detailing its findings
25 and shall make a final determination of whether STAR bonds
26 have had, and are likely to continue having, a negative or

1 positive economic impact on the State as a whole. Upon
2 completing and filing its written report, the review committee
3 shall be dissolved.

4 Section 5-55. Severability. If any provision of this Act
5 or the application thereof to any persons or circumstances is
6 held invalid, such invalidity shall not affect other
7 provisions or application of the Act that can be given effect
8 without the invalid provisions or application and to this end
9 the provisions of this Act are declared to be severable.

10 Section 5-57. Rules. The Department and the Department of
11 Revenue shall have the authority to adopt such rules as are
12 reasonable and necessary to implement the provisions of this
13 Act. Notwithstanding the foregoing, the Department and the
14 Department of Revenue shall have the authority, prior to
15 adoption and approval of those rules, to consult on and
16 recommend approval of a STAR bond district in accordance with
17 subsection (d) of Section 5-20 and to otherwise administer the
18 Act while those rules are pending adoption and approval.

19 Section 5-60. Open meetings and freedom of information.
20 All public hearings related to the administration, formation,
21 implementation, development, or construction of a STAR bond
22 district, STAR bond district plan, STAR bond project, or STAR
23 bond project plan, including but not limited to the public

1 hearings required by Sections 5-15, 5-20, and 5-40 of this
2 Act, shall be held in compliance with the Open Meetings Act.
3 The public hearing records, feasibility study, and other
4 documents that do not otherwise meet a confidentiality
5 exemption shall be subject to disclosure under the Freedom of
6 Information Act.

7 Section 5-62. Powers of political subdivisions. The
8 provisions of this Act are intended to be supplemental and in
9 addition to all other power or authority granted to political
10 subdivisions, shall be construed liberally, and shall not be
11 construed as a limitation of any power or authority otherwise
12 granted. In addition to the powers a political subdivision may
13 have under other provisions of law, a political subdivision
14 shall have all of the following powers in connection with a
15 STAR bond district:

16 (a) To make and enter into all contracts necessary or
17 incidental to the implementation and furtherance of a STAR
18 bond district plan.

19 (b) Within a STAR bond district, to acquire by purchase,
20 donation, or lease, and to own, convey, lease, mortgage, or
21 dispose of land and other real or personal property or rights
22 or interests in property and to grant or acquire licenses,
23 easements, and options with respect to property, all in the
24 manner and at a price the political subdivision determines is
25 reasonably necessary to achieve the objectives of the STAR

1 bond project.

2 (c) To clear any area within a STAR bond district by
3 demolition or removal of any existing buildings, structures,
4 fixtures, utilities, or improvements and to clear and grade
5 land.

6 (d) To install, repair, construct, reconstruct, extend or
7 relocate public streets, public utilities, and other public
8 site improvements located both within and outside the
9 boundaries of a STAR bond district that are essential to the
10 preparation of a STAR bond district for use in accordance with
11 a STAR bond district plan.

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

15 (f) To install or construct any public buildings,
16 structures, works, streets, improvements, utilities, or
17 fixtures within a STAR bond district.

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

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

26 (i) To accept grants, guarantees, donations of property or

1 labor, or any other thing of value for use in connection with a
2 STAR bond project.

3 (j) To pay or cause to be paid STAR bond project costs,
4 including, specifically, to reimburse any developer or
5 nongovernmental person for STAR bond project costs incurred by
6 that person. A political subdivision is not required to obtain
7 any right, title, or interest in any real or personal property
8 in order to pay STAR bond project costs associated with the
9 property. The political subdivision shall adopt accounting
10 procedures necessary to determine that the STAR bond project
11 costs are properly paid.

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

14 Section 5-905. The Illinois State Auditing Act is amended
15 by changing Section 3-1 as follows:

16 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

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

21 The Auditor General has jurisdiction over local government
22 agencies and private agencies only:

23 (a) to make such post audits authorized by or under
24 this Act as are necessary and incidental to a post audit of

1 a State agency or of a program administered by a State
2 agency involving public funds of the State, but this
3 jurisdiction does not include any authority to review
4 local governmental agencies in the obligation, receipt,
5 expenditure or use of public funds of the State that are
6 granted without limitation or condition imposed by law,
7 other than the general limitation that such funds be used
8 for public purposes;

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

11 (c) to make audits of the records of local government
12 agencies to verify actual costs of state-mandated programs
13 when directed to do so by the Legislative Audit Commission
14 at the request of the State Board of Appeals under the
15 State Mandates Act.

16 In addition to the foregoing, the Auditor General may
17 conduct an audit of the Metropolitan Pier and Exposition
18 Authority, the Regional Transportation Authority, the Suburban
19 Bus Division, the Commuter Rail Division and the Chicago
20 Transit Authority and any other subsidized carrier when
21 authorized by the Legislative Audit Commission. Such audit may
22 be a financial, management or program audit, or any
23 combination thereof.

24 The audit shall determine whether they are operating in
25 accordance with all applicable laws and regulations. Subject
26 to the limitations of this Act, the Legislative Audit

1 Commission may by resolution specify additional determinations
2 to be included in the scope of the audit.

3 In addition to the foregoing, the Auditor General must
4 also conduct a financial audit of the Illinois Sports
5 Facilities Authority's expenditures of public funds in
6 connection with the reconstruction, renovation, remodeling,
7 extension, or improvement of all or substantially all of any
8 existing "facility", as that term is defined in the Illinois
9 Sports Facilities Authority Act.

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

16 The Auditor General is authorized to conduct financial and
17 compliance audits of the Illinois Distance Learning Foundation
18 and the Illinois Conservation Foundation.

19 As soon as practical after the effective date of this
20 amendatory Act of 1995, the Auditor General shall conduct a
21 compliance and management audit of the City of Chicago and any
22 other entity with regard to the operation of Chicago O'Hare
23 International Airport, Chicago Midway Airport and Merrill C.
24 Meigs Field. The audit shall include, but not be limited to, an
25 examination of revenues, expenses, and transfers of funds;
26 purchasing and contracting policies and practices; staffing

1 levels; and hiring practices and procedures. When completed,
2 the audit required by this paragraph shall be distributed in
3 accordance with Section 3-14.

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

10 The Auditor General must conduct an audit of the Health
11 Facilities and Services Review Board pursuant to Section 19.5
12 of the Illinois Health Facilities Planning Act.

13 The Auditor General of the State of Illinois shall
14 annually conduct or cause to be conducted a financial and
15 compliance audit of the books and records of any county water
16 commission organized pursuant to the Water Commission Act of
17 1985 and shall file a copy of the report of that audit with the
18 Governor and the Legislative Audit Commission. The filed audit
19 shall be open to the public for inspection. The cost of the
20 audit shall be charged to the county water commission in
21 accordance with Section 6z-27 of the State Finance Act. The
22 county water commission shall make available to the Auditor
23 General its books and records and any other documentation,
24 whether in the possession of its trustees or other parties,
25 necessary to conduct the audit required. These audit
26 requirements apply only through July 1, 2007.

1 The Auditor General must conduct audits of the Rend Lake
2 Conservancy District as provided in Section 25.5 of the River
3 Conservancy Districts Act.

4 The Auditor General must conduct financial audits of the
5 Southeastern Illinois Economic Development Authority as
6 provided in Section 70 of the Southeastern Illinois Economic
7 Development Authority Act.

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

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

14 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09;
15 96-939, eff. 6-24-10.)

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

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

19 Sec. 6z-18. Local Government Tax Fund. A portion of the
20 money paid into the Local Government Tax Fund from sales of
21 tangible personal property taxed at the 1% rate under the
22 Retailers' Occupation Tax Act and the Service Occupation Tax
23 Act, which occurred in municipalities, shall be distributed to
24 each municipality based upon the sales which occurred in that

1 municipality. The remainder shall be distributed to each
2 county based upon the sales which occurred in the
3 unincorporated area of that county.

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

8 A portion of the money paid into the Local Government Tax
9 Fund from the 6.25% general use tax rate on the selling price
10 of tangible personal property which is purchased outside
11 Illinois at retail from a retailer and which is titled or
12 registered by any agency of this State's government shall be
13 distributed to municipalities as provided in this paragraph.
14 Each municipality shall receive the amount attributable to
15 sales for which Illinois addresses for titling or registration
16 purposes are given as being in such municipality. The
17 remainder of the money paid into the Local Government Tax Fund
18 from such sales shall be distributed to counties. Each county
19 shall receive the amount attributable to sales for which
20 Illinois addresses for titling or registration purposes are
21 given as being located in the unincorporated area of such
22 county.

23 A portion of the money paid into the Local Government Tax
24 Fund from the 6.25% general rate (and, beginning July 1, 2000
25 and through December 31, 2000, the 1.25% rate on motor fuel and
26 gasohol, and beginning on August 6, 2010 through August 15,

1 2010, and beginning again on August 5, 2022 through August 14,
2 2022, the 1.25% rate on sales tax holiday items) on sales
3 subject to taxation under the Retailers' Occupation Tax Act
4 and the Service Occupation Tax Act, which occurred in
5 municipalities, shall be distributed to each municipality,
6 based upon the sales which occurred in that municipality. The
7 remainder shall be distributed to each county, based upon the
8 sales which occurred in the unincorporated area of such
9 county.

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

19 Whenever the Department determines that a refund of money
20 paid into the Local Government Tax Fund should be made to a
21 claimant instead of issuing a credit memorandum, the
22 Department shall notify the State Comptroller, who shall cause
23 the order to be drawn for the amount specified, and to the
24 person named, in such notification from the Department. Such
25 refund shall be paid by the State Treasurer out of the Local
26 Government Tax Fund.

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
7 during the second preceding calendar month for sales within a
8 STAR bond district and deposited into the Local Government Tax
9 Fund, less 3% of that amount, which shall be transferred into
10 the Tax Compliance and Administration Fund and shall be used
11 by the Department, subject to appropriation, to cover the
12 costs of the Department in administering the Innovation
13 Development and Economy Act.

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 during the second preceding calendar month for sales
21 within a STAR bond district and deposited into the Local
22 Government Tax Fund, less 3% of that amount, which shall be
23 transferred into the Tax Compliance and Administration Fund
24 and shall be used by the Department, subject to appropriation,
25 to cover the costs of the Department in administering 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 Department shall prepare and certify to the Comptroller
4 the disbursement of stated sums of money to named
5 municipalities and counties, the municipalities and counties
6 to be those entitled to distribution of taxes or penalties
7 paid to the Department during the second preceding calendar
8 month. The amount to be paid to each municipality or county
9 shall be the amount (not including credit memoranda) collected
10 during the second preceding calendar month by the Department
11 and paid into the Local Government Tax Fund, plus an amount the
12 Department determines is necessary to offset any amounts which
13 were erroneously paid to a different taxing body, and not
14 including an amount equal to the amount of refunds made during
15 the second preceding calendar month by the Department, and not
16 including any amount which the Department determines is
17 necessary to offset any amounts which are payable to a
18 different taxing body but were erroneously paid to the
19 municipality or county, and not including any amounts that are
20 transferred to the STAR Bonds Revenue Fund. Within 10 days
21 after receipt, by the Comptroller, of the disbursement
22 certification to the municipalities and counties, provided for
23 in this Section to be given to the Comptroller by the
24 Department, the Comptroller shall cause the orders to be drawn
25 for the respective amounts in accordance with the directions
26 contained in such certification.

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

7 The provisions directing the distributions from the
8 special fund in the State treasury provided for in this
9 Section shall constitute an irrevocable and continuing
10 appropriation of all amounts as provided herein. The State
11 Treasurer and State Comptroller are hereby authorized to make
12 distributions as provided in this Section.

13 In construing any development, redevelopment, annexation,
14 preannexation, or other lawful agreement in effect prior to
15 September 1, 1990, which describes or refers to receipts from
16 a county or municipal retailers' occupation tax, use tax or
17 service occupation tax which now cannot be imposed, such
18 description or reference shall be deemed to include the
19 replacement revenue for such abolished taxes, distributed from
20 the Local Government Tax Fund.

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

26 (Source: P.A. 102-700, Article 60, Section 60-10, eff.

1 4-19-22; 102-700, Article 65, Section 65-15, eff. 4-19-22;
2 103-154, eff. 6-30-23.)

3 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

4 Sec. 6z-20. County and Mass Transit District Fund. Of the
5 money received from the 6.25% general rate (and, beginning
6 July 1, 2000 and through December 31, 2000, the 1.25% rate on
7 motor fuel and gasohol, and beginning on August 6, 2010
8 through August 15, 2010, and beginning again on August 5, 2022
9 through August 14, 2022, the 1.25% rate on sales tax holiday
10 items) on sales subject to taxation under the Retailers'
11 Occupation Tax Act and Service Occupation Tax Act and paid
12 into the County and Mass Transit District Fund, distribution
13 to the Regional Transportation Authority tax fund, created
14 pursuant to Section 4.03 of the Regional Transportation
15 Authority Act, for deposit therein shall be made based upon
16 the retail sales occurring in a county having more than
17 3,000,000 inhabitants. The remainder shall be distributed to
18 each county having 3,000,000 or fewer inhabitants based upon
19 the retail sales occurring in each such county.

20 For the purpose of determining allocation to the local
21 government unit, a retail sale by a producer of coal or other
22 mineral mined in Illinois is a sale at retail at the place
23 where the coal or other mineral mined in Illinois is extracted
24 from the earth. This paragraph does not apply to coal or other
25 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 Of the money received from the 6.25% general use tax rate
5 on tangible personal property which is purchased outside
6 Illinois at retail from a retailer and which is titled or
7 registered by any agency of this State's government and paid
8 into the County and Mass Transit District Fund, the amount for
9 which Illinois addresses for titling or registration purposes
10 are given as being in each county having more than 3,000,000
11 inhabitants shall be distributed into the Regional
12 Transportation Authority tax fund, created pursuant to Section
13 4.03 of the Regional Transportation Authority Act. The
14 remainder of the money paid from such sales shall be
15 distributed to each county based on sales for which Illinois
16 addresses for titling or registration purposes are given as
17 being located in the county. Any money paid into the Regional
18 Transportation Authority Occupation and Use Tax Replacement
19 Fund from the County and Mass Transit District Fund prior to
20 January 14, 1991, which has not been paid to the Authority
21 prior to that date, shall be transferred to the Regional
22 Transportation Authority tax fund.

23 Whenever the Department determines that a refund of money
24 paid into the County and Mass Transit District Fund should be
25 made to a claimant instead of issuing a credit memorandum, the
26 Department shall notify the State Comptroller, who shall cause

1 the order to be drawn for the amount specified, and to the
2 person named, in such notification from the Department. Such
3 refund shall be paid by the State Treasurer out of the County
4 and Mass Transit District Fund.

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
11 during the second preceding calendar month for sales within a
12 STAR bond district and deposited into the County and Mass
13 Transit District Fund, less 3% of that amount, which shall be
14 transferred into the Tax Compliance and Administration Fund
15 and shall be used by the Department, subject to appropriation,
16 to cover the costs of the Department in administering the
17 Innovation Development and Economy Act.

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 during the second preceding calendar month for sales
25 within a STAR bond district and deposited into the County and
26 Mass Transit District Fund, less 3% of that amount, which

1 shall be transferred into the Tax Compliance and
2 Administration Fund and shall be used by the Department,
3 subject to appropriation, to cover the costs of the Department
4 in administering the Statewide Innovation Development and
5 Economy Act.

6 After the monthly transfers ~~transfer~~ to the STAR Bonds
7 Revenue Fund, on or before the 25th day of each calendar month,
8 the Department shall prepare and certify to the Comptroller
9 the disbursement of stated sums of money to the Regional
10 Transportation Authority and to named counties, the counties
11 to be those entitled to distribution, as hereinabove provided,
12 of taxes or penalties paid to the Department during the second
13 preceding calendar month. The amount to be paid to the
14 Regional Transportation Authority and each county having
15 3,000,000 or fewer inhabitants shall be the amount (not
16 including credit memoranda) collected during the second
17 preceding calendar month by the Department and paid into the
18 County and Mass Transit District Fund, plus an amount the
19 Department determines is necessary to offset any amounts which
20 were erroneously paid to a different taxing body, and not
21 including an amount equal to the amount of refunds made during
22 the second preceding calendar month by the Department, and not
23 including any amount which the Department determines is
24 necessary to offset any amounts which were payable to a
25 different taxing body but were erroneously paid to the
26 Regional Transportation Authority or county, and not including

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

16 When certifying the amount of a monthly disbursement to
17 the Regional Transportation Authority or to a county under
18 this Section, the Department shall increase or decrease that
19 amount by an amount necessary to offset any misallocation of
20 previous disbursements. The offset amount shall be the amount
21 erroneously disbursed within the 6 months preceding the time a
22 misallocation is discovered.

23 The provisions directing the distributions from the
24 special fund in the State Treasury provided for in this
25 Section and from the Regional Transportation Authority tax
26 fund created by Section 4.03 of the Regional Transportation

1 Authority Act shall constitute an irrevocable and continuing
2 appropriation of all amounts as provided herein. The State
3 Treasurer and State Comptroller are hereby authorized to make
4 distributions as provided in this Section.

5 In construing any development, redevelopment, annexation,
6 preannexation or other lawful agreement in effect prior to
7 September 1, 1990, which describes or refers to receipts from
8 a county or municipal retailers' occupation tax, use tax or
9 service occupation tax which now cannot be imposed, such
10 description or reference shall be deemed to include the
11 replacement revenue for such abolished taxes, distributed from
12 the County and Mass Transit District Fund or Local Government
13 Distributive Fund, as the case may be.

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

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

17 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

18 Sec. 5-1006. Home Rule County Retailers' Occupation Tax
19 Law. Any county that is a home rule unit may impose a tax upon
20 all persons engaged in the business of selling tangible
21 personal property, other than an item of tangible personal
22 property titled or registered with an agency of this State's
23 government, at retail in the county on the gross receipts from
24 such sales made in the course of their business. If imposed,

1 this tax shall only be imposed in 1/4% increments. On and after
2 September 1, 1991, this additional tax may not be imposed on
3 tangible personal property taxed at the 1% rate under the
4 Retailers' Occupation Tax Act (or at the 0% rate imposed under
5 this amendatory Act of the 102nd General Assembly). Beginning
6 December 1, 2019, this tax is not imposed on sales of aviation
7 fuel unless the tax revenue is expended for airport-related
8 purposes. If the county does not have an airport-related
9 purpose to which it dedicates aviation fuel tax revenue, then
10 aviation fuel is excluded from the tax. The county must comply
11 with the certification requirements for airport-related
12 purposes under Section 2-22 of the Retailers' Occupation Tax
13 Act. For purposes of this Section, "airport-related purposes"
14 has the meaning ascribed in Section 6z-20.2 of the State
15 Finance Act. This exclusion for aviation fuel only applies for
16 so long as the revenue use requirements of 49 U.S.C. 47107(b)
17 and 49 U.S.C. 47133 are binding on the county. The changes made
18 to this Section by this amendatory Act of the 101st General
19 Assembly are a denial and limitation of home rule powers and
20 functions under subsection (g) of Section 6 of Article VII of
21 the Illinois Constitution.

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

1 the same manner as the tax under this Section and in accordance
2 with the changes made by this amendatory Act of the 103rd
3 General Assembly.

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

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

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

13 Persons subject to any tax imposed pursuant to the
14 authority granted in this Section may reimburse themselves for
15 their seller's tax liability hereunder by separately stating
16 such 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 Whenever the Department determines that a refund should be
21 made under this Section to a claimant instead of issuing a
22 credit memorandum, the Department shall notify the State
23 Comptroller, who shall cause the order to be drawn for the
24 amount specified and to the person named in the notification
25 from the Department. The refund shall be paid by the State
26 Treasurer out of the home rule county retailers' occupation

1 tax fund or the Local Government Aviation Trust Fund, as
2 appropriate.

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

15 As soon as possible after the first day of each month,
16 beginning January 1, 2011, 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 Innovation Development and Economy Act, collected under
21 this Section during the second preceding calendar month for
22 sales within a STAR bond district.

23 As soon as possible after the first day of each month,
24 beginning January 1, 2026, upon certification of the
25 Department of Revenue, the Comptroller shall order
26 transferred, and the Treasurer shall transfer, to the STAR

1 Bonds Revenue Fund the local sales tax increment, as defined
2 in the Statewide Innovation Development and Economy Act,
3 collected under this Section during the second preceding
4 calendar month for sales within a STAR bond district.

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

1 time of each monthly disbursement to the counties, shall
2 prepare and certify to the State Comptroller the amount to be
3 transferred into the Tax Compliance and Administration Fund
4 under this Section. Within 10 days after receipt, by the
5 Comptroller, of the disbursement certification to the counties
6 and the Tax Compliance and Administration Fund provided for in
7 this Section to be given to the Comptroller by the Department,
8 the Comptroller shall cause the orders to be drawn for the
9 respective amounts in accordance with the directions contained
10 in the certification.

11 In addition to the disbursement required by the preceding
12 paragraph, an allocation shall be made in March of each year to
13 each county that received more than \$500,000 in disbursements
14 under the preceding paragraph in the preceding calendar year.
15 The allocation shall be in an amount equal to the average
16 monthly distribution made to each such county under the
17 preceding paragraph during the preceding calendar year
18 (excluding the 2 months of highest receipts). The distribution
19 made in March of each year subsequent to the year in which an
20 allocation was made pursuant to this paragraph and the
21 preceding paragraph shall be reduced by the amount allocated
22 and disbursed under this paragraph in the preceding calendar
23 year. The Department shall prepare and certify to the
24 Comptroller for disbursement the allocations made in
25 accordance with this paragraph.

26 For the purpose of determining the local governmental unit

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

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

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

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

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

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

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

1 (55 ILCS 5/5-1006.8)

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

4 (a) This Section may be referred to as the County Cannabis
5 Retailers' Occupation Tax Law. The corporate authorities of
6 any county may, by ordinance, impose a tax upon all persons
7 engaged in the business of selling cannabis, other than
8 cannabis purchased under the Compassionate Use of Medical
9 Cannabis Program Act, at retail in the county on the gross
10 receipts from these sales made in the course of that business.
11 If imposed, the tax shall be imposed only in 0.25% increments.
12 The tax rate may not exceed: (i) 3.75% of the gross receipts of
13 sales made in unincorporated areas of the county; and (ii) 3%
14 of the gross receipts of sales made in a municipality located
15 in the county. The tax imposed under this Section and all civil
16 penalties that may be assessed as an incident of the tax shall
17 be collected and enforced by the Department of Revenue. The
18 Department of Revenue shall have full power to administer and
19 enforce this Section; 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 under this Section. In the
24 administration of and compliance with this Section, the
25 Department of Revenue and persons who are subject to this

1 Section 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 described in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
6 1n, 2 through 2-65 (in respect to all provisions therein other
7 than the State rate of tax), 2a, 2b, 2c, 2i, 3 (except as to
8 the disposition of taxes and penalties collected), 4, 5, 5a,
9 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6bb, 6c, 6d,
10 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation
11 Tax Act and Section 3-7 of the Uniform Penalty and Interest Act
12 as fully as if those provisions were set forth in this Section.

13 (b) Persons subject to any tax imposed under the authority
14 granted in this Section 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 any State tax that
18 sellers are required to collect.

19 (c) Whenever the Department of Revenue determines that a
20 refund should be made under this Section to a claimant instead
21 of issuing a credit memorandum, the Department of Revenue
22 shall notify the State Comptroller, who shall cause the order
23 to be drawn for the amount specified and to the person named in
24 the notification from the Department of Revenue.

25 (d) Except as otherwise provided in this Section, the ~~The~~
26 Department of Revenue shall immediately pay over to the State

1 Treasurer, ex officio, as trustee, all taxes and penalties
2 collected hereunder for deposit into the Local Cannabis
3 Retailers' Occupation Tax Trust Fund.

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

12 (e) After the monthly transfer to the STAR Bonds Revenue
13 Fund, on or ~~on~~ before the 25th day of each calendar month, the
14 Department of Revenue shall prepare and certify to the
15 Comptroller the amount of money to be disbursed from the Local
16 Cannabis Retailers' Occupation Tax Trust Fund to counties from
17 which retailers have paid taxes or penalties under this
18 Section during the second preceding calendar month. The amount
19 to be paid to each county shall be the amount (not including
20 credit memoranda) collected under this Section from sales made
21 in the county during the second preceding calendar month, plus
22 an amount the Department of Revenue determines is necessary to
23 offset any amounts that were erroneously paid to a different
24 taxing body, and not including an amount equal to the amount of
25 refunds made during the second preceding calendar month by the
26 Department on behalf of such county, and not including any

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

17 (f) An ordinance or resolution imposing or discontinuing a
18 tax under this Section or effecting a change in the rate
19 thereof that is adopted on or after June 25, 2019 (the
20 effective date of Public Act 101-27) and for which a certified
21 copy is filed with the Department on or before April 1, 2020
22 shall be administered and enforced by the Department beginning
23 on July 1, 2020. For ordinances filed with the Department
24 after April 1, 2020, an ordinance or resolution imposing or
25 discontinuing a tax under this Section or effecting a change
26 in the rate thereof shall either (i) be adopted and a certified

1 copy thereof filed with the Department on or before the first
2 day of April, whereupon the Department shall proceed to
3 administer and enforce this Section as of the first day of July
4 next following the adoption and filing; or (ii) be adopted and
5 a certified copy thereof filed with the Department on or
6 before the first day of October, whereupon the Department
7 shall proceed to administer and enforce this Section as of the
8 first day of January next following the adoption and filing.

9 (g) Notwithstanding any provision in this Section to the
10 contrary, if an ordinance or resolution imposing a tax under
11 this Section was adopted on or before October 1, 2020 and a
12 certified copy thereof was filed with the Department of
13 Revenue on or before November 1, 2020, then the Department
14 shall proceed to administer and enforce this Section as of May
15 1, 2021 for such ordinances or resolutions.

16 (Source: P.A. 101-27, eff. 6-25-19; 101-363, eff. 8-9-19;
17 101-593, eff. 12-4-19; 102-2, eff. 4-2-21.)

18 (55 ILCS 5/5-1006.9)

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

20 (a) The corporate authorities of any county may, by
21 ordinance or resolution that takes effect on or after January
22 1, 2026, impose a tax upon all persons engaged in the business
23 of selling groceries at retail in the county, but outside of
24 any municipality, on the gross receipts from those sales made
25 in the course of that business. If imposed, the tax shall be at

1 the rate of 1% of the gross receipts from these sales.

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

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

18 In the administration of, and compliance with, this
19 subsection, the Department and persons who are subject to this
20 subsection shall have the same rights, remedies, privileges,
21 immunities, powers, and duties, and be subject to the same
22 conditions, restrictions, limitations, penalties and
23 definitions of terms, and employ the same modes of procedure,
24 as are prescribed in Sections 1, 2 through 2-65 (in respect to
25 all provisions therein other than the State rate of tax), 2c, 3
26 (except as to the disposition of taxes and penalties

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

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

13 (b) If a tax has been imposed under subsection (a), then a
14 service occupation tax must also be imposed at the same rate
15 upon all persons engaged, in the county but outside of a
16 municipality, in the business of making sales of service, who,
17 as an incident to making those sales of service, transfer
18 groceries, as defined in this Section, as an incident to a sale
19 of service.

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. The certificate of
23 registration that is issued by the Department to a retailer
24 under the Retailers' Occupation Tax Act or the Service
25 Occupation Tax Act shall permit the registrant to engage in a
26 business that is taxable under any ordinance or resolution

1 enacted pursuant to this subsection without registering
2 separately with the Department under the ordinance or
3 resolution or under this subsection.

4 The Department 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 provided in this Section and under
8 rules adopted by the Department, and to determine all rights
9 to credit memoranda arising on account of the erroneous
10 payment of a tax or penalty under this subsection.

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

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

1 additional charge, which may be stated in combination, in a
2 single amount, with State tax that servicemen are authorized
3 to collect under the Service Use Tax Act, pursuant to any
4 bracketed schedules set forth by the Department.

5 (c) The Department shall immediately pay over to the State
6 Treasurer, ex officio, as trustee, all taxes and penalties
7 collected under this Section. Those taxes and penalties shall
8 be deposited into the County Grocery Tax Trust Fund, a trust
9 fund created in the State treasury. Except as otherwise
10 provided in this Section, moneys in the County Grocery Tax
11 Trust Fund shall be used to make payments to counties and for
12 the payment of refunds under this Section.

13 Moneys deposited into the County Grocery Tax Trust Fund
14 under this Section are not subject to appropriation and shall
15 be used as provided in this Section. All deposits into the
16 County Grocery Tax Trust Fund shall be held in the County
17 Grocery Tax Trust Fund by the State Treasurer, ex officio, as
18 trustee separate and apart from all public moneys or funds of
19 this State.

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

1 (d) As soon as possible after the first day of each month,
2 upon certification of the Department, the Comptroller shall
3 order transferred, and the Treasurer shall transfer, to the
4 STAR Bonds Revenue Fund the local sales tax increment, if any,
5 as defined in the Innovation Development and Economy Act,
6 collected under this Section.

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

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

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

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

18 (f) Except as otherwise provided in this subsection, an
19 ordinance or resolution imposing or discontinuing the tax
20 hereunder or effecting a change in the rate thereof shall
21 either (i) be adopted and a certified copy thereof filed with
22 the Department on or before the first day of April, whereupon
23 the Department shall proceed to administer and enforce this
24 Section as of the first day of July next following the adoption
25 and filing, or (ii) 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 the adoption and filing.

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

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

12 For purposes of the tax authorized to be imposed under
13 subsection (a), "groceries" has the same meaning as "food for
14 human consumption that is to be consumed off the premises
15 where it is sold (other than alcoholic beverages, food
16 consisting of or infused with adult use cannabis, soft drinks,
17 candy, and food that has been prepared for immediate
18 consumption)", as further defined in Section 2-10 of the
19 Retailers' Occupation Tax Act.

20 For purposes of the tax authorized to be imposed under
21 subsection (b), "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 3-10 of the

1 Service Occupation Tax Act.

2 For purposes of the tax authorized to be imposed under
3 subsection (b), "groceries" also means food prepared for
4 immediate consumption and transferred incident to a sale of
5 service subject to the Service Occupation Tax Act or the
6 Service Use Tax Act by an entity licensed under the Hospital
7 Licensing Act, the Nursing Home Care Act, the Assisted Living
8 and Shared Housing Act, the ID/DD Community Care Act, the
9 MC/DD Act, the Specialized Mental Health Rehabilitation Act of
10 2013, or the Child Care Act of 1969, or an entity that holds a
11 permit issued pursuant to the Life Care Facilities Act.

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

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

15 (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

16 Sec. 5-1007. Home Rule County Service Occupation Tax Law.
17 The corporate authorities of a home rule county may impose a
18 tax upon all persons engaged, in such county, in the business
19 of making sales of service at the same rate of tax imposed
20 pursuant to Section 5-1006 of the selling price of all
21 tangible personal property transferred by such servicemen
22 either in the form of tangible personal property or in the form
23 of real estate as an incident to a sale of service. If imposed,
24 such tax shall only be imposed in 1/4% increments. On and after
25 September 1, 1991, this additional tax may not be imposed on

1 tangible personal property taxed at the 1% rate under the
2 Service Occupation Tax Act (or at the 0% rate imposed under
3 this 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 the county 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. The county must comply
9 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 county. The changes made
16 to this Section by this amendatory Act of the 101st General
17 Assembly are a denial and limitation of home rule powers and
18 functions under subsection (g) of Section 6 of Article VII of
19 the Illinois Constitution. The tax imposed by a home rule
20 county pursuant to this Section and all civil penalties that
21 may be assessed as an incident thereof shall be collected and
22 enforced by the State Department of Revenue. The certificate
23 of registration which is issued by the Department to a
24 retailer under the Retailers' Occupation Tax Act or under the
25 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 Section without
2 registering separately with the Department under such
3 ordinance or resolution or under this Section. The Department
4 shall have full power to administer and enforce this Section;
5 to collect all taxes and penalties due hereunder; to dispose
6 of taxes and penalties so collected in the manner hereinafter
7 provided; and to determine all rights to credit memoranda
8 arising on account of the erroneous payment of tax or penalty
9 hereunder. In the administration of, and compliance with, this
10 Section the Department and persons who are subject to this
11 Section shall have the same rights, remedies, privileges,
12 immunities, powers and duties, and be subject to the same
13 conditions, restrictions, limitations, penalties and
14 definitions of terms, and employ the same modes of procedure,
15 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
16 respect to all provisions therein other than the State rate of
17 tax), 4 (except that the reference to the State shall be to the
18 taxing county), 5, 7, 8 (except that the jurisdiction to which
19 the tax shall be a debt to the extent indicated in that Section
20 8 shall be the taxing county), 9 (except as to the disposition
21 of taxes and penalties collected, and except that the returned
22 merchandise credit for this county tax may not be taken
23 against any State tax, 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), 10, 11, 12 (except the reference therein to

1 Section 2b of the Retailers' Occupation Tax Act), 13 (except
2 that any reference to the State shall mean the taxing county),
3 the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the
4 Service Occupation Tax Act and Section 3-7 of the Uniform
5 Penalty and Interest Act, as fully as if those provisions were
6 set forth herein.

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

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

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

26 Whenever the Department determines that a refund should be

1 made under this Section to a claimant instead of issuing
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 such
5 notification from the Department. Such refund shall be paid by
6 the State Treasurer out of the home rule county retailers'
7 occupation tax fund or the Local Government Aviation Trust
8 Fund, as appropriate.

9 Except as otherwise provided in this paragraph, the
10 Department shall forthwith pay over to the State Treasurer, ex
11 officio, as trustee, all taxes and penalties collected
12 hereunder for deposit into the Home Rule County 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 county.

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 counties,
15 the counties to be those from which suppliers and servicemen
16 have paid taxes or penalties hereunder to the Department
17 during the second preceding calendar month. The amount to be
18 paid to each county shall be the amount (not including credit
19 memoranda and not including taxes and penalties collected on
20 aviation fuel sold on or after December 1, 2019) collected
21 hereunder during the second preceding calendar month by the
22 Department, and not including an amount equal to the amount of
23 refunds made during the second preceding calendar month by the
24 Department on behalf of such county, and not including any
25 amounts that are transferred to the STAR Bonds Revenue Fund,
26 less 1.5% of the remainder, which the Department shall

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

12 In addition to the disbursement required by the preceding
13 paragraph, an allocation shall be made in each year to each
14 county which received more than \$500,000 in disbursements
15 under the preceding paragraph in the preceding calendar year.
16 The allocation shall be in an amount equal to the average
17 monthly distribution made to each such county under the
18 preceding paragraph during the preceding calendar year
19 (excluding the 2 months of highest receipts). The distribution
20 made in March of each year subsequent to the year in which an
21 allocation was made pursuant to this paragraph and the
22 preceding paragraph shall be reduced by the amount allocated
23 and disbursed under this paragraph in the preceding calendar
24 year. The Department shall prepare and certify to the
25 Comptroller for disbursement the allocations made in
26 accordance with this paragraph.

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

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

1 either (i) be adopted and a certified copy thereof filed with
2 the Department on or before the first day of April, whereupon
3 the Department shall proceed to administer and enforce this
4 Section as of the first day of July next following the adoption
5 and filing; or (ii) 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 the adoption and filing.

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

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

13 Section 5-920. The Illinois Municipal Code is amended by
14 changing Sections 8-4-1, 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,
15 8-11-1.7, 8-11-5, 8-11-23, 8-11-24, and 11-74.3-6 as follows:

16 (65 ILCS 5/8-4-1) (from Ch. 24, par. 8-4-1)

17 Sec. 8-4-1. No bonds shall be issued by the corporate
18 authorities of any municipality until the question of
19 authorizing such bonds has been submitted to the electors of
20 that municipality provided that notice of the bond referendum,
21 if held before July 1, 1999, has been given in accordance with
22 the provisions of Section 12-5 of the Election Code in effect
23 at the time of the bond referendum, at least 10 and not more
24 than 45 days before the date of the election, notwithstanding

1 the time for publication otherwise imposed by Section 12-5,
2 and approved by a majority of the electors voting upon that
3 question. Notices required in connection with the submission
4 of public questions on or after July 1, 1999 shall be as set
5 forth in Section 12-5 of the Election Code. The clerk shall
6 certify the proposition of the corporate authorities to the
7 proper election authority who shall submit the question at an
8 election in accordance with the general election law, subject
9 to the notice provisions set forth in this Section.

10 Notice of any such election shall contain the amount of
11 the bond issue, purpose for which issued, and maximum rate of
12 interest.

13 In addition to all other authority to issue bonds, the
14 Village of Indian Head Park is authorized to issue bonds for
15 the purpose of paying the costs of making roadway improvements
16 in an amount not to exceed the aggregate principal amount of
17 \$2,500,000, provided that 60% of the votes cast at the general
18 primary election held on March 18, 2014 are cast in favor of
19 the issuance of the bonds, and the bonds are issued by December
20 31, 2014.

21 However, without the submission of the question of issuing
22 bonds to the electors, the corporate authorities of any
23 municipality may authorize the issuance of any of the
24 following bonds:

- 25 (1) Bonds to refund any existing bonded indebtedness;
26 (2) Bonds to fund or refund any existing judgment

1 indebtedness;

2 (3) In any municipality of less than 500,000
3 population, bonds to anticipate the collection of
4 installments of special assessments and special taxes
5 against property owned by the municipality and to
6 anticipate the collection of the amount apportioned to the
7 municipality as public benefits under Article 9;

8 (4) Bonds issued by any municipality under Sections
9 8-4-15 through 8-4-23, 11-23-1 through 11-23-12, 11-26-1
10 through 11-26-6, 11-71-1 through 11-71-10, 11-74.3-1
11 through 11-74.3-7, 11-74.4-1 through 11-74.4-11, 11-74.5-1
12 through 11-74.5-15, 11-94-1 through 11-94-7, 11-102-1
13 through 11-102-10, 11-103-11 through 11-103-15, 11-118-1
14 through 11-118-6, 11-119-1 through 11-119-5, 11-129-1
15 through 11-129-7, 11-133-1 through 11-133-4, 11-139-1
16 through 11-139-12, 11-141-1 through 11-141-18 of this
17 Code, or 10-801 through 10-808 of the Illinois Highway
18 Code;

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

22 (6) Bonds issued by any municipality under the
23 provisions of Division 6 of this Article 8; and by any
24 municipality under the provisions of Division 7 of this
25 Article 8; or under the provisions of Sections 11-121-4
26 and 11-121-5;

1 (7) Bonds to pay for the purchase of voting machines
2 by any municipality that has adopted Article 24 of the
3 Election Code;

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

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

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

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

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

15 (13) Bonds to finance the cost of the acquisition,
16 construction, or improvement of water or wastewater
17 treatment facilities mandated by an enforceable compliance
18 schedule developed in connection with the federal Clean
19 Water Act or a compliance order issued by the United
20 States Environmental Protection Agency or the Illinois
21 Pollution Control Board; provided that such bonds are
22 authorized by an ordinance adopted by a three-fifths
23 majority of the corporate authorities of the municipality
24 issuing the bonds which ordinance shall specify that the
25 construction or improvement of such facilities is
26 necessary to alleviate an emergency condition in such

1 municipality;

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

4 (15) Bonds issued under Sections 11-74.6-1 through
5 11-74.6-45, the Industrial Jobs Recovery Law of this Code;

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

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

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

13 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

14 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax
15 Act. The corporate authorities of a home rule municipality may
16 impose a tax upon all persons engaged in the business of
17 selling tangible personal property, other than an item of
18 tangible personal property titled or registered with an agency
19 of this State's government, at retail in the municipality on
20 the gross receipts from these sales made in the course of such
21 business. If imposed, the tax shall only be imposed in 1/4%
22 increments. On and after September 1, 1991, this additional
23 tax may not be imposed on tangible personal property taxed at
24 the 1% rate under the Retailers' Occupation Tax Act (or at the
25 0% rate imposed under this amendatory Act of the 102nd General

1 Assembly). Beginning December 1, 2019, this tax is not imposed
2 on sales of aviation fuel unless the tax revenue is expended
3 for airport-related purposes. If a municipality does not have
4 an airport-related purpose to which it dedicates aviation fuel
5 tax revenue, then aviation fuel is excluded from the tax. Each
6 municipality must comply with the certification requirements
7 for airport-related purposes under Section 2-22 of the
8 Retailers' Occupation Tax Act. For purposes of this Section,
9 "airport-related purposes" has the meaning ascribed in Section
10 6z-20.2 of the State Finance Act. This exclusion for aviation
11 fuel only applies for so long as the revenue use requirements
12 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
13 municipality. The changes made to this Section by this
14 amendatory Act of the 101st General Assembly are a denial and
15 limitation of home rule powers and functions under subsection
16 (g) of Section 6 of Article VII of the Illinois Constitution.
17 The tax imposed by a home rule municipality under this Section
18 and all civil penalties that may be assessed as an incident of
19 the tax shall be collected and enforced by the State
20 Department of Revenue. The certificate of registration that is
21 issued by the Department to a retailer under the Retailers'
22 Occupation Tax Act shall permit the retailer to engage in a
23 business that is taxable under any ordinance or resolution
24 enacted pursuant to this Section without registering
25 separately with the Department under such ordinance or
26 resolution or under this Section. The Department shall have

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

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

26 If, on January 1, 2025, a unit of local government has in

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

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

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

24 Except as otherwise provided in this paragraph, the
25 Department shall immediately pay over to the State Treasurer,
26 ex officio, as trustee, all taxes and penalties collected

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

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

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 After the monthly transfers ~~transfer~~ to the STAR Bonds

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

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

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

1 the municipality under its home rule occupation and service
2 occupation tax during the period of July 1, 1990 through
3 September 30, 1990, plus amounts collected by the Department
4 and paid to such municipality through June 30, 1991, excluding
5 the 2 months of highest receipts. The monthly average for each
6 subsequent period of July 1 through June 30 shall be an amount
7 equal to the monthly distribution made to each such
8 municipality under the preceding paragraph during this period,
9 excluding the 2 months of highest receipts. The distribution
10 made in November 1991 and each year thereafter under this
11 paragraph and the preceding paragraph shall be reduced by the
12 amount allocated and disbursed under this paragraph in the
13 preceding period of July 1 through June 30. The Department
14 shall prepare and certify to the Comptroller for disbursement
15 the allocations made in accordance with this paragraph.

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

25 Nothing in this Section shall be construed to authorize a
26 municipality to impose a tax upon the privilege of engaging in

1 any business which under the Constitution of the United States
2 may not be made the subject of taxation by this State.

3 An ordinance or resolution imposing or discontinuing a tax
4 hereunder or effecting a change in the rate thereof shall be
5 adopted and a certified copy thereof filed with the Department
6 on or before the first day of June, whereupon the Department
7 shall proceed to administer and enforce this Section as of the
8 first day of September next following the adoption and filing.
9 Beginning January 1, 1992, an ordinance or resolution imposing
10 or discontinuing the tax hereunder or effecting a change in
11 the rate thereof shall be adopted and a certified copy thereof
12 filed with the Department on or before the first day of July,
13 whereupon the Department shall proceed to administer and
14 enforce this Section as of the first day of October next
15 following such adoption and filing. Beginning January 1, 1993,
16 an ordinance or resolution imposing or discontinuing the 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 October, whereupon the
20 Department shall proceed to administer and enforce this
21 Section as of the first day of January next following the
22 adoption and filing. However, a municipality located in a
23 county with a population in excess of 3,000,000 that elected
24 to become a home rule unit at the general primary election in
25 1994 may adopt an ordinance or resolution imposing the tax
26 under this Section and file a certified copy of the ordinance

1 or resolution with the Department on or before July 1, 1994.
2 The Department shall then proceed to administer and enforce
3 this Section as of October 1, 1994. Beginning April 1, 1998, 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 When certifying the amount of a monthly disbursement to a
16 municipality 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 Any unobligated balance remaining in the Municipal
22 Retailers' Occupation Tax Fund on December 31, 1989, which
23 fund was abolished by Public Act 85-1135, and all receipts of
24 municipal tax as a result of audits of liability periods prior
25 to January 1, 1990, shall be paid into the Local Government Tax
26 Fund for distribution as provided by this Section prior to the

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

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

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

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

15 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

16 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
17 Occupation Tax Act. The corporate authorities of a non-home
18 rule municipality may impose, by ordinance or resolution
19 adopted in the manner described in Section 8-11-1.1, a tax
20 upon all persons engaged in the business of selling tangible
21 personal property, other than on an item of tangible personal
22 property which is titled and registered by an agency of this
23 State's Government, at retail in the municipality. If imposed,
24 the tax shall be imposed on the gross receipts from such sales
25 made in the course of such business. The proceeds of the tax

1 may be used for public infrastructure or for property tax
2 relief or both, as defined in Section 8-11-1.2. If the tax is
3 approved by referendum on or after July 14, 2010 (the
4 effective date of Public Act 96-1057) and before August 5,
5 2024 (the effective date of Public Act 103-781), the corporate
6 authorities of the non-home rule municipality may, until
7 January 1, 2031, use the proceeds of the tax for expenditure on
8 municipal operations, in addition to or in lieu of any
9 expenditure on public infrastructure or for property tax
10 relief. If the tax is approved by an ordinance or resolution
11 adopted on or after August 5, 2024 (the effective date of
12 Public Act 103-781), the corporate authorities of the non-home
13 rule municipality may, until January 1, 2031, use the proceeds
14 of the tax for expenditure on municipal operations, in
15 addition to or in lieu of any expenditure on public
16 infrastructure or for property tax relief. The tax imposed may
17 not be more than 1% and may be imposed only in 1/4% increments.
18 The tax may not be imposed on tangible personal property taxed
19 at the 1% rate under the Retailers' Occupation Tax Act (or at
20 the 0% rate imposed under this amendatory Act of the 102nd
21 General Assembly). Beginning December 1, 2019, this tax is not
22 imposed on sales of aviation fuel unless the tax revenue is
23 expended for airport-related purposes. If a municipality does
24 not have an airport-related purpose to which it dedicates
25 aviation fuel tax revenue, then aviation fuel is excluded from
26 the tax. Each municipality must comply with the certification

1 requirements for airport-related purposes under Section 2-22
2 of the Retailers' Occupation Tax Act. For purposes of this
3 Section, "airport-related purposes" has the meaning ascribed
4 in Section 6z-20.2 of the State Finance Act. This exclusion
5 for aviation fuel only applies for so long as the revenue use
6 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
7 binding on the municipality. The tax imposed by a municipality
8 pursuant to this Section and all civil penalties that may be
9 assessed as an incident thereof shall be collected and
10 enforced by the State Department of Revenue. The certificate
11 of registration which is issued by the Department to a
12 retailer under the Retailers' Occupation Tax Act shall permit
13 such retailer to engage in a business which is taxable under
14 any ordinance or resolution enacted pursuant to this Section
15 without registering separately with the Department under such
16 ordinance or resolution or under this Section. The Department
17 shall have full power to administer and enforce this Section;
18 to collect all taxes and penalties due hereunder; to dispose
19 of taxes and penalties so collected in the manner hereinafter
20 provided, and to determine all rights to credit memoranda,
21 arising on account of the erroneous payment of tax or penalty
22 hereunder. In the administration of, and compliance with, this
23 Section, the Department and persons who are subject to this
24 Section 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 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,
3 2 through 2-65 (in respect to all provisions therein other
4 than the State rate of tax), 2c, 3 (except as to the
5 disposition of taxes and penalties collected, and except that
6 the retailer's discount is not allowed for taxes paid on
7 aviation fuel that are subject to the revenue use requirements
8 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
9 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
10 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
11 Section 3-7 of the Uniform Penalty and Interest Act as fully as
12 if those provisions were set forth herein.

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

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

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

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
20 municipalities, the municipalities to be those from which
21 retailers have paid taxes or penalties hereunder to the
22 Department during the second preceding calendar month. The
23 amount to be paid to each municipality shall be the amount (not
24 including credit memoranda and not including taxes and
25 penalties collected on aviation fuel sold on or after December
26 1, 2019) collected hereunder during the second preceding

1 calendar month by the Department plus an amount the Department
2 determines is necessary to offset any amounts which were
3 erroneously paid to a different taxing body, and not including
4 an amount equal to the amount of refunds made during the second
5 preceding calendar month by the Department on behalf of such
6 municipality, and not including any amount which the
7 Department determines is necessary to offset any amounts which
8 were payable to a different taxing body but were erroneously
9 paid to the municipality, and not including any amounts that
10 are transferred to the STAR Bonds Revenue Fund, less 1.5% of
11 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 For the purpose of determining the local governmental unit
24 whose tax is applicable, a retail sale, by a producer of coal
25 or other mineral mined in Illinois, is a sale at retail at the
26 place where the coal or other mineral mined in Illinois is

1 extracted from the earth. This paragraph does not apply to
2 coal or other mineral when it is delivered or shipped by the
3 seller to the purchaser at a point outside Illinois so that the
4 sale is exempt under the Federal Constitution as a sale in
5 interstate or foreign commerce.

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

16 The Department of Revenue shall implement Public Act
17 91-649 so as to collect the tax on and after January 1, 2002.

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

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

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

1 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation
2 Tax Act. The corporate authorities of a non-home rule
3 municipality may impose, by ordinance or resolution adopted in
4 the manner described in Section 8-11-1.1, a tax upon all
5 persons engaged in the municipality in the business of making
6 sales of service. If imposed, the tax shall be imposed on the
7 selling price of all tangible personal property transferred by
8 such servicemen, either in the form of tangible personal
9 property or in the form of real estate, as an incident to a
10 sale of service. The proceeds of the tax may be used for public
11 infrastructure or for property tax relief or both, as defined
12 in Section 8-11-1.2. If the tax is approved by referendum on or
13 after July 14, 2010 (the effective date of Public Act 96-1057)
14 and before August 5, 2024 (the effective date of Public Act
15 103-781), the corporate authorities of a non-home rule
16 municipality may, until January 1, 2031, use the proceeds of
17 the tax for expenditure on municipal operations, in addition
18 to or in lieu of any expenditure on public infrastructure or
19 for property tax relief. If the tax is approved by an ordinance
20 or resolution adopted on or after August 5, 2024 (the
21 effective date of Public Act 103-781), the corporate
22 authorities of the non-home rule municipality may, until
23 January 1, 2031, use the proceeds of the tax for expenditure on
24 municipal operations, in addition to or in lieu of any
25 expenditure on public infrastructure or for property tax
26 relief. The tax imposed may not be more than 1% and may be

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

1 shall have full power to administer and enforce this Section;
2 to collect all taxes and penalties due hereunder; to dispose
3 of taxes and penalties so collected in the manner hereinafter
4 provided, and to determine all rights to credit memoranda
5 arising on account of the erroneous payment of tax or penalty
6 hereunder. In the administration of, and compliance with, this
7 Section the Department and persons who are subject to this
8 Section shall have the same rights, remedies, privileges,
9 immunities, powers and duties, and be subject to the same
10 conditions, restrictions, limitations, penalties and
11 definitions of terms, and employ the same modes of procedure,
12 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
13 respect to all provisions therein other than the State rate of
14 tax), 4 (except that the reference to the State shall be to the
15 taxing municipality), 5, 7, 8 (except that the jurisdiction to
16 which the tax shall be a debt to the extent indicated in that
17 Section 8 shall be the taxing municipality), 9 (except as to
18 the disposition of taxes and penalties collected, and except
19 that the returned merchandise credit for this municipal tax
20 may not be taken against any State tax, and except that the
21 retailer's discount is not allowed for taxes paid on aviation
22 fuel that are subject to the revenue use requirements of 49
23 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the
24 reference therein to Section 2b of the Retailers' Occupation
25 Tax Act), 13 (except that any reference to the State shall mean
26 the taxing municipality), the first paragraph of Section 15,

1 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and
2 Section 3-7 of the Uniform Penalty and Interest Act, as fully
3 as if those provisions were set forth herein.

4 No municipality may impose a tax under this Section unless
5 the municipality also imposes a tax at the same rate under
6 Section 8-11-1.3 of this Code.

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

23 Whenever the Department determines that a refund should be
24 made under this Section to a claimant instead of issuing
25 credit memorandum, the Department shall notify the State
26 Comptroller, who shall cause the order to be drawn for the

1 amount specified, and to the person named, in such
2 notification from the Department. Such refund shall be paid by
3 the State Treasurer out of the municipal retailers' occupation
4 tax fund or the Local Government Aviation Trust Fund, as
5 appropriate.

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

18 As soon as possible after the first day of each month,
19 beginning January 1, 2011, 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 Innovation Development and Economy Act, collected under
24 this Section during the second preceding calendar month for
25 sales within a STAR bond district.

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

1 beginning January 1, 2026, 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 Statewide Innovation Development and Economy Act,
6 collected under this Section during the second preceding
7 calendar month for sales within a STAR bond district.

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

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

11 The Department of Revenue shall implement Public Act
12 91-649 so as to collect the tax on and after January 1, 2002.

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

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

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

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

1 Sec. 8-11-1.6. Non-home rule municipal retailers'
2 occupation tax; municipalities between 20,000 and 25,000. The
3 corporate authorities of a non-home rule municipality with a
4 population of more than 20,000 but less than 25,000 that has,
5 prior to January 1, 1987, established a Redevelopment Project
6 Area that has been certified as a State Sales Tax Boundary and
7 has issued bonds or otherwise incurred indebtedness to pay for
8 costs in excess of \$5,000,000, which is secured in part by a
9 tax increment allocation fund, in accordance with the
10 provisions of Division 11-74.4 of this Code may, by passage of
11 an ordinance, impose a tax upon all persons engaged in the
12 business of selling tangible personal property, other than on
13 an item of tangible personal property that is titled and
14 registered by an agency of this State's Government, at retail
15 in the municipality. This tax may not be imposed on tangible
16 personal property taxed at the 1% rate under the Retailers'
17 Occupation Tax Act (or at the 0% rate imposed under this
18 amendatory Act of the 102nd General Assembly). Beginning
19 December 1, 2019, this tax is not imposed on sales of aviation
20 fuel unless the tax revenue is expended for airport-related
21 purposes. If a municipality does not have an airport-related
22 purpose to which it dedicates aviation fuel tax revenue, then
23 aviation fuel is excluded from the tax. Each municipality must
24 comply with the certification requirements for airport-related
25 purposes under Section 2-22 of the Retailers' Occupation Tax
26 Act. For purposes of this Section, "airport-related purposes"

1 has the meaning ascribed in Section 6z-20.2 of the State
2 Finance Act. This exclusion for aviation fuel only applies for
3 so long as the revenue use requirements of 49 U.S.C. 47107(b)
4 and 49 U.S.C. 47133 are binding on the municipality. If
5 imposed, the tax shall only be imposed in .25% increments of
6 the gross receipts from such sales made in the course of
7 business. Any tax imposed by a municipality under this Section
8 and all civil penalties that may be assessed as an incident
9 thereof shall be collected and enforced by the State
10 Department of Revenue. An ordinance imposing a tax hereunder
11 or effecting a change in the rate thereof shall be adopted and
12 a certified copy thereof filed with the Department on or
13 before the first day of October, whereupon the Department
14 shall proceed to administer and enforce this Section as of the
15 first day of January next following such adoption and filing.
16 The certificate of registration that is issued by the
17 Department to a retailer under the Retailers' Occupation Tax
18 Act shall permit the retailer to engage in a business that is
19 taxable under any ordinance or resolution enacted under this
20 Section without registering separately with the Department
21 under the ordinance or resolution or under this Section. The
22 Department shall have full power to administer and enforce
23 this Section, to collect all taxes and penalties due
24 hereunder, to dispose of taxes and penalties so collected in
25 the manner hereinafter provided, and to determine all rights
26 to credit memoranda, arising on account of the erroneous

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

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

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

10 Whenever the Department determines that a refund should be
11 made under this Section to a claimant, instead of issuing a
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 the notification
15 from the Department. The refund shall be paid by the State
16 Treasurer out of the Non-Home Rule Municipal Retailers'
17 Occupation Tax Fund, which is hereby created or the Local
18 Government Aviation Trust 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 Non-Home Rule Municipal
23 Retailers' Occupation Tax Fund. Taxes and penalties collected
24 on aviation fuel sold on or after December 1, 2019, shall be
25 immediately paid over by the Department to the State
26 Treasurer, ex officio, as trustee, for deposit into the Local

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

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
26 municipalities, the municipalities to be those from which

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

1 drawn for the respective amounts in accordance with the
2 directions contained in the certification.

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

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

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

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

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

1 (65 ILCS 5/8-11-1.7)

2 Sec. 8-11-1.7. Non-home rule municipal service occupation
3 tax; municipalities between 20,000 and 25,000. The corporate
4 authorities of a non-home rule municipality with a population
5 of more than 20,000 but less than 25,000 as determined by the
6 last preceding decennial census that has, prior to January 1,
7 1987, established a Redevelopment Project Area that has been
8 certified as a State Sales Tax Boundary and has issued bonds or
9 otherwise incurred indebtedness to pay for costs in excess of
10 \$5,000,000, which is secured in part by a tax increment
11 allocation fund, in accordance with the provisions of Division
12 11-74.4 of this Code may, by passage of an ordinance, impose a
13 tax upon all persons engaged in the municipality in the
14 business of making sales of service. If imposed, the tax shall
15 only be imposed in .25% increments of the selling price of all
16 tangible personal property transferred by such servicemen
17 either in the form of tangible personal property or in the form
18 of real estate as an incident to a sale of service. This tax
19 may not be imposed on tangible personal property taxed at the
20 1% rate under the Service Occupation Tax Act (or at the 0% rate
21 imposed under this amendatory Act of the 102nd General
22 Assembly). Beginning December 1, 2019, this tax is not imposed
23 on sales of aviation fuel unless the tax revenue is expended
24 for airport-related purposes. If a municipality does not have
25 an airport-related purpose to which it dedicates aviation fuel
26 tax revenue, then aviation fuel is excluded from the tax. Each

1 municipality must comply with the certification requirements
2 for airport-related purposes under Section 2-22 of the
3 Retailers' Occupation Tax Act. For purposes of this Section,
4 "airport-related purposes" has the meaning ascribed in Section
5 6z-20.2 of the State Finance Act. This exclusion for aviation
6 fuel only applies for so long as the revenue use requirements
7 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
8 municipality. The tax imposed by a municipality under this
9 Section and all civil penalties that may be assessed as an
10 incident thereof shall be collected and enforced by the State
11 Department of Revenue. An ordinance imposing a tax hereunder
12 or effecting a change in the rate thereof shall be adopted and
13 a certified copy thereof filed with the Department on or
14 before the first day of October, whereupon the Department
15 shall proceed to administer and enforce this Section as of the
16 first day of January next following such adoption and filing.
17 The certificate of registration that is issued by the
18 Department to a retailer under the Retailers' Occupation Tax
19 Act or under the Service Occupation Tax Act shall permit the
20 registrant to engage in a business that is taxable under any
21 ordinance or resolution enacted under this Section without
22 registering separately with the Department under the ordinance
23 or resolution or under this Section. The Department shall have
24 full power to administer and enforce this Section, to collect
25 all taxes and penalties due hereunder, to dispose of taxes and
26 penalties so collected in a manner hereinafter provided, and

1 to determine all rights to credit memoranda arising on account
2 of the erroneous payment of tax or penalty hereunder. In the
3 administration of and compliance with this Section, the
4 Department and persons who are subject to this Section shall
5 have the same rights, remedies, privileges, immunities,
6 powers, and duties, and be subject to the same conditions,
7 restrictions, limitations, penalties and definitions of terms,
8 and employ the same modes of procedure, as are prescribed in
9 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all
10 provisions therein other than the State rate of tax), 4
11 (except that the reference to the State shall be to the taxing
12 municipality), 5, 7, 8 (except that the jurisdiction to which
13 the tax shall be a debt to the extent indicated in that Section
14 8 shall be the taxing municipality), 9 (except as to the
15 disposition of taxes and penalties collected, and except that
16 the returned merchandise credit for this municipal tax may not
17 be taken against any State tax, and except that the retailer's
18 discount is not allowed for taxes paid on aviation fuel that
19 are subject to the revenue use requirements of 49 U.S.C.
20 47107(b) and 49 U.S.C. 47133), 10, 11, 12, (except the
21 reference therein to Section 2b of the Retailers' Occupation
22 Tax Act), 13 (except that any reference to the State shall mean
23 the taxing municipality), the first paragraph of Sections 15,
24 16, 17, 18, 19, and 20 of the Service 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 A tax may not be imposed by a municipality under this
2 Section unless the municipality also imposes a tax at the same
3 rate under Section 8-11-1.6 of this Act.

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

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

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

1 Retailers' Occupation Tax Fund or the Local Government
2 Aviation Trust Fund, as appropriate.

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

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 under
22 this Section during the second preceding calendar month for
23 sales within a STAR bond district.

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.

6 After the monthly transfers ~~transfer~~ to the STAR Bonds
7 Revenue Fund, on or before the 25th day of each calendar month,
8 the Department shall prepare and certify to the Comptroller
9 the disbursement of stated sums of money to named
10 municipalities, the municipalities to be those from which
11 suppliers and servicemen have paid taxes or penalties
12 hereunder to the Department during the second preceding
13 calendar month. The amount to be paid to each municipality
14 shall be the amount (not including credit memoranda and not
15 including taxes and penalties collected on aviation fuel sold
16 on or after December 1, 2019) collected hereunder during the
17 second preceding calendar month by the Department, and not
18 including an amount equal to the amount of refunds made during
19 the second preceding calendar month by the Department on
20 behalf of such municipality, and not including any amounts
21 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
22 of 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, the Tax Compliance and Administration Fund,
4 and the General Revenue Fund, provided for in this Section to
5 be given to the Comptroller by the Department, the Comptroller
6 shall cause the orders to be drawn for the respective amounts
7 in accordance with the directions contained in the
8 certification.

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

15 Nothing in this Section shall be construed to authorize a
16 municipality 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 this State.

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

20 (65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)

21 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax
22 Act. The corporate authorities of a home rule municipality may
23 impose a tax upon all persons engaged, in such municipality,
24 in the business of making sales of service at the same rate of
25 tax imposed pursuant to Section 8-11-1, of the selling price

1 of all tangible personal property transferred by such
2 servicemen either in the form of tangible personal property or
3 in the form of real estate as an incident to a sale of service.
4 If imposed, such tax shall only be imposed in 1/4% increments.
5 On and after September 1, 1991, this additional tax may not be
6 imposed on tangible personal property taxed at the 1% rate
7 under the Service Occupation Tax Act (or at the 0% rate imposed
8 under this amendatory Act of the 102nd General Assembly).
9 Beginning December 1, 2019, this tax may not be imposed on
10 sales of aviation fuel unless the tax revenue is expended for
11 airport-related purposes. If a municipality does not have an
12 airport-related purpose to which it dedicates aviation fuel
13 tax revenue, then aviation fuel shall be excluded from tax.
14 Each municipality must comply with the certification
15 requirements for airport-related purposes under Section 2-22
16 of the Retailers' Occupation Tax Act. For purposes of this
17 Section, "airport-related purposes" has the meaning ascribed
18 in Section 6z-20.2 of the State Finance Act. This exception
19 for aviation fuel only applies for so long as the revenue use
20 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
21 binding on the State. The changes made to this Section by this
22 amendatory Act of the 101st General Assembly are a denial and
23 limitation of home rule powers and functions under subsection
24 (g) of Section 6 of Article VII of the Illinois Constitution.
25 The tax imposed by a home rule municipality pursuant to this
26 Section and all civil penalties that may be assessed as an

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

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

14 No tax may be imposed by a home rule municipality pursuant
15 to this Section unless such municipality also imposes a tax at
16 the same rate pursuant to Section 8-11-1 of this Act.

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

25 Whenever the Department determines that a refund should be
26 made under this Section to a claimant instead of issuing

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

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

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

1 sales within a STAR bond district.

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

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 to named
14 municipalities, the municipalities to be those from which
15 suppliers and servicemen have paid taxes or penalties
16 hereunder to the Department during the second preceding
17 calendar month. The amount to be paid to each municipality
18 shall be the amount (not including credit memoranda and not
19 including taxes and penalties collected on aviation fuel sold
20 on or after December 1, 2019) collected hereunder during the
21 second preceding calendar month by the Department, and not
22 including an amount equal to the amount of refunds made during
23 the second preceding calendar month by the Department on
24 behalf of such municipality, and not including any amounts
25 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
26 of the remainder, which the Department shall transfer into the

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

12 In addition to the disbursement required by the preceding
13 paragraph and in order to mitigate delays caused by
14 distribution procedures, an allocation shall, if requested, be
15 made within 10 days after January 14, 1991, and in November of
16 1991 and each year thereafter, to each municipality that
17 received more than \$500,000 during the preceding fiscal year,
18 (July 1 through June 30) whether collected by the municipality
19 or disbursed by the Department as required by this Section.
20 Within 10 days after January 14, 1991, participating
21 municipalities shall notify the Department in writing of their
22 intent to participate. In addition, for the initial
23 distribution, participating municipalities shall certify to
24 the Department the amounts collected by the municipality for
25 each month under its home rule occupation and service
26 occupation tax during the period July 1, 1989 through June 30,

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

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

25 An ordinance or resolution imposing or discontinuing a tax
26 hereunder or effecting a change in the rate thereof shall be

1 adopted and a certified copy thereof filed with the Department
2 on or before the first day of June, whereupon the Department
3 shall proceed to administer and enforce this Section as of the
4 first day of September next following such adoption and
5 filing. Beginning January 1, 1992, an ordinance or resolution
6 imposing or discontinuing the tax hereunder or effecting a
7 change in the rate thereof shall be adopted and a certified
8 copy thereof filed with the Department on or before the first
9 day of July, whereupon the Department shall proceed to
10 administer and enforce this Section as of the first day of
11 October next following such adoption and filing. Beginning
12 January 1, 1993, an ordinance or resolution imposing or
13 discontinuing the tax hereunder or effecting a change in the
14 rate thereof shall be adopted and a certified copy thereof
15 filed with the Department on or before the first day of
16 October, whereupon the Department shall proceed to administer
17 and enforce this Section as of the first day of January next
18 following such adoption and filing. However, a municipality
19 located in a county with a population in excess of 3,000,000
20 that elected to become a home rule unit at the general primary
21 election in 1994 may adopt an ordinance or resolution imposing
22 the tax under this Section and file a certified copy of the
23 ordinance or resolution with the Department on or before July
24 1, 1994. The Department shall then proceed to administer and
25 enforce this Section as of October 1, 1994. Beginning April 1,
26 1998, an ordinance or resolution imposing or discontinuing the

1 tax hereunder or effecting a change in the rate thereof shall
2 either (i) be adopted and a certified copy thereof filed with
3 the Department on or before the first day of April, whereupon
4 the Department shall proceed to administer and enforce this
5 Section as of the first day of July next following the adoption
6 and filing; or (ii) be adopted and a certified copy thereof
7 filed with the Department on or before the first day of
8 October, whereupon the Department shall proceed to administer
9 and enforce this Section as of the first day of January next
10 following the adoption and filing.

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

25 As used in this Section, "municipal" and "municipality"
26 means a city, village or incorporated town, including an

1 incorporated town which has superseded a civil township.

2 This Section shall be known and may be cited as the Home
3 Rule Municipal Service Occupation Tax Act.

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

6 (65 ILCS 5/8-11-23)

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

9 (a) This Section may be referred to as the Municipal
10 Cannabis Retailers' Occupation Tax Law. The corporate
11 authorities of any municipality may, by ordinance, impose a
12 tax upon all persons engaged in the business of selling
13 cannabis, other than cannabis purchased under the
14 Compassionate Use of Medical Cannabis Program Act, at retail
15 in the municipality on the gross receipts from these sales
16 made in the course of that business. If imposed, the tax may
17 not exceed 3% of the gross receipts from these sales and shall
18 only be imposed in 1/4% increments. The tax imposed under this
19 Section and all civil penalties that may be assessed as an
20 incident of the tax shall be collected and enforced by the
21 Department of Revenue. The Department of Revenue shall have
22 full power to administer and enforce this Section; to collect
23 all taxes and penalties due hereunder; to dispose of taxes and
24 penalties so collected in the manner hereinafter provided; and
25 to determine all rights to credit memoranda arising on account

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

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

22 (c) Whenever the Department of Revenue determines that a
23 refund should be made under this Section to a claimant instead
24 of issuing a credit memorandum, the Department of Revenue
25 shall notify the State Comptroller, who shall cause the order
26 to be drawn for the amount specified and to the person named in

1 the notification from the Department of Revenue.

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

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

15 (e) After the monthly transfer to the STAR Bonds Revenue
16 Fund, on or ~~on~~ or before the 25th day of each calendar month, the
17 Department of Revenue shall prepare and certify to the
18 Comptroller the amount of money to be disbursed from the Local
19 Cannabis Retailers' Occupation Tax Trust Fund to
20 municipalities from which retailers have paid taxes or
21 penalties under this Section during the second preceding
22 calendar month. The amount to be paid to each municipality
23 shall be the amount (not including credit memoranda) collected
24 under this Section from sales made in the municipality during
25 the second preceding calendar month, plus an amount the
26 Department of Revenue determines is necessary to offset any

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

21 (f) An ordinance or resolution imposing or discontinuing a
22 tax under this Section or effecting a change in the rate
23 thereof that is adopted on or after June 25, 2019 (the
24 effective date of Public Act 101-27) and for which a certified
25 copy is filed with the Department on or before April 1, 2020
26 shall be administered and enforced by the Department beginning

1 on July 1, 2020. For ordinances filed with the Department
2 after April 1, 2020, an ordinance or resolution imposing or
3 discontinuing a tax under this Section or effecting a change
4 in the rate thereof shall either (i) be adopted and a certified
5 copy thereof filed with the Department on or before the first
6 day of April, whereupon the Department shall proceed to
7 administer and enforce this Section as of the first day of July
8 next following the adoption and filing; or (ii) be adopted and
9 a certified copy thereof filed with the Department on or
10 before the first day of October, whereupon the Department
11 shall proceed to administer and enforce this Section as of the
12 first day of January next following the adoption and filing.
13 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

14 (65 ILCS 5/8-11-24)

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

16 (a) The corporate authorities of any municipality may, by
17 ordinance or resolution that takes effect on or after January
18 1, 2026, impose a tax upon all persons engaged in the business
19 of selling groceries at retail in the municipality on the
20 gross receipts from those sales made in the course of that
21 business. If imposed, the tax shall be at the rate of 1% of the
22 gross receipts from these sales.

23 The tax imposed by a municipality under this subsection
24 and all civil penalties that may be assessed as an incident of
25 the tax shall be collected and enforced by the Department. The

1 certificate of registration that is issued by the Department
2 to a retailer under the Retailers' Occupation Tax Act shall
3 permit the retailer to engage in a business that is taxable
4 under any ordinance or resolution enacted under this
5 subsection without registering separately with the Department
6 under that ordinance or resolution or under this subsection.

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

14 In the administration of, and compliance with, this
15 subsection, the Department and persons who are subject to this
16 subsection shall have the same rights, remedies, privileges,
17 immunities, powers, and duties, and be subject to the same
18 conditions, restrictions, limitations, penalties and
19 definitions of terms, and employ the same modes of procedure,
20 as are prescribed in Sections 1, 2 through 2-65 (in respect to
21 all provisions therein other than the State rate of tax), 2c, 3
22 (except as to the disposition of taxes and penalties
23 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a,
24 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12 and 13 of the Retailers'
25 Occupation Tax Act and all of the Uniform Penalty and Interest
26 Act, as fully as if those provisions were set forth in this

1 Section.

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

9 (b) If a tax has been imposed under subsection (a), then a
10 service occupation tax must also be imposed at the same rate
11 upon all persons engaged, in the municipality, in the business
12 of making sales of service, who, as an incident to making those
13 sales of service, transfer groceries, as defined in this
14 Section, as an incident to a sale of service.

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

25 The Department shall have full power to administer and
26 enforce this subsection, to collect all taxes and penalties

1 due under this subsection, to dispose of taxes and penalties
2 so collected in the manner provided in this Section and under
3 rules adopted by the Department, and to determine all rights
4 to credit memoranda arising on account of the erroneous
5 payment of a tax or penalty under this subsection.

6 In the administration of and compliance with this
7 subsection, the Department and persons who are subject to this
8 subsection shall have the same rights, remedies, privileges,
9 immunities, powers and duties, and be subject to the same
10 conditions, restrictions, limitations, penalties and
11 definitions of terms, and employ the same modes of procedure
12 as are set forth in Sections 2, 2c, 3 through 3-50 (in respect
13 to all provisions contained in those Sections other than the
14 State rate of tax), 4, 5, 7, 8, 9 (except as to the disposition
15 of taxes and penalties collected), 10, 11, 12, 13, 15, 16, 17,
16 18, 19, and 20 of the Service Occupation Tax Act and all
17 provisions of the Uniform Penalty and Interest Act, as fully
18 as if those provisions were set forth in this Section.

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

26 (c) The Department shall immediately pay over to the State

1 Treasurer, ex officio, as trustee, all taxes and penalties
2 collected under this Section. Those taxes and penalties shall
3 be deposited into the Municipal Grocery Tax Trust Fund, a
4 trust fund created in the State treasury. Except as otherwise
5 provided in this Section, moneys in the Municipal Grocery Tax
6 Trust Fund shall be used to make payments to municipalities
7 and for the payment of refunds under this Section.

8 Moneys deposited into the Municipal Grocery Tax Trust Fund
9 under this Section are not subject to appropriation and shall
10 be used as provided in this Section. All deposits into the
11 Municipal Grocery Tax Trust Fund shall be held in the
12 Municipal Grocery Tax Trust Fund by the State Treasurer, ex
13 officio, as trustee separate and apart from all public moneys
14 or funds of this State.

15 Whenever the Department determines that a refund should be
16 made under this Section to a claimant instead of issuing a
17 credit memorandum, the Department shall notify the State
18 Comptroller, who shall cause the order to be drawn for the
19 amount specified and to the person named in the notification
20 from the Department. The refund shall be paid by the State
21 Treasurer out of the Municipal Grocery Tax Trust Fund.

22 (d) As soon as possible after the first day of each month,
23 upon certification of the Department, the Comptroller shall
24 order transferred, and the Treasurer shall transfer, to the
25 STAR Bonds Revenue Fund the local sales tax increment, if any,
26 as defined in the Innovation Development and Economy Act,

1 collected under this Section.

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

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

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

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

15 (f) Except as otherwise provided in this subsection, an
16 ordinance or resolution imposing or discontinuing the tax
17 hereunder or effecting a change in the rate thereof shall
18 either (i) be adopted and a certified copy thereof filed with
19 the Department on or before the first day of April, whereupon
20 the Department shall proceed to administer and enforce this
21 Section as of the first day of July next following the adoption
22 and filing or (ii) be adopted and a certified copy thereof
23 filed with the Department on or before the first day of
24 October, whereupon the Department shall proceed to administer
25 and enforce this Section as of the first day of January next
26 following the adoption and filing.

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

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

9 For purposes of the tax authorized to be imposed under
10 subsection (a), "groceries" has the same meaning as "food for
11 human consumption that is to be consumed off the premises
12 where it is sold (other than alcoholic beverages, food
13 consisting of or infused with adult use cannabis, soft drinks,
14 candy, and food that has been prepared for immediate
15 consumption)", as further defined in Section 2-10 of the
16 Retailers' Occupation Tax Act.

17 For purposes of the tax authorized to be imposed under
18 subsection (b), "groceries" has the same meaning as "food for
19 human consumption that is to be consumed off the premises
20 where it is sold (other than alcoholic beverages, food
21 consisting of or infused with adult use cannabis, soft drinks,
22 candy, and food that has been prepared for immediate
23 consumption)", as further defined in Section 3-10 of the
24 Service Occupation Tax Act. For purposes of the tax authorized
25 to be imposed under subsection (b), "groceries" also means
26 food prepared for immediate consumption and transferred

1 incident to a sale of service subject to the Service
2 Occupation Tax Act or the Service Use Tax Act by an entity
3 licensed under the Hospital Licensing Act, the Nursing Home
4 Care Act, the Assisted Living and Shared Housing Act, the
5 ID/DD Community Care Act, the MC/DD Act, the Specialized
6 Mental Health Rehabilitation Act of 2013, or the Child Care
7 Act of 1969, or an entity that holds a permit issued pursuant
8 to the Life Care Facilities Act.

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

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

12 (65 ILCS 5/11-74.3-6)

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

15 (a) If the corporate authorities of a municipality have
16 approved a business district plan, have designated a business
17 district, and have elected to impose a tax by ordinance
18 pursuant to subsection (10) or (11) of Section 11-74.3-3, then
19 each year after the date of the approval of the ordinance but
20 terminating upon the date all business district project costs
21 and all obligations paying or reimbursing business district
22 project costs, if any, have been paid, but in no event later
23 than the dissolution date, all amounts generated by the
24 retailers' occupation tax and service occupation tax shall be
25 collected and the tax shall be enforced by the Department of

1 Revenue in the same manner as all retailers' occupation taxes
2 and service occupation taxes imposed in the municipality
3 imposing the tax and all amounts generated by the hotel
4 operators' occupation tax shall be collected and the tax shall
5 be enforced by the municipality in the same manner as all hotel
6 operators' occupation taxes imposed in the municipality
7 imposing the tax. The corporate authorities of the
8 municipality shall deposit the proceeds of the taxes imposed
9 under subsections (10) and (11) of Section 11-74.3-3 into a
10 special fund of the municipality called the "[Name of]
11 Business District Tax Allocation Fund" for the purpose of
12 paying or reimbursing business district project costs and
13 obligations incurred in the payment of those costs.

14 (b) The corporate authorities of a municipality that has
15 designated a business district under this Law may, by
16 ordinance, impose a Business District Retailers' Occupation
17 Tax upon all persons engaged in the business of selling
18 tangible personal property, other than an item of tangible
19 personal property titled or registered with an agency of this
20 State's government, at retail in the business district at a
21 rate not to exceed 1% of the gross receipts from the sales made
22 in the course of such business, to be imposed only in 0.25%
23 increments. The tax may not be imposed on tangible personal
24 property taxed at the rate of 1% under the Retailers'
25 Occupation Tax Act (or at the 0% rate imposed under this
26 amendatory Act of the 102nd General Assembly). Beginning

1 December 1, 2019 and through December 31, 2020, this tax is not
2 imposed on sales of aviation fuel unless the tax revenue is
3 expended for airport-related purposes. If the District does
4 not have an airport-related purpose to which it dedicates
5 aviation fuel tax revenue, then aviation fuel is excluded from
6 the tax. Each municipality must comply with the certification
7 requirements for airport-related purposes under Section 2-22
8 of the Retailers' Occupation Tax Act. For purposes of this
9 Section, "airport-related purposes" has the meaning ascribed
10 in Section 6z-20.2 of the State Finance Act. Beginning January
11 1, 2021, this tax is not imposed on sales of aviation fuel for
12 so long as the revenue use requirements of 49 U.S.C. 47107(b)
13 and 49 U.S.C. 47133 are binding on the District.

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 to a retailer under the Retailers' Occupation Tax Act shall
19 permit the retailer to engage in a business that is taxable
20 under any ordinance or resolution enacted pursuant to this
21 subsection without registering separately with the Department
22 under such ordinance or resolution or under this subsection.
23 The Department of Revenue shall have full power to administer
24 and enforce this subsection; to collect all taxes and
25 penalties due under this subsection in the manner hereinafter
26 provided; and to determine all rights to credit memoranda

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

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

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

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

23 As soon as possible after the first day of each month,
24 beginning January 1, 2011, upon certification of the
25 Department of Revenue, the Comptroller shall order
26 transferred, and the Treasurer shall transfer, to the STAR

1 Bonds Revenue Fund the local sales tax increment, as defined
2 in the Innovation Development and Economy Act, collected under
3 this subsection during the second preceding calendar month for
4 sales within a STAR bond district.

5 As soon as possible after the first day of each month,
6 beginning January 1, 2026, 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 Statewide Innovation Development and Economy Act,
11 collected under this Section during the second preceding
12 calendar month for sales within a STAR bond district.

13 After the monthly transfers ~~transfer~~ to the STAR Bonds
14 Revenue Fund, on or before the 25th day of each calendar month,
15 the Department shall prepare and certify to the Comptroller
16 the disbursement of stated sums of money to named
17 municipalities from the business district retailers'
18 occupation tax fund, the municipalities to be those from which
19 retailers have paid taxes or penalties under this subsection
20 to the Department during the second preceding calendar month.
21 The amount to be paid to each municipality shall be the amount
22 (not including credit memoranda and not including taxes and
23 penalties collected on aviation fuel sold on or after December
24 1, 2019) collected under this subsection during the second
25 preceding calendar month by the Department plus an amount the
26 Department determines is necessary to offset any amounts that

1 were erroneously paid to a different taxing body, and not
2 including an amount equal to the amount of refunds made during
3 the second preceding calendar month by the Department, less 2%
4 of that amount (except the amount collected on aviation fuel
5 sold on or after December 1, 2019), which shall be deposited
6 into the Tax Compliance and Administration Fund and shall be
7 used by the Department, subject to appropriation, to cover the
8 costs of the Department in administering and enforcing the
9 provisions of this subsection, on behalf of such municipality,
10 and not including any amount that the Department determines is
11 necessary to offset any amounts that were payable to a
12 different taxing body but were erroneously paid to the
13 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 subsection to be given to the Comptroller by the Department,
18 the Comptroller shall cause the orders to be drawn for the
19 respective amounts in accordance with the directions contained
20 in the certification. The proceeds of the tax paid to
21 municipalities under this subsection shall be deposited into
22 the Business District Tax Allocation Fund by the municipality.

23 An ordinance imposing or discontinuing the tax under this
24 subsection or effecting a change in the rate thereof shall
25 either (i) be adopted and a certified copy thereof filed with
26 the Department on or before the first day of April, whereupon

1 the Department, if all other requirements of this subsection
2 are met, shall proceed to administer and enforce this
3 subsection as of the first day of July next following the
4 adoption and filing; or (ii) be adopted and a certified copy
5 thereof filed with the Department on or before the first day of
6 October, whereupon, if all other requirements of this
7 subsection are met, the Department shall proceed to administer
8 and enforce this subsection as of the first day of January next
9 following the adoption and filing.

10 The Department of Revenue shall not administer or enforce
11 an ordinance imposing, discontinuing, or changing the rate of
12 the tax under this subsection, until the municipality also
13 provides, in the manner prescribed by the Department, the
14 boundaries of the business district and each address in the
15 business district in such a way that the Department can
16 determine by its address whether a business is located in the
17 business district. The municipality must provide this boundary
18 and address information to the Department on or before April 1
19 for administration and enforcement of the tax under this
20 subsection by the Department beginning on the following July 1
21 and on or before October 1 for administration and enforcement
22 of the tax under this subsection by the Department beginning
23 on the following January 1. The Department of Revenue shall
24 not administer or enforce any change made to the boundaries of
25 a business district or address change, addition, or deletion
26 until the municipality reports the boundary change or address

1 change, addition, or deletion to the Department in the manner
2 prescribed by the Department. The municipality must provide
3 this boundary change information or address change, addition,
4 or deletion to the Department on or before April 1 for
5 administration and enforcement by the Department of the change
6 beginning on the following July 1 and on or before October 1
7 for administration and enforcement by the Department of the
8 change beginning on the following January 1. The retailers in
9 the business district shall be responsible for charging the
10 tax imposed under this subsection. If a retailer is
11 incorrectly included or excluded from the list of those
12 required to collect the tax under this subsection, both the
13 Department of Revenue and the retailer shall be held harmless
14 if they reasonably relied on information provided by the
15 municipality.

16 A municipality that imposes the tax under this subsection
17 must submit to the Department of Revenue any other information
18 as the Department may require for the administration and
19 enforcement of the tax.

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

26 Nothing in this subsection shall be construed to authorize

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

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

7 (c) If a tax has been imposed under subsection (b), a
8 Business District Service Occupation Tax shall also be imposed
9 upon all persons engaged, in the business district, in the
10 business of making sales of service, who, as an incident to
11 making those sales of service, transfer tangible personal
12 property within the business district, either in the form of
13 tangible personal property or in the form of real estate as an
14 incident to a sale of service. The tax shall be imposed at the
15 same rate as the tax imposed in subsection (b) and shall not
16 exceed 1% of the selling price of tangible personal property
17 so transferred within the business district, to be imposed
18 only in 0.25% increments. The tax may not be imposed on
19 tangible personal property taxed at the 1% rate under the
20 Service Occupation Tax Act (or at the 0% rate imposed under
21 this amendatory Act of the 102nd General Assembly). Beginning
22 December 1, 2019, this tax is not imposed on sales of aviation
23 fuel unless the tax revenue is expended for airport-related
24 purposes. If the District does not have an airport-related
25 purpose to which it dedicates aviation fuel tax revenue, then
26 aviation fuel is excluded from the tax. Each municipality must

1 comply with the certification requirements for airport-related
2 purposes under Section 2-22 of the Retailers' Occupation Tax
3 Act. For purposes of this Act, "airport-related purposes" has
4 the meaning ascribed in Section 6z-20.2 of the State Finance
5 Act. Beginning January 1, 2021, this tax is not imposed on
6 sales of aviation fuel for so long as the revenue use
7 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
8 binding on the District.

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

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

24 Persons subject to any tax imposed under the authority
25 granted in this subsection 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 subsection to a claimant instead of issuing
8 credit memorandum, the Department shall notify the State
9 Comptroller, who shall cause the order to be drawn for the
10 amount specified, and to the person named, in such
11 notification from the Department. Such refund shall be paid by
12 the State Treasurer out of the business district retailers'
13 occupation tax fund or the Local Government Aviation Trust
14 Fund, as appropriate.

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

1 District.

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

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

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

23 An ordinance imposing or discontinuing the tax under this
24 subsection or effecting a change in the rate thereof shall
25 either (i) be adopted and a certified copy thereof filed with
26 the Department on or before the first day of April, whereupon

1 the Department, if all other requirements of this subsection
2 are met, shall proceed to administer and enforce this
3 subsection as of the first day of July next following the
4 adoption and filing; or (ii) be adopted and a certified copy
5 thereof filed with the Department on or before the first day of
6 October, whereupon, if all other conditions of this subsection
7 are met, the Department shall proceed to administer and
8 enforce this subsection as of the first day of January next
9 following the adoption and filing.

10 The Department of Revenue shall not administer or enforce
11 an ordinance imposing, discontinuing, or changing the rate of
12 the tax under this subsection, until the municipality also
13 provides, in the manner prescribed by the Department, the
14 boundaries of the business district in such a way that the
15 Department can determine by its address whether a business is
16 located in the business district. The municipality must
17 provide this boundary and address information to the
18 Department on or before April 1 for administration and
19 enforcement of the tax under this subsection by the Department
20 beginning on the following July 1 and on or before October 1
21 for administration and enforcement of the tax under this
22 subsection by the Department beginning on the following
23 January 1. The Department of Revenue shall not administer or
24 enforce any change made to the boundaries of a business
25 district or address change, addition, or deletion until the
26 municipality reports the boundary change or address change,

1 addition, or deletion to the Department in the manner
2 prescribed by the Department. The municipality must provide
3 this boundary change information or address change, addition,
4 or deletion to the Department on or before April 1 for
5 administration and enforcement by the Department of the change
6 beginning on the following July 1 and on or before October 1
7 for administration and enforcement by the Department of the
8 change beginning on the following January 1. The retailers in
9 the business district shall be responsible for charging the
10 tax imposed under this subsection. If a retailer is
11 incorrectly included or excluded from the list of those
12 required to collect the tax under this subsection, both the
13 Department of Revenue and the retailer shall be held harmless
14 if they reasonably relied on information provided by the
15 municipality.

16 A municipality that imposes the tax under this subsection
17 must submit to the Department of Revenue any other information
18 as the Department may require for the administration and
19 enforcement of the tax.

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

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

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

9 (d) By ordinance, a municipality that has designated a
10 business district under this Law may impose an occupation tax
11 upon all persons engaged in the business district in the
12 business of renting, leasing, or letting rooms in a hotel, as
13 defined in the Hotel Operators' Occupation Tax Act, at a rate
14 not to exceed 1% of the gross rental receipts from the renting,
15 leasing, or letting of hotel rooms within the business
16 district, to be imposed only in 0.25% increments, excluding,
17 however, from gross rental receipts the proceeds of renting,
18 leasing, or letting to permanent residents of a hotel, as
19 defined in the Hotel Operators' Occupation Tax Act, and
20 proceeds from the tax imposed under subsection (c) of Section
21 13 of the Metropolitan Pier and Exposition Authority Act.

22 The tax imposed by the municipality under this subsection
23 and all civil penalties that may be assessed as an incident to
24 that tax shall be collected and enforced by the municipality
25 imposing the tax. The municipality shall have full power to
26 administer and enforce this subsection, to collect all taxes

1 and penalties due under this subsection, to dispose of taxes
2 and penalties so collected in the manner provided in this
3 subsection, and to determine all rights to credit memoranda
4 arising on account of the erroneous payment of tax or penalty
5 under this subsection. In the administration of and compliance
6 with this subsection, the municipality and persons who are
7 subject to this subsection shall have the same rights,
8 remedies, privileges, immunities, powers, and duties, shall be
9 subject to the same conditions, restrictions, limitations,
10 penalties, and definitions of terms, and shall employ the same
11 modes of procedure as are employed with respect to a tax
12 adopted by the municipality under Section 8-3-14 of this Code.

13 Persons subject to any tax imposed under the authority
14 granted in this subsection may reimburse themselves for their
15 tax liability for that tax by separately stating that tax as an
16 additional charge, which charge may be stated in combination,
17 in a single amount, with State taxes imposed under the Hotel
18 Operators' Occupation Tax Act, and with any other tax.

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

23 The proceeds of the tax imposed under this subsection
24 shall be deposited into the Business District Tax Allocation
25 Fund.

26 (e) Obligations secured by the Business District Tax

1 Allocation Fund may be issued to provide for the payment or
2 reimbursement of business district project costs. Those
3 obligations, when so issued, shall be retired in the manner
4 provided in the ordinance authorizing the issuance of those
5 obligations by the receipts of taxes imposed pursuant to
6 subsections (10) and (11) of Section 11-74.3-3 and by other
7 revenue designated or pledged by the municipality. A
8 municipality may in the ordinance pledge, for any period of
9 time up to and including the dissolution date, all or any part
10 of the funds in and to be deposited in the Business District
11 Tax Allocation Fund to the payment of business district
12 project costs and obligations. Whenever a municipality pledges
13 all of the funds to the credit of a business district tax
14 allocation fund to secure obligations issued or to be issued
15 to pay or reimburse business district project costs, the
16 municipality may specifically provide that funds remaining to
17 the credit of such business district tax allocation fund after
18 the payment of such obligations shall be accounted for
19 annually and shall be deemed to be "surplus" funds, and such
20 "surplus" funds shall be expended by the municipality for any
21 business district project cost as approved in the business
22 district plan. Whenever a municipality pledges less than all
23 of the monies to the credit of a business district tax
24 allocation fund to secure obligations issued or to be issued
25 to pay or reimburse business district project costs, the
26 municipality shall provide that monies to the credit of the

1 business district tax allocation fund and not subject to such
2 pledge or otherwise encumbered or required for payment of
3 contractual obligations for specific business district project
4 costs shall be calculated annually and shall be deemed to be
5 "surplus" funds, and such "surplus" funds shall be expended by
6 the municipality for any business district project cost as
7 approved in the business district plan.

8 No obligation issued pursuant to this Law and secured by a
9 pledge of all or any portion of any revenues received or to be
10 received by the municipality from the imposition of taxes
11 pursuant to subsection (10) of Section 11-74.3-3, shall be
12 deemed to constitute an economic incentive agreement under
13 Section 8-11-20, notwithstanding the fact that such pledge
14 provides for the sharing, rebate, or payment of retailers'
15 occupation taxes or service occupation taxes imposed pursuant
16 to subsection (10) of Section 11-74.3-3 and received or to be
17 received by the municipality from the development or
18 redevelopment of properties in the business district.

19 Without limiting the foregoing in this Section, the
20 municipality may further secure obligations secured by the
21 business district tax allocation fund with a pledge, for a
22 period not greater than the term of the obligations and in any
23 case not longer than the dissolution date, of any part or any
24 combination of the following: (i) net revenues of all or part
25 of any business district project; (ii) taxes levied or imposed
26 by the municipality on any or all property in the

1 municipality, including, specifically, taxes levied or imposed
2 by the municipality in a special service area pursuant to the
3 Special Service Area Tax Law; (iii) the full faith and credit
4 of the municipality; (iv) a mortgage on part or all of the
5 business district project; or (v) any other taxes or
6 anticipated receipts that the municipality may lawfully
7 pledge.

8 Such obligations may be issued in one or more series, bear
9 such date or dates, become due at such time or times as therein
10 provided, but in any case not later than (i) 20 years after the
11 date of issue or (ii) the dissolution date, whichever is
12 earlier, bear interest payable at such intervals and at such
13 rate or rates as set forth therein, except as may be limited by
14 applicable law, which rate or rates may be fixed or variable,
15 be in such denominations, be in such form, either coupon,
16 registered, or book-entry, carry such conversion, registration
17 and exchange privileges, be subject to defeasance upon such
18 terms, have such rank or priority, be executed in such manner,
19 be payable in such medium or payment at such place or places
20 within or without the State, make provision for a corporate
21 trustee within or without the State with respect to such
22 obligations, prescribe the rights, powers, and duties thereof
23 to be exercised for the benefit of the municipality and the
24 benefit of the owners of such obligations, provide for the
25 holding in trust, investment, and use of moneys, funds, and
26 accounts held under an ordinance, provide for assignment of

1 and direct payment of the moneys to pay such obligations or to
2 be deposited into such funds or accounts directly to such
3 trustee, be subject to such terms of redemption with or
4 without premium, and be sold at such price, all as the
5 corporate authorities shall determine. No referendum approval
6 of the electors shall be required as a condition to the
7 issuance of obligations pursuant to this Law except as
8 provided in this Section.

9 In the event the municipality authorizes the issuance of
10 obligations pursuant to the authority of this Law secured by
11 the full faith and credit of the municipality, or pledges ad
12 valorem taxes pursuant to this subsection, which obligations
13 are other than obligations which may be issued under home rule
14 powers provided by Section 6 of Article VII of the Illinois
15 Constitution or which ad valorem taxes are other than ad
16 valorem taxes which may be pledged under home rule powers
17 provided by Section 6 of Article VII of the Illinois
18 Constitution or which are levied in a special service area
19 pursuant to the Special Service Area Tax Law, the ordinance
20 authorizing the issuance of those obligations or pledging
21 those taxes shall be published within 10 days after the
22 ordinance has been adopted, in a newspaper having a general
23 circulation within the municipality. The publication of the
24 ordinance shall be accompanied by a notice of (i) the specific
25 number of voters required to sign a petition requesting the
26 question of the issuance of the obligations or pledging such

1 ad valorem taxes to be submitted to the electors; (ii) the time
2 within which the petition must be filed; and (iii) the date of
3 the prospective referendum. The municipal clerk shall provide
4 a petition form to any individual requesting one.

5 If no petition is filed with the municipal clerk, as
6 hereinafter provided in this Section, within 21 days after the
7 publication of the ordinance, the ordinance shall be in
8 effect. However, if within that 21-day period a petition is
9 filed with the municipal clerk, signed by electors numbering
10 not less than 15% of the number of electors voting for the
11 mayor or president at the last general municipal election,
12 asking that the question of issuing obligations using full
13 faith and credit of the municipality as security for the cost
14 of paying or reimbursing business district project costs, or
15 of pledging such ad valorem taxes for the payment of those
16 obligations, or both, be submitted to the electors of the
17 municipality, the municipality shall not be authorized to
18 issue obligations of the municipality using the full faith and
19 credit of the municipality as security or pledging such ad
20 valorem taxes for the payment of those obligations, or both,
21 until the proposition has been submitted to and approved by a
22 majority of the voters voting on the proposition at a
23 regularly scheduled election. The municipality shall certify
24 the proposition to the proper election authorities for
25 submission in accordance with the general election law.

26 The ordinance authorizing the obligations may provide that

1 the obligations shall contain a recital that they are issued
2 pursuant to this Law, which recital shall be conclusive
3 evidence of their validity and of the regularity of their
4 issuance.

5 In the event the municipality authorizes issuance of
6 obligations pursuant to this Law secured by the full faith and
7 credit of the municipality, the ordinance authorizing the
8 obligations may provide for the levy and collection of a
9 direct annual tax upon all taxable property within the
10 municipality sufficient to pay the principal thereof and
11 interest thereon as it matures, which levy may be in addition
12 to and exclusive of the maximum of all other taxes authorized
13 to be levied by the municipality, which levy, however, shall
14 be abated to the extent that monies from other sources are
15 available for payment of the obligations and the municipality
16 certifies the amount of those monies available to the county
17 clerk.

18 A certified copy of the ordinance shall be filed with the
19 county clerk of each county in which any portion of the
20 municipality is situated, and shall constitute the authority
21 for the extension and collection of the taxes to be deposited
22 in the business district tax allocation fund.

23 A municipality may also issue its obligations to refund,
24 in whole or in part, obligations theretofore issued by the
25 municipality under the authority of this Law, whether at or
26 prior to maturity. However, the last maturity of the refunding

1 obligations shall not be expressed to mature later than the
2 dissolution date.

3 In the event a municipality issues obligations under home
4 rule powers or other legislative authority, the proceeds of
5 which are pledged to pay or reimburse business district
6 project costs, the municipality may, if it has followed the
7 procedures in conformance with this Law, retire those
8 obligations from funds in the business district tax allocation
9 fund in amounts and in such manner as if those obligations had
10 been issued pursuant to the provisions of this Law.

11 No obligations issued pursuant to this Law shall be
12 regarded as indebtedness of the municipality issuing those
13 obligations or any other taxing district for the purpose of
14 any limitation imposed by law.

15 Obligations issued pursuant to this Law shall not be
16 subject to the provisions of the Bond Authorization Act.

17 (f) When business district project costs, including,
18 without limitation, all obligations paying or reimbursing
19 business district project costs have been paid, any surplus
20 funds then remaining in the Business District Tax Allocation
21 Fund shall be distributed to the municipal treasurer for
22 deposit into the general corporate fund of the municipality.
23 Upon payment of all business district project costs and
24 retirement of all obligations paying or reimbursing business
25 district project costs, but in no event more than 23 years
26 after the date of adoption of the ordinance imposing taxes

1 pursuant to subsection (10) or (11) of Section 11-74.3-3, the
2 municipality shall adopt an ordinance immediately rescinding
3 the taxes imposed pursuant to subsection (10) or (11) of
4 Section 11-74.3-3.

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

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

8 (70 ILCS 1605/30)

9 Sec. 30. Taxes.

10 (a) The board shall impose a tax upon all persons engaged
11 in the business of selling tangible personal property, other
12 than personal property titled or registered with an agency of
13 this State's government, at retail in the District on the
14 gross receipts from the sales made in the course of business.
15 This tax shall be imposed only at the rate of one-tenth of one
16 per cent.

17 This additional tax may not be imposed on tangible
18 personal property taxed at the 1% rate under the Retailers'
19 Occupation Tax Act (or at the 0% rate imposed under this
20 amendatory Act of the 102nd General Assembly). Beginning
21 December 1, 2019 and through December 31, 2020, this tax is not
22 imposed on sales of aviation fuel unless the tax revenue is
23 expended for airport-related purposes. If the District does
24 not have an airport-related purpose to which it dedicates

1 aviation fuel tax revenue, then aviation fuel shall be
2 excluded from tax. The board must comply with the
3 certification requirements for airport-related purposes under
4 Section 2-22 of the Retailers' Occupation Tax Act. For
5 purposes of this Act, "airport-related purposes" has the
6 meaning ascribed in Section 6z-20.2 of the State Finance Act.
7 Beginning January 1, 2021, this tax is not imposed on sales of
8 aviation fuel for so long as the revenue use requirements of 49
9 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
10 District. The tax imposed by the Board under this Section and
11 all civil penalties that may be assessed as an incident of the
12 tax shall be collected and enforced by the Department of
13 Revenue. The certificate of registration that is issued by the
14 Department to a retailer under the Retailers' Occupation Tax
15 Act shall permit the retailer to engage in a business that is
16 taxable without registering separately with the Department
17 under an ordinance or resolution under this Section. The
18 Department has full power to administer and enforce this
19 Section, to collect all taxes and penalties due under this
20 Section, to dispose of taxes and penalties so collected in the
21 manner provided in this Section, and to determine all rights
22 to credit memoranda arising on account of the erroneous
23 payment of a tax or penalty under this Section. In the
24 administration of and compliance with this Section, the
25 Department and persons who are subject to this Section shall
26 (i) have the same rights, remedies, privileges, immunities,

1 powers, and duties, (ii) be subject to the same conditions,
2 restrictions, limitations, penalties, and definitions of
3 terms, and (iii) employ the same modes of procedure as are
4 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
5 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions
6 contained in those Sections other than the State rate of tax),
7 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions
8 relating to transaction returns and quarter monthly payments,
9 and except that the retailer's discount is not allowed for
10 taxes paid on aviation fuel that are subject to the revenue use
11 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
12 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,
13 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
14 Occupation Tax Act and the Uniform Penalty and Interest Act as
15 if those provisions were set forth in this Section.

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

23 Whenever the Department determines that a refund should be
24 made under this Section to a claimant instead of issuing a
25 credit memorandum, the Department shall notify the State
26 Comptroller, who shall cause the order to be drawn for the

1 amount specified and to the person named in the notification
2 from the Department. The refund shall be paid by the State
3 Treasurer out of the State Metro-East Park and Recreation
4 District Fund or the Local Government Aviation Trust Fund, as
5 appropriate.

6 (b) If a tax has been imposed under subsection (a), a
7 service occupation tax shall also be imposed at the same rate
8 upon all persons engaged, in the District, in the business of
9 making sales of service, who, as an incident to making those
10 sales of service, transfer tangible personal property within
11 the District as an incident to a sale of service. This tax may
12 not be imposed on tangible personal property taxed at the 1%
13 rate under the Service Occupation Tax Act (or at the 0% rate
14 imposed under this amendatory Act of the 102nd General
15 Assembly). Beginning December 1, 2019 and through December 31,
16 2020, this tax may not be imposed on sales of aviation fuel
17 unless the tax revenue is expended for airport-related
18 purposes. If the District does not have an airport-related
19 purpose to which it dedicates aviation fuel tax revenue, then
20 aviation fuel shall be excluded from tax. The board 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 Act, "airport-related purposes" has
24 the meaning ascribed in Section 6z-20.2 of the State Finance
25 Act. Beginning January 1, 2021, this tax is not imposed on
26 sales of aviation fuel for so long as the revenue use

1 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
2 binding on the District. The tax imposed under this subsection
3 and all civil penalties that may be assessed as an incident
4 thereof shall be collected and enforced by the Department of
5 Revenue. The Department has full power to administer and
6 enforce this subsection; to collect all taxes and penalties
7 due hereunder; to dispose of taxes and penalties so collected
8 in the manner hereinafter provided; and to determine all
9 rights to credit memoranda arising on account of the erroneous
10 payment of tax or penalty hereunder. In the administration of,
11 and compliance with this subsection, the Department and
12 persons who are subject to this paragraph shall (i) have the
13 same rights, remedies, privileges, immunities, powers, and
14 duties, (ii) be subject to the same conditions, restrictions,
15 limitations, penalties, exclusions, exemptions, and
16 definitions of terms, and (iii) employ the same modes of
17 procedure as are prescribed in Sections 2 (except that the
18 reference to State in the definition of supplier maintaining a
19 place of business in this State shall mean the District), 2a,
20 2b, 2c, 3 through 3-50 (in respect to all provisions therein
21 other than the State rate of tax), 4 (except that the reference
22 to the State shall be to the District), 5, 7, 8 (except that
23 the jurisdiction to which the tax shall be a debt to the extent
24 indicated in that Section 8 shall be the District), 9 (except
25 as to the disposition of taxes and penalties collected, and
26 except that the retailer's discount is not allowed for taxes

1 paid on aviation fuel that are subject to the revenue use
2 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
3 11, 12 (except the reference therein to Section 2b of the
4 Retailers' Occupation Tax Act), 13 (except that any reference
5 to the State shall mean the District), Sections 15, 16, 17, 18,
6 19 and 20 of the Service Occupation Tax Act and the Uniform
7 Penalty and Interest Act, as fully as if those provisions were
8 set 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 by separately stating the tax as an
12 additional charge, which charge may be stated in combination,
13 in a single amount, with State tax that servicemen are
14 authorized to collect under the Service Use Tax Act, in
15 accordance with such bracket schedules as the Department may
16 prescribe.

17 Whenever the Department determines that a refund should be
18 made under this subsection to a claimant instead of issuing a
19 credit memorandum, the Department shall notify the State
20 Comptroller, who shall cause the warrant to be drawn for the
21 amount specified, and to the person named, in the notification
22 from the Department. The refund shall be paid by the State
23 Treasurer out of the State Metro-East Park and Recreation
24 District Fund or the Local Government Aviation Trust Fund, as
25 appropriate.

26 Nothing in this subsection shall be construed to authorize

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

4 (b-5) If, on January 1, 2025, a unit of local government
5 has in effect a tax under this Section, or if, after January 1,
6 2025, a unit of local government imposes a tax under this
7 Section, then that tax applies to leases of tangible personal
8 property in effect, entered into, or renewed on or after that
9 date in the same manner as the tax under this Section and in
10 accordance with the changes made by this amendatory Act of the
11 103rd General Assembly.

12 (c) Except as otherwise provided in this paragraph, the
13 Department shall immediately pay over to the State Treasurer,
14 ex officio, as trustee, all taxes and penalties collected
15 under this Section to be deposited into the State Metro-East
16 Park and Recreation District Fund, which shall be an
17 unappropriated trust fund held outside of the State treasury.
18 Taxes and penalties collected on aviation fuel sold on or
19 after December 1, 2019 and through December 31, 2020, 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 Act 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 District.

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. The Department shall make
9 this certification only if the Metro East Park and Recreation
10 District imposes a tax on real property as provided in the
11 definition of "local sales taxes" under the Innovation
12 Development and Economy Act.

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. The
21 Department shall make this certification only if the Metro
22 East Park and Recreation District imposes a tax on real
23 property as provided in the definition of "local sales taxes"
24 under the Statewide Innovation Development and Economy Act.

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

1 the Department shall prepare and certify to the Comptroller
2 the disbursement of stated sums of money pursuant to Section
3 35 of this Act to the District from which retailers have paid
4 taxes or penalties to the Department during the second
5 preceding calendar month. The amount to be paid to the
6 District shall be the amount (not including credit memoranda
7 and not including taxes and penalties collected on aviation
8 fuel sold on or after December 1, 2019 and through December 31,
9 2020) 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 (i) an amount equal to the amount of refunds made during the
14 second preceding calendar month by the Department on behalf of
15 the District, (ii) any amount that the Department determines
16 is necessary to offset any amounts that were payable to a
17 different taxing body but were erroneously paid to the
18 District, (iii) any amounts that are transferred to the STAR
19 Bonds Revenue Fund, and (iv) 1.5% of the remainder, which the
20 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 disbursement certification to the District and the Tax

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

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

15 (e) Nothing in this Section shall be construed to
16 authorize the board to impose a tax upon the privilege of
17 engaging in any business that under the Constitution of the
18 United States may not be made the subject of taxation by this
19 State.

20 (f) An ordinance imposing a tax under this Section or an
21 ordinance extending the imposition of a tax to an additional
22 county or counties shall be certified by the board and filed
23 with the Department of Revenue either (i) on or before the
24 first day of April, whereupon the Department shall proceed to
25 administer and enforce the tax as of the first day of July next
26 following the filing; or (ii) on or before the first day of

1 October, whereupon the Department shall proceed to administer
2 and enforce the tax as of the first day of January next
3 following the filing.

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

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

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

13 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

14 Sec. 5.01. Metro East Mass Transit District; use and
15 occupation taxes.

16 (a) The Board of Trustees of any Metro East Mass Transit
17 District may, by ordinance adopted with the concurrence of
18 two-thirds of the then trustees, impose throughout the
19 District any or all of the taxes and fees provided in this
20 Section. Except as otherwise provided, all taxes and fees
21 imposed under this Section shall be used only for public mass
22 transportation systems, and the amount used to provide mass
23 transit service to unserved areas of the District shall be in
24 the same proportion to the total proceeds as the number of

1 persons residing in the unserved areas is to the total
2 population of the District. Except as otherwise provided in
3 this Act, taxes imposed under this Section and civil penalties
4 imposed incident thereto shall be collected and enforced by
5 the State Department of Revenue. The Department shall have the
6 power to administer and enforce the taxes and to determine all
7 rights for refunds for erroneous payments of the taxes.

8 (b) The Board may impose a Metro East Mass Transit
9 District Retailers' Occupation Tax upon all persons engaged in
10 the business of selling tangible personal property at retail
11 in the district at a rate of 1/4 of 1%, or as authorized under
12 subsection (d-5) of this Section, of the gross receipts from
13 the sales made in the course of such business within the
14 district, except that the rate of tax imposed under this
15 Section on sales of aviation fuel on or after December 1, 2019
16 shall be 0.25% in Madison County unless the Metro-East Mass
17 Transit District in Madison County has an "airport-related
18 purpose" and any additional amount authorized under subsection
19 (d-5) is expended for airport-related purposes. If there is no
20 airport-related purpose to which aviation fuel tax revenue is
21 dedicated, then aviation fuel is excluded from any additional
22 amount authorized under subsection (d-5). The rate in St.
23 Clair County shall be 0.25% unless the Metro-East Mass Transit
24 District in St. Clair County has an "airport-related purpose"
25 and the additional 0.50% of the 0.75% tax on aviation fuel
26 imposed in that County is expended for airport-related

1 purposes. If there is no airport-related purpose to which
2 aviation fuel tax revenue is dedicated, then aviation fuel is
3 excluded from the additional 0.50% of the 0.75% tax.

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

12 The tax imposed under this Section and all civil penalties
13 that may be assessed as an incident thereof shall be collected
14 and enforced by the State Department of Revenue. The
15 Department shall have full power to administer and enforce
16 this Section; to collect all taxes and penalties so collected
17 in the manner hereinafter provided; and to determine all
18 rights to credit memoranda arising on account of the erroneous
19 payment of tax or penalty hereunder. In the administration of,
20 and compliance with, this Section, the Department and persons
21 who are subject to this Section shall have the same rights,
22 remedies, privileges, immunities, powers and duties, and be
23 subject to the same conditions, restrictions, limitations,
24 penalties, exclusions, exemptions and definitions of terms and
25 employ the same modes of procedure, as are prescribed in
26 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65

1 (in respect to all provisions therein other than the State
2 rate of tax), 2c, 3 (except as to the disposition of taxes and
3 penalties collected, and except that the retailer's discount
4 is not allowed for taxes paid on aviation fuel that are subject
5 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
6 U.S.C. 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,
7 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, 13, and 14 of the
8 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
9 Penalty and Interest Act, as fully as if those provisions were
10 set forth herein.

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

18 Whenever the Department determines that a refund should be
19 made under this Section to a claimant instead of issuing a
20 credit memorandum, the Department shall notify the State
21 Comptroller, who shall cause the warrant to be drawn for the
22 amount specified, and to the person named, in the notification
23 from the Department. The refund shall be paid by the State
24 Treasurer out of the Metro East Mass Transit District tax fund
25 established under paragraph (h) of this Section or the Local
26 Government Aviation Trust Fund, as appropriate.

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

3 For the purpose of determining whether a tax authorized
4 under this Section is applicable, a retail sale, by a producer
5 of coal or other mineral mined in Illinois, is a sale at retail
6 at the place where the coal or other mineral mined in Illinois
7 is extracted from the earth. This paragraph does not apply to
8 coal or other mineral when it is delivered or shipped by the
9 seller to the purchaser at a point outside Illinois so that the
10 sale is exempt under the Federal Constitution as a sale in
11 interstate or foreign commerce.

12 No tax shall be imposed or collected under this subsection
13 on the sale of a motor vehicle in this State to a resident of
14 another state if that motor vehicle will not be titled in this
15 State.

16 Nothing in this Section shall be construed to authorize
17 the Metro East Mass Transit District to impose a tax upon the
18 privilege of engaging in any business which under the
19 Constitution of the United States may not be made the subject
20 of taxation by this State.

21 (c) If a tax has been imposed under subsection (b), a Metro
22 East Mass Transit District Service Occupation Tax shall also
23 be imposed upon all persons engaged, in the district, in the
24 business of making sales of service, who, as an incident to
25 making those sales of service, transfer tangible personal
26 property within the District, either in the form of tangible

1 personal property or in the form of real estate as an incident
2 to a sale of service. The tax rate shall be 1/4%, or as
3 authorized under subsection (d-5) of this Section, of the
4 selling price of tangible personal property so transferred
5 within the district, except that the rate of tax imposed in
6 these Counties under this Section on sales of aviation fuel on
7 or after December 1, 2019 shall be 0.25% in Madison County
8 unless the Metro-East Mass Transit District in Madison County
9 has an "airport-related purpose" and any additional amount
10 authorized under subsection (d-5) is expended for
11 airport-related purposes. If there is no airport-related
12 purpose to which aviation fuel tax revenue is dedicated, then
13 aviation fuel is excluded from any additional amount
14 authorized under subsection (d-5). The rate in St. Clair
15 County shall be 0.25% unless the Metro-East Mass Transit
16 District in St. Clair County has an "airport-related purpose"
17 and the additional 0.50% of the 0.75% tax on aviation fuel is
18 expended for airport-related purposes. If there is no
19 airport-related purpose to which aviation fuel tax revenue is
20 dedicated, then aviation fuel is excluded from the additional
21 0.50% of the 0.75% tax.

22 The Board must comply with the certification requirements
23 for airport-related purposes under Section 2-22 of the
24 Retailers' Occupation Tax Act. For purposes of this Section,
25 "airport-related purposes" has the meaning ascribed in Section
26 6z-20.2 of the State Finance Act. This exclusion for aviation

1 fuel only applies for so long as the revenue use requirements
2 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
3 District.

4 The tax imposed under this paragraph and all civil
5 penalties that may be assessed as an incident thereof shall be
6 collected and enforced by the State Department of Revenue. The
7 Department shall have full power to administer and enforce
8 this paragraph; 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 paragraph, the Department and persons
14 who are subject to this paragraph shall have the same rights,
15 remedies, privileges, immunities, powers and duties, and be
16 subject to the same conditions, restrictions, limitations,
17 penalties, exclusions, exemptions and definitions of terms and
18 employ the same modes of procedure as are prescribed in
19 Sections 1a-1, 2 (except that the reference to State in the
20 definition of supplier maintaining a place of business in this
21 State shall mean the Authority), 2a, 3 through 3-50 (in
22 respect to all provisions therein other than the State rate of
23 tax), 4 (except that the reference to the State shall be to the
24 Authority), 5, 7, 8 (except that the jurisdiction to which the
25 tax shall be a debt to the extent indicated in that Section 8
26 shall be the District), 9 (except as to the disposition of

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

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

21 Whenever the Department determines that a refund should be
22 made under this paragraph to a claimant instead of issuing a
23 credit memorandum, the Department shall notify the State
24 Comptroller, who shall cause the warrant 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 Metro East Mass Transit District tax fund
2 established under paragraph (h) of this Section or the Local
3 Government Aviation Trust Fund, as appropriate.

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

8 (d) If a tax has been imposed under subsection (b), a Metro
9 East Mass Transit District Use Tax shall also be imposed upon
10 the privilege of using, in the district, any item of tangible
11 personal property that is purchased outside the district at
12 retail from a retailer, and that is titled or registered with
13 an agency of this State's government, at a rate of 1/4%, or as
14 authorized under subsection (d-5) of this Section, of the
15 selling price of the tangible personal property within the
16 District, as "selling price" is defined in the Use Tax Act. The
17 tax shall be collected from persons whose Illinois address for
18 titling or registration purposes is given as being in the
19 District. The tax shall be collected by the Department of
20 Revenue for the Metro East Mass Transit District. The tax must
21 be paid to the State, or an exemption determination must be
22 obtained from the Department of Revenue, before the title or
23 certificate of registration for the property may be issued.
24 The tax or proof of exemption may be transmitted to the
25 Department by way of the State agency with which, or the State
26 officer with whom, the tangible personal property must be

1 titled or registered if the Department and the State agency or
2 State officer determine that this procedure will expedite the
3 processing of applications for title or registration.

4 The Department shall have full power to administer and
5 enforce this paragraph; to collect all taxes, penalties and
6 interest due hereunder; to dispose of taxes, penalties and
7 interest so collected in the manner hereinafter provided; and
8 to determine all rights to credit memoranda or refunds arising
9 on account of the erroneous payment of tax, penalty or
10 interest hereunder. In the administration of, and compliance
11 with, this paragraph, the Department and persons who are
12 subject to this paragraph shall have the same rights,
13 remedies, privileges, immunities, powers and duties, and be
14 subject to the same conditions, restrictions, limitations,
15 penalties, exclusions, exemptions and definitions of terms and
16 employ the same modes of procedure, as are prescribed in
17 Sections 2 (except the definition of "retailer maintaining a
18 place of business in this State"), 3 through 3-80 (except
19 provisions pertaining to the State rate of tax, and except
20 provisions concerning collection or refunding of the tax by
21 retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions
22 pertaining to claims by retailers and except the last
23 paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act
24 and Section 3-7 of the Uniform Penalty and Interest Act, that
25 are not inconsistent with this paragraph, as fully as if those
26 provisions were set forth herein.

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

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

17 (d-5) (A) The county board of any county participating in
18 the Metro East Mass Transit District may authorize, by
19 ordinance, a referendum on the question of whether the tax
20 rates for the Metro East Mass Transit District Retailers'
21 Occupation Tax, the Metro East Mass Transit District Service
22 Occupation Tax, and the Metro East Mass Transit District Use
23 Tax for the District should be increased from 0.25% to 0.75%.
24 Upon adopting the ordinance, the county board shall certify
25 the proposition to the proper election officials who shall
26 submit the proposition to the voters of the District at the

1 next election, in accordance with the general election law.

2 The proposition shall be in substantially the following
3 form:

4 Shall the tax rates for the Metro East Mass Transit
5 District Retailers' Occupation Tax, the Metro East Mass
6 Transit District Service Occupation Tax, and the Metro
7 East Mass Transit District Use Tax be increased from 0.25%
8 to 0.75%?

9 (B) Two thousand five hundred electors of any Metro East
10 Mass Transit District may petition the Chief Judge of the
11 Circuit Court, or any judge of that Circuit designated by the
12 Chief Judge, in which that District is located to cause to be
13 submitted to a vote of the electors the question whether the
14 tax rates for the Metro East Mass Transit District Retailers'
15 Occupation Tax, the Metro East Mass Transit District Service
16 Occupation Tax, and the Metro East Mass Transit District Use
17 Tax for the District should be increased from 0.25% to 0.75%.

18 Upon submission of such petition the court shall set a
19 date not less than 10 nor more than 30 days thereafter for a
20 hearing on the sufficiency thereof. Notice of the filing of
21 such petition and of such date shall be given in writing to the
22 District and the County Clerk at least 7 days before the date
23 of such hearing.

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

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

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

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

Name	Address, with Street and Number.
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.....

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(C) The votes shall be recorded as "YES" or "NO". If a majority of all votes cast on the proposition are for the increase in the tax rates, the Metro East Mass Transit District shall begin imposing the increased rates in the District, and the Department of Revenue shall begin collecting the increased amounts, as provided under this Section. An ordinance imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first

1 day of January next following the adoption and filing, or on or
2 before the first day of April, whereupon the Department shall
3 proceed to administer and enforce this Section as of the first
4 day of July next following the adoption and filing.

5 (D) If the voters have approved a referendum under this
6 subsection, before November 1, 1994, to increase the tax rate
7 under this subsection, the Metro East Mass Transit District
8 Board of Trustees may adopt by a majority vote an ordinance at
9 any time before January 1, 1995 that excludes from the rate
10 increase tangible personal property that is titled or
11 registered with an agency of this State's government. The
12 ordinance excluding titled or registered tangible personal
13 property from the rate increase must be filed with the
14 Department at least 15 days before its effective date. At any
15 time after adopting an ordinance excluding from the rate
16 increase tangible personal property that is titled or
17 registered with an agency of this State's government, the
18 Metro East Mass Transit District Board of Trustees may adopt
19 an ordinance applying the rate increase to that tangible
20 personal property. The ordinance shall be adopted, and a
21 certified copy of that ordinance shall be filed with the
22 Department, on or before October 1, whereupon the Department
23 shall proceed to administer and enforce the rate increase
24 against tangible personal property titled or registered with
25 an agency of this State's government as of the following
26 January 1. After December 31, 1995, any reimposed rate

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

26 (d-6) If the Board of Trustees of any Metro East Mass

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

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

24 (d-7.1) Beginning July 1, 2004, any fee imposed by the
25 Board of Trustees of any Metro East Mass Transit District
26 under subsection (d-6) and all civil penalties that may be

1 assessed as an incident of the fees shall be collected and
2 enforced by the State Department of Revenue. Reference to
3 "taxes" in this Section shall be construed to apply to the
4 administration, payment, and remittance of all fees under this
5 Section. For purposes of any fee imposed under subsection
6 (d-6), 4% of the fee, penalty, and interest received by the
7 Department in the first 12 months that the fee is collected and
8 enforced by the Department and 2% of the fee, penalty, and
9 interest following the first 12 months (except the amount
10 collected on aviation fuel sold on or after December 1, 2019)
11 shall be deposited into the Tax Compliance and Administration
12 Fund and shall be used by the Department, subject to
13 appropriation, to cover the costs of the Department. No
14 retailers' discount shall apply to any fee imposed under
15 subsection (d-6).

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

20 (d-9) (Blank).

21 (d-10) (Blank).

22 (e) A certificate of registration issued by the State
23 Department of Revenue to a retailer under the Retailers'
24 Occupation Tax Act or under the Service Occupation Tax Act
25 shall permit the registrant to engage in a business that is
26 taxed under the tax imposed under paragraphs (b), (c) or (d) of

1 this Section and no additional registration shall be required
2 under the tax. A certificate issued under the Use Tax Act or
3 the Service Use Tax Act shall be applicable with regard to any
4 tax imposed under paragraph (c) of this Section.

5 (f) (Blank).

6 (g) Any ordinance imposing or discontinuing any tax under
7 this Section shall be adopted and a certified copy thereof
8 filed with the Department on or before June 1, whereupon the
9 Department of Revenue shall proceed to administer and enforce
10 this Section on behalf of the Metro East Mass Transit District
11 as of September 1 next following such adoption and filing.
12 Beginning January 1, 1992, an ordinance or resolution imposing
13 or discontinuing the tax hereunder shall be adopted and a
14 certified copy thereof filed with the Department on or before
15 the first day of July, whereupon the Department shall proceed
16 to administer and enforce this Section as of the first day of
17 October next following such adoption and filing. Beginning
18 January 1, 1993, except as provided in subsection (d-5) of
19 this Section, an ordinance or resolution imposing or
20 discontinuing the tax hereunder shall be adopted and a
21 certified copy thereof filed with the Department on or before
22 the first day of October, whereupon the Department shall
23 proceed to administer and enforce this Section as of the first
24 day of January next following such adoption and filing, or,
25 beginning January 1, 2004, on or before the first day of April,
26 whereupon the Department shall proceed to administer and

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

3 (h) Except as provided in subsection (d-7.1), the State
4 Department of Revenue shall, upon collecting any taxes as
5 provided in this Section, pay the taxes over to the State
6 Treasurer as trustee for the District. The taxes shall be held
7 in a trust fund outside the State Treasury. If an
8 airport-related purpose has been certified, taxes and
9 penalties collected in St. Clair County on aviation fuel sold
10 on or after December 1, 2019 from the 0.50% of the 0.75% rate
11 shall be immediately paid over by the Department to the State
12 Treasurer, ex officio, as trustee, for deposit into the Local
13 Government Aviation Trust Fund. The Department shall only pay
14 moneys into the Local Government Aviation Trust Fund under
15 this Act for so long as the revenue use requirements of 49
16 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
17 District.

18 As soon as possible after the first day of each month,
19 beginning January 1, 2011, 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 Innovation Development and Economy Act, collected under
24 this Section during the second preceding calendar month for
25 sales within a STAR bond district. The Department shall make
26 this certification only if the local mass transit district

1 imposes a tax on real property as provided in the definition of
2 "local sales taxes" under the Innovation Development and
3 Economy Act.

4 As soon as possible after the first day of each month,
5 beginning January 1, 2026, upon certification of the
6 Department of Revenue, the Comptroller shall order
7 transferred, and the Treasurer shall transfer, to the STAR
8 Bonds Revenue Fund the local sales tax increment, as defined
9 in the Statewide Innovation Development and Economy Act,
10 collected under this Section during the second preceding
11 calendar month for sales within a STAR bond district. The
12 Department shall make this certification only if the local
13 mass transit district imposes a tax on real property as
14 provided in the definition of "local sales taxes" under the
15 Statewide Innovation Development and Economy Act.

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 State Department of Revenue shall prepare and certify to
19 the Comptroller of the State of Illinois the amount to be paid
20 to the District, which shall be the amount (not including
21 credit memoranda and not including taxes and penalties
22 collected on aviation fuel sold on or after December 1, 2019
23 that are deposited into the Local Government Aviation Trust
24 Fund) collected under this Section during the second preceding
25 calendar month by the Department plus an amount the Department
26 determines is necessary to offset any amounts that were

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

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

20 ARTICLE 10

21 Section 10-1. Short title. This Act may be cited as the
22 Advancing Innovative Manufacturing for Illinois Tax Credit
23 Act. References in this Article to "this Act" mean this
24 Article.

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

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

18 "Advanced manufacturing" means the practice of using
19 innovative technologies and methods to improve a company's
20 ability to be competitive in the manufacturing sector by
21 optimizing all aspects of the value chain, from concept to
22 end-of-life considerations. "Advanced manufacturing"
23 includes, but is not limited to, advanced manufacturing
24 practices adopted by the following industries: clean energy

1 ecosystem businesses; life science businesses; food
2 manufacturing; automotive and aerospace manufacturing;
3 machinery manufacturing; fabricated metal manufacturing;
4 chemical manufacturing; robotics; and advanced materials
5 manufacturing, including nanomaterial manufacturing.

6 "Advancing Innovative Manufacturing for Illinois Tax
7 Credit" or "Credit" means a credit agreed to between the
8 Department and the applicant under this Act that is based on
9 capital improvements made to a new or existing facility for
10 the purpose of modernizing, upgrading, automating, or
11 streamlining a manufacturing or production process.

12 "Agreement" means the agreement between a taxpayer and the
13 Department under the provisions of this Act.

14 "Applicant" means a taxpayer that: (1) operates a business
15 in Illinois as a manufacturer of critically needed goods; (2)
16 operates a business in Illinois that primarily engages in
17 research and development that will result in the manufacturing
18 of critically needed goods; or (3) is planning to locate a
19 business within the State of Illinois as a manufacturer of
20 critically needed goods or a business in Illinois that
21 primarily engages in research and development that will result
22 in the manufacturing of critically needed goods. For the
23 purposes of this definition, a business primarily engages in
24 research and development if at least 50% of its business
25 activities involve research and development in the
26 manufacturing of critically needed goods.

1 "Applicant" does not include a taxpayer that closes or
2 substantially reduces, by more than 50%, operations at one
3 location in the State and relocates substantially the same
4 operation to another location in the State. This exclusion
5 does not prohibit a taxpayer from expanding its operations at
6 another location in the State. This exclusion also does not
7 prohibit a taxpayer from moving its operations from one
8 location in the State to another location in the State for the
9 purpose of expanding the operation of the business if the
10 Department determines that expansion cannot reasonably be
11 accommodated within the municipality or county in which the
12 business is located, or, in the case of a business located in
13 an incorporated area of the county, within the county in which
14 the business is located.

15 "Capital improvement" means (i) the purchase, renovation,
16 rehabilitation, or construction of permanent tangible land,
17 buildings, structures, equipment, and furnishings at an
18 approved project site in Illinois and (ii) expenditures for
19 goods or services that are normally capitalized, including
20 organizational costs and research and development costs
21 incurred in Illinois. For land, buildings, structures, and
22 equipment that are leased, the term of the lease must equal or
23 exceed the term of the agreement, and the cost of the property
24 shall be determined from the present value, using the
25 corporate interest rate prevailing at the time of the
26 application, of the lease payments.

1 "Department" means the Department of Commerce and Economic
2 Opportunity.

3 "Director" means the Director of Commerce and Economic
4 Opportunity.

5 "Full-time employee" means an individual who is employed
6 for consideration for at least 35 hours each week or who
7 renders any other standard of service generally accepted by
8 industry custom or practice as full-time employment. An
9 individual for whom a W-2 is issued by a Professional Employer
10 Organization (PEO) is a full-time employee if employed in the
11 service of the applicant for consideration for at least 35
12 hours each week.

13 "Incremental income tax" means the total amount withheld
14 during the taxable year from the compensation of new employees
15 and, if applicable, retained employees under Article 7 of the
16 Illinois Income Tax Act arising from employment at a project
17 that is the subject of an agreement.

18 "New employee" means a newly-hired full-time employee
19 employed to work at the project site and whose work is directly
20 related to the project.

21 "Noncompliance date" means, in the case of a taxpayer that
22 is not complying with the requirements of the agreement or the
23 provisions of this Act, the day following the last date upon
24 which the taxpayer was in compliance with the requirements of
25 the agreement and the provisions of this Act, as determined by
26 the Director.

1 "Pass-through entity" means an entity that is exempt from
2 the tax under subsection (b) or (c) of Section 205 of the
3 Illinois Income Tax Act.

4 "Placed in service" means that the facility is in a state
5 or condition of readiness, is available for a specifically
6 assigned function, and is constructed and ready to conduct
7 manufacturing operations.

8 "Professional employer organization" (PEO) means an
9 employee leasing company, as defined in Section 206.1 of the
10 Illinois Unemployment Insurance Act.

11 "Program" means the Advancing Innovative Manufacturing for
12 Illinois Tax Credit program established in this Act.

13 "Project" means a for-profit economic development activity
14 involving advanced manufacturing.

15 "Related member" means a person that, with respect to the
16 taxpayer during any portion of the taxable year, is any one of
17 the following:

18 (1) An individual stockholder, if the stockholder and
19 the members of the stockholder's family (as defined in
20 Section 318 of the Internal Revenue Code) own directly,
21 indirectly, beneficially, or constructively, in the
22 aggregate, at least 50% of the value of the taxpayer's
23 outstanding stock.

24 (2) A partnership, estate, trust and any partner or
25 beneficiary, if the partnership, estate, or trust, and its
26 partners or beneficiaries own directly, indirectly,

1 beneficially, or constructively, in the aggregate, at
2 least 50% of the profits, capital, stock, or value of the
3 taxpayer.

4 (3) A corporation, and any party related to the
5 corporation in a manner that would require an attribution
6 of stock from the corporation under the attribution rules
7 of Section 318 of the Internal Revenue Code, if the
8 taxpayer owns directly, indirectly, beneficially, or
9 constructively at least 50% of the value of the
10 corporation's outstanding stock.

11 (4) A corporation and any party related to that
12 corporation in a manner that would require an attribution
13 of stock from the corporation to the party or from the
14 party to the corporation under the attribution rules of
15 Section 318 of the Internal Revenue Code, if the
16 corporation and all such related parties own in the
17 aggregate at least 50% of the profits, capital, stock, or
18 value of the taxpayer.

19 (5) A person to or from whom there is an attribution of
20 stock ownership in accordance with Section 1563(e) of the
21 Internal Revenue Code, except, for purposes of determining
22 whether a person is a related member under this paragraph,
23 20% shall be substituted for 5% wherever 5% appears in
24 Section 1563(e) of the Internal Revenue Code.

25 "Research and development" means work directed toward the
26 innovation, introduction, and improvement of products and

1 processes in the space of advanced manufacturing.

2 "Retained employee" means a full-time employee who is
3 employed by the taxpayer before the first day of the term of
4 the agreement, who continues to be employed by the taxpayer
5 during the term of the agreement, and whose job duties are
6 directly and substantially related to the project. For
7 purposes of this definition, "directly and substantially
8 related to the project" means that at least two-thirds of the
9 employee's job duties must be directly related to the project
10 and the employee must devote at least two-thirds of his or her
11 time to the project. The term "retained employee" does not
12 include any individual who has a direct or an indirect
13 ownership interest of at least 5% in the profits, equity,
14 capital, or value of the taxpayer or a child, grandchild,
15 parent, or spouse, other than a spouse who is legally
16 separated from the individual, of any individual who has a
17 direct or indirect ownership of at least 5% in the profits,
18 equity, capital, or value of the taxpayer.

19 "Statewide baseline" means the total number of full-time
20 employees of the applicant and any related member employed by
21 such entities in Illinois at the time of application for
22 incentives under this Act.

23 "Taxpayer" means an individual, corporation, partnership,
24 or other entity that has a legal obligation to pay Illinois
25 income taxes and file an Illinois income tax return.

26 "Underserved area" means any geographic area as defined in

1 Section 5-5 of the Economic Development for a Growing Economy
2 Tax Credit Act.

3 Section 10-15. Powers of the Department. The Department,
4 in addition to those powers granted under the Civil
5 Administrative Code of Illinois, is granted and shall have all
6 the powers necessary or convenient to administer the program
7 under this Act and to carry out and effectuate the purposes and
8 provisions of this Act, including, but not limited to, the
9 power and authority to:

10 (1) adopt rules deemed necessary and appropriate for
11 the administration of the program, the designation of
12 projects, and the awarding of credits;

13 (2) establish forms for applications, notifications,
14 contracts, or any other agreements;

15 (3) accept applications at any time during the year;

16 (4) assist taxpayers pursuant to the provisions of
17 this Act and cooperate with taxpayers that are parties to
18 agreements under this Act to promote, foster, and support
19 economic development, capital investment, and job creation
20 or retention within the State;

21 (5) enter into agreements and memoranda of
22 understanding for the participation of, and engage in
23 cooperation with, agencies of the federal government,
24 units of local government, universities, research
25 foundations or institutions, regional economic development

1 corporations, or other organizations to implement the
2 requirements and purposes of this Act;

3 (6) gather information and conduct inquiries, in the
4 manner and by the methods it deems desirable, including,
5 without limitation, gathering information with respect to
6 applicants for the purpose of making any designations or
7 certifications necessary or desirable or to gather
8 information to assist the Department with any
9 recommendation or guidance in the furtherance of the
10 purposes of this Act;

11 (7) establish, negotiate, and effectuate agreements
12 and any term, agreement, or other document with any
13 person, necessary or appropriate to accomplish the
14 purposes of this Act and to consent, subject to the
15 provisions of any agreement with another party, to the
16 modification or restructuring of any agreement to which
17 the Department is a party;

18 (8) fix, determine, charge, and collect any premiums,
19 fees, charges, costs, and expenses from applicants,
20 including, without limitation, any application fees,
21 commitment fees, program fees, financing charges, or
22 publication fees as deemed appropriate to pay expenses
23 necessary or incident to the administration, staffing, or
24 operation of the Department's activities under this Act,
25 or for preparation, implementation, and enforcement of the
26 terms of the agreement, or for consultation, advisory and

1 legal fees, and other costs; all of those fees and
2 expenses shall be the responsibility of the applicant;

3 (9) provide for sufficient personnel to permit
4 administration, staffing, operation, and related support
5 required to adequately discharge its duties and
6 responsibilities described in this Act from funds made
7 available through charges to applicants or from funds as
8 may be appropriated by the General Assembly for the
9 administration of this Act;

10 (10) require applicants, upon written request, to
11 issue any necessary authorization to the appropriate
12 federal, State, or local authority for the release of
13 information concerning a project being considered under
14 this Act, including, but not be limited to, financial
15 reports, returns, or records relating to the taxpayer or
16 its project;

17 (11) require that a taxpayer shall, at all times, keep
18 proper books of record and account in accordance with
19 generally accepted accounting principles; any books,
20 records, or papers related to the agreement shall be kept
21 in the custody or control of the taxpayer and shall be open
22 for reasonable Department inspection and audit, including,
23 without limitation, the making of copies of the books,
24 records, or papers and the inspection or appraisal of any
25 of the taxpayer's or project's assets; and

26 (12) take whatever actions are necessary or

1 appropriate to protect the State's interest in the event
2 of bankruptcy, default, foreclosure, or noncompliance with
3 the terms and conditions of financial assistance or
4 participation required under this Act, including the power
5 to sell, dispose, lease, or rent, upon terms and
6 conditions determined by the Director to be appropriate,
7 real or personal property that the Department may receive
8 as a result of these actions.

9 Section 10-20. Advancing Innovative Manufacturing for
10 Illinois Tax Credit project applications.

11 (a) The Advancing Innovative Manufacturing for Illinois
12 Tax Credit program is hereby established and shall be
13 administered by the Department. The Program will provide
14 investment tax credit incentives to eligible manufacturers of
15 critically demanded goods.

16 (b) A taxpayer planning a project to be located in
17 Illinois may request consideration for designation of its
18 project as an Advancing Innovative Manufacturing for Illinois
19 Tax Credit program project by formal written letter of request
20 to the Department. The letter must, at a minimum, identify the
21 company name and project location, detail the scope of the
22 project, and specify the amount of intended capital investment
23 in the project, the number of new full-time employees at a
24 designated location in Illinois, the number of retained
25 employees at a project location and across Illinois, and any

1 change in the statewide baseline. As circumstances require,
2 the Department shall require a formal application from an
3 applicant.

4 (c) The Department of Commerce and Economic Opportunity
5 shall review the merits of each letter provided to evaluate
6 the taxpayer's demonstrated commitment to expanding
7 manufacturing within Illinois, the overall positive fiscal
8 impact of the project on the State, the economic soundness of
9 the project, and the benefit of the project to the people of
10 the State through increased, retained, or improved employment
11 opportunities. In the Department's evaluation of the project,
12 special consideration may be applied to projects located
13 within underserved areas; projects targeting industries that
14 are vital to the Illinois economy; projects with significant
15 job creation or job retention, or both; and projects with
16 considerable capital improvement investments. At a minimum,
17 the Department shall review project applications that include
18 a capital improvement investment of at least \$10,000,000.

19 (d) A taxpayer may not enter into more than one agreement
20 under this Act with respect to a single address or location for
21 the same period of time. A taxpayer may not enter into an
22 agreement under this Act with respect to a single address or
23 location if the taxpayer also holds an active agreement under
24 the Economic Development for a Growing Economy Tax Credit Act,
25 Reimagining Electric Vehicles in Illinois Tax Credit Act,
26 Manufacturing Illinois Chips for Real Opportunity Act, or Data

1 Center Investment Tax Exemptions and Credits for the same
2 period of time. This provision does not preclude the applicant
3 from entering into an additional agreement after the
4 expiration or voluntary termination of an earlier agreement
5 under this Act or under the Economic Development for a Growing
6 Economy Tax Credit Act, Reimagining Electric Vehicles in
7 Illinois Tax Credit Act, Manufacturing Illinois Chips for Real
8 Opportunity Act, or Data Center Investment Tax Exemptions and
9 Credits to the extent that the taxpayer's application
10 otherwise satisfies the terms and conditions of this Act and
11 is approved by the Department. An applicant with an existing
12 agreement under the Economic Development for a Growing Economy
13 Tax Credit Act, Reimagining Electric Vehicles in Illinois Tax
14 Credit Act, Manufacturing Illinois Chips for Real Opportunity
15 Act, or Data Center Investment Tax Exemptions and Credits may
16 submit an application for an agreement under this Act after it
17 terminates any existing agreement under the Economic
18 Development for a Growing Economy Tax Credit Act, Reimagining
19 Electric Vehicles in Illinois Tax Credit Act, Manufacturing
20 Illinois Chips for Real Opportunity Act, or Data Center
21 Investment Tax Exemptions and Credits with respect to the same
22 address or location.

23 Section 10-25. Tax credit awards.

24 (a) Subject to the conditions set forth in this Act, a
25 taxpayer is entitled to a credit against the tax imposed under

1 subsections (a) and (b) of Section 201 of the Illinois Income
2 Tax Act for taxable years beginning on or after January 1,
3 2026. The Department may award credits under this Act on and
4 after January 1, 2027.

5 (b) The credit under this Act shall not exceed 7% of the
6 applicant's total capital improvement investments for the year
7 for which the applicant seeks credit. Credits awarded under
8 this Act shall not reduce a taxpayer's liability for the tax
9 imposed by subsections (a) and (b) of Section 201 of the
10 Illinois Income Tax Act to less than zero. Unused credit may be
11 carried forward for a maximum of 10 years for use in future
12 taxable years. Any taxpayer qualifying for credits under this
13 Act shall not be eligible for the credits under subsections
14 (e), (f), or (h) of Section 201 of the Illinois Income Tax Act
15 for the same expenditures for the same taxable period.

16 (c) The Department shall certify to the Department of
17 Revenue: (1) the identity of taxpayers that are eligible to
18 receive tax credits under this Act and (2) the amount of the
19 credits awarded in each calendar year. Credits so earned and
20 certified by the Department may be applied against the tax
21 imposed by subsections (a) and (b) of Section 201 of the
22 Illinois Income Tax Act for taxable years beginning on or
23 after January 1, 2026.

24 (d) Any applicant issued a certificate for a tax credit
25 under this Act must report to the Department the total project
26 tax benefits received. Reports are due no later than April 15

1 of the year in which the applicant is seeking the credit and
2 shall cover the entire project period. Failure to report data
3 may result in ineligibility to receive incentives. The
4 Department, in consultation with the Department of Revenue, is
5 authorized to adopt rules governing ineligibility to receive
6 exemptions, including the length of ineligibility. Factors to
7 be considered in determining whether a business is ineligible
8 include, but are not limited to, prior compliance with the
9 reporting requirements, cooperation in discontinuing and
10 correcting violations, the extent of the violation, and
11 whether the violation was willful or inadvertent.

12 (e) The Department shall determine the amount and duration
13 of the credit awarded under this Act, subject to the
14 limitations set forth in this Act. The credit amount shall be
15 determined based on the total amount of the capital
16 improvement investment made by the taxpayer. A capital
17 improvement investment of \$10,000,000 or more but less than
18 \$50,000,000 shall result in a maximum credit of 3% of the
19 capital improvement amount; a capital improvement investment
20 of \$50,000,000 or more but less than \$100,000,000 shall result
21 in a maximum credit of 5% of the capital improvement amount; a
22 capital improvement investment of \$100,000,000 or more shall
23 result in a maximum credit of 7% of the capital improvement
24 amount. Projects may be granted a tax credit award that
25 reflects investments made within a maximum 5-year period. Each
26 program agreement will detail a specific placed-in-service

1 date by which the company must complete the project
2 investment. Credit for a project shall be issued after the
3 project is placed in service.

4 (f) Nothing in this Section shall prevent the Department,
5 in consultation with the Department of Revenue, from adopting
6 rules to extend the sunset of any earned, existing, and unused
7 tax credit or credits awarded under this Act that a taxpayer
8 may be in possession of.

9 Section 10-30. 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 maximum allowable credit as a percentage of
20 the project's total capital investment;

21 (4) a requirement that the taxpayer shall maintain
22 operations at the project location for a minimum of 15
23 years;

24 (5) a requirement that the taxpayer shall, at the time
25 that the project is placed in service, report to the

1 Department the number of new employees, the number of
2 retained employees, and the total capital improvement
3 investment of the project, and any other information the
4 Department deems necessary and appropriate to perform its
5 duties under this Act;

6 (6) a requirement authorizing the Director to verify
7 with the appropriate State agencies the amounts reported
8 under paragraph (5), and, after doing so, to issue a
9 certificate to the taxpayer stating that the amounts have
10 been verified;

11 (7) a requirement that the taxpayer shall provide
12 written notification to the Director not more than 30 days
13 after the taxpayer makes or receives a proposal that would
14 transfer the taxpayer's State tax liability obligations to
15 a successor taxpayer;

16 (8) a detailed description of the number of new
17 employees to be hired, and the occupation and payroll of
18 full-time jobs to be created or retained because of the
19 project;

20 (9) the minimum investment the taxpayer will make in
21 capital improvements, the time period for which the
22 project may claim credit, and the designated location in
23 Illinois for the investment;

24 (10) a requirement that the taxpayer shall provide
25 written notification to the Director and the Director's
26 designee not more than 30 days after the taxpayer

1 determines that the minimum job creation or retention,
2 employment payroll, or investment no longer is or will be
3 achieved or maintained as set forth in the terms and
4 conditions of the agreement. Additionally, the
5 notification should outline to the Department the number
6 of layoffs, date of the layoffs, and detail taxpayer's
7 efforts to provide career and training counseling for the
8 impacted workers with industry-related certifications and
9 trainings;

10 (11) a provision that, if the total number of new
11 employees falls below a specified level, the allowance of
12 credit shall be suspended until the number of new
13 employees equals or exceeds the agreement amount;

14 (12) a detailed description of the items for which the
15 costs incurred by the taxpayer will be included in the
16 limitation on the credit;

17 (13) a provision stating that if the taxpayer ceases
18 principal operations with the intent to permanently shut
19 down the project in the State during the term of the
20 agreement, then the entire credit amount awarded to the
21 taxpayer prior to the date the taxpayer ceases principal
22 operations shall be returned to the Department and shall
23 be reallocated to the local workforce investment area in
24 which the project was located; and

25 (14) any other performance conditions or contract
26 provisions the Department determines are necessary or

1 appropriate.

2 (b) The Department shall post on its website the terms of
3 each agreement entered into under this Act. The information
4 shall be posted within 10 days after entering into the
5 agreement and must include the following:

6 (1) the name of the taxpayer;

7 (2) the location of the project;

8 (3) the estimated value of the credit;

9 (4) the number of new employee jobs and, if
10 applicable, number of retained employee jobs at the
11 project; and

12 (5) whether or not the project is in an underserved
13 area or energy transition area.

14 Section 10-35. Certificate of verification; submission to
15 the Department of Revenue.

16 (a) A taxpayer claiming a credit under this Act shall
17 submit to the Department of Revenue a copy of the Director's
18 certificate of verification under this Act for the taxable
19 year. However, failure to submit a copy of the certificate
20 with the taxpayer's tax return shall not invalidate a claim
21 for a credit.

22 (b) For a taxpayer to be eligible for a certificate of
23 verification, the taxpayer shall provide proof as required by
24 the Department, prior to the end of each calendar year,
25 including, but not limited to, attestation by the taxpayer

1 that the project has achieved the level of capital
2 improvements in Illinois specified in its agreement.

3 Section 10-40. Noncompliance; notice; assessment. If the
4 Director determines that a taxpayer who has received a credit
5 under this Act is not complying with the requirements of the
6 agreement or all of the provisions of this Act, the Director
7 shall provide notice to the taxpayer of the alleged
8 noncompliance and allow the taxpayer a hearing under the
9 provisions of the Illinois Administrative Procedure Act. If,
10 after such notice and any hearing, the Director determines
11 that noncompliance exists, the Director shall issue to the
12 Department of Revenue a notice to that effect, stating the
13 noncompliance date. If, during the term of an agreement, the
14 taxpayer ceases operations at a project location that is the
15 subject of the agreement with the intent to terminate
16 operations in the State, the Department and the Department of
17 Revenue shall recapture from the taxpayer the entire credit
18 amount awarded under that agreement prior to the date the
19 taxpayer ceases operations. The Department shall, subject to
20 appropriation, reallocate the recaptured amounts within 6
21 months to the local workforce investment area in which the
22 project was located for purposes of workforce development,
23 expanded opportunities for unemployed persons, and expanded
24 opportunities for women and minority persons in the workforce.
25 The taxpayer will be ineligible for future funding under other

1 State tax credit or exemption programs for a 36-month period.
2 Noncompliance with the agreement will result in a default of
3 other agreements for State tax credits and exemption programs
4 for the project.

5 Section 10-45. Annual report.

6 (a) On or before July 1 of each year, the Department shall
7 submit a report on the tax credit program under this Act to the
8 Governor and the General Assembly. The report shall include
9 information on the number of agreements that were entered into
10 under this Act during the preceding calendar year, a
11 description of the project that is the subject of each
12 agreement, an update on the status of projects under
13 agreements entered into before the preceding calendar year,
14 and the sum of the credits awarded under this Act. A copy of
15 the report shall be delivered to the Governor and to each
16 member of the General Assembly.

17 (b) The report must include, for each agreement:

18 (1) the original estimates of the value of the credit
19 and the number of new employee jobs to be created and, if
20 applicable, the number of retained employee jobs;

21 (2) any relevant modifications to existing agreements;
22 and

23 (3) a copy of the original agreement or link to the
24 agreement on the Department's website.

1 Section 10-50. Sunset of new agreements. The Department
2 shall not enter into any new agreements under the provisions
3 of this Act after December 31, 2030.

4 Section 10-890. The Department of Central Management
5 Services Law of the Civil Administrative Code of Illinois is
6 amended by adding Section 405-550 as follows:

7 (20 ILCS 405/405-550 new)

8 Sec. 405-550. Site readiness work. The Department shall
9 have all powers, duties, rights, and responsibilities relating
10 to the procurement of site readiness work for surplus real
11 property. The Department is authorized to enter into any
12 agreements and execute any documents necessary or desirable to
13 exercise the authority granted by this Section. The Department
14 may accept assignment of contracts entered into by other State
15 agencies for site readiness work, whether or not such
16 contracts have been awarded in accordance with the terms of
17 the Illinois Procurement Code.

18 As used in this Section:

19 "Site readiness work" means services related to the
20 abatement, remediation, or demolition of surplus real
21 property. "Site readiness work" also includes, but is not
22 limited to, surveys, abstracts of title, or commitments for
23 title insurance, environmental reports, property condition
24 reports, or any other services or supplies as the Department

1 may, in its reasonable discretion, deem necessary to
2 demonstrate good and marketable title in and the existing
3 conditions or characteristics of the surplus real property.

4 "Surplus real property" has the meaning given to that term
5 in the State Property Control Act.

6 The Department may establish rules necessary or desirable
7 to exercise the authority granted by this Section.

8 Section 10-895. The Illinois Procurement Code is amended
9 by adding Section 1-45 as follows:

10 (30 ILCS 500/1-45 new)

11 Sec. 1-45. Application to site readiness work for surplus
12 real property. This Code shall not apply to any procurements
13 for or related to site readiness work for surplus real
14 property, as those terms are defined by the Department of
15 Central Management Services Law of the Civil Administrative
16 Code of Illinois and the State Property Control Act, provided
17 that the process shall be conducted in a manner substantially
18 in accordance with the requirements of the following Sections
19 of this Code: 20-160, 50-5, 50-10, 50-10.5, 50-12, 50-13,
20 50-15, 50-20, 50-21, 50-35, 50-36, 50-37, 50-38, and 50-50.

21 Section 10-900. The Department of Commerce and Economic
22 Opportunity Law of the Civil Administrative Code of Illinois
23 is amended by changing Sections 605-1025, 605-1055, and

1 605-1115 as follows:

2 (20 ILCS 605/605-1025)

3 Sec. 605-1025. Data center investment.

4 (a) The Department shall issue certificates of exemption
5 from the Retailers' Occupation Tax Act, the Use Tax Act, the
6 Service Use Tax Act, and the Service Occupation Tax Act, all
7 locally-imposed retailers' occupation taxes administered and
8 collected by the Department, the Chicago non-titled Use Tax,
9 and a credit certification against the taxes imposed under
10 subsections (a) and (b) of Section 201 of the Illinois Income
11 Tax Act to qualifying Illinois data centers.

12 (b) For taxable years beginning on or after January 1,
13 2019, the Department shall award credits against the taxes
14 imposed under subsections (a) and (b) of Section 201 of the
15 Illinois Income Tax Act as provided in Section 229 of the
16 Illinois Income Tax Act.

17 (c) For purposes of this Section:

18 "Data center" means a facility: (1) whose primary
19 services are the storage, management, and processing of
20 digital data; and (2) that is used to house (i) computer
21 and network systems, including associated components such
22 as servers, network equipment and appliances,
23 telecommunications, and data storage systems, (ii) systems
24 for monitoring and managing infrastructure performance,
25 (iii) Internet-related equipment and services, (iv) data

1 communications connections, (v) environmental controls,
2 (vi) fire protection systems, and (vii) security systems
3 and services.

4 "Qualifying Illinois data center" means a new or
5 existing data center that:

6 (1) is located in the State of Illinois;

7 (2) in the case of an existing data center, made a
8 capital investment of at least \$250,000,000
9 collectively by the data center operator and the
10 tenants of the data center over the 60-month period
11 immediately prior to January 1, 2020 or committed to
12 make a capital investment of at least \$250,000,000
13 over a 60-month period commencing before January 1,
14 2020 and ending after January 1, 2020; or

15 (3) in the case of a new data center, or an
16 existing data center making an upgrade, makes a
17 capital investment of at least \$250,000,000 over a
18 60-month period beginning on or after January 1, 2020;
19 and

20 (4) in the case of both existing and new data
21 centers, results in the creation of at least 20
22 full-time or full-time equivalent new jobs over a
23 period of 60 months by the data center operator and the
24 tenants of the data center, collectively, associated
25 with the operation or maintenance of the data center;
26 those jobs must have a total compensation equal to or

1 greater than 120% of the average wage paid to
2 full-time employees in the county where the data
3 center is located, as determined by the U.S. Bureau of
4 Labor Statistics; and

5 (5) within 2 years after being placed in service,
6 certifies to the Department that it is carbon neutral
7 or has attained certification under one or more of the
8 following green building standards:

9 (A) BREEAM for New Construction or BREEAM
10 In-Use;

11 (B) ENERGY STAR;

12 (C) Envision;

13 (D) ISO 50001-energy management;

14 (E) LEED for Building Design and Construction
15 or LEED for Operations and Maintenance;

16 (F) Green Globes for New Construction or Green
17 Globes for Existing Buildings;

18 (G) UL 3223; or

19 (H) an equivalent program approved by the
20 Department of Commerce and Economic Opportunity.

21 "Full-time equivalent job" means a job in which the
22 new employee works for the owner, operator, contractor, or
23 tenant of a data center or for a corporation under
24 contract with the owner, operator or tenant of a data
25 center at a rate of at least 35 hours per week. An owner,
26 operator or tenant who employs labor or services at a

1 specific site or facility under contract with another may
2 declare one full-time, permanent job for every 1,820 man
3 hours worked per year under that contract. Vacations, paid
4 holidays, and sick time are included in this computation.
5 Overtime is not considered a part of regular hours.

6 "Qualified tangible personal property" means:
7 electrical systems and equipment; climate control and
8 chilling equipment and systems; mechanical systems and
9 equipment; monitoring and secure systems; emergency
10 generators; hardware; computers; servers; data storage
11 devices; network connectivity equipment; racks; cabinets;
12 telecommunications cabling infrastructure; raised floor
13 systems; peripheral components or systems; software;
14 mechanical, electrical, or plumbing systems; battery
15 systems; cooling systems and towers; temperature control
16 systems; other cabling; and other data center
17 infrastructure equipment and systems necessary to operate
18 qualified tangible personal property, including fixtures;
19 and component parts of any of the foregoing, including
20 installation, maintenance, repair, refurbishment, and
21 replacement of qualified tangible personal property to
22 generate, transform, transmit, distribute, or manage
23 electricity necessary to operate qualified tangible
24 personal property; and all other tangible personal
25 property that is essential to the operations of a computer
26 data center. "Qualified tangible personal property" also

1 includes building materials physically incorporated into
2 ~~in to~~ the qualifying data center.

3 To document the exemption allowed under this Section, the
4 retailer must obtain from the purchaser a copy of the
5 certificate of eligibility issued by the Department.

6 (d) New and existing data centers seeking a certificate of
7 exemption for new or existing facilities shall apply to the
8 Department in the manner specified by the Department. The
9 Department shall determine the duration of the certificate of
10 exemption awarded under this Act. The duration of the
11 certificate of exemption may not exceed 20 calendar years. The
12 Department and any data center seeking the exemption,
13 including a data center operator on behalf of itself and its
14 tenants, must enter into a memorandum of understanding that at
15 a minimum provides:

16 (1) the details for determining the amount of capital
17 investment to be made;

18 (2) the number of new jobs created;

19 (3) the timeline for achieving the capital investment
20 and new job goals;

21 (4) the repayment obligation should those goals not be
22 achieved and any conditions under which repayment by the
23 qualifying data center or data center tenant claiming the
24 exemption will be required;

25 (5) the duration of the exemption; and

26 (6) other provisions as deemed necessary by the

1 Department.

2 (e) Beginning July 1, 2021, and each year thereafter, the
3 Department shall annually report to the Governor and the
4 General Assembly on the outcomes and effectiveness of Public
5 Act 101-31 that shall include the following:

6 (1) the name of each recipient business;

7 (2) the location of the project;

8 (3) the estimated value of the credit;

9 (4) the number of new jobs and, if applicable,
10 retained jobs pledged as a result of the project; and

11 (5) whether or not the project is located in an
12 underserved area.

13 (f) New and existing data centers seeking a certificate of
14 exemption related to the rehabilitation or construction of
15 data centers in the State shall require the contractor and all
16 subcontractors to comply with the requirements of Section
17 30-22 of the Illinois Procurement Code as they apply to
18 responsible bidders and to present satisfactory evidence of
19 that compliance to the Department.

20 (g) New and existing data centers seeking a certificate of
21 exemption for the rehabilitation or construction of data
22 centers in the State shall require the contractor to enter
23 into a project labor agreement ~~approved by the Department.~~
24 Executed project labor agreements must be submitted to the
25 Department for review upon the Department's request.

26 (h) Any qualifying data center issued a certificate of

1 exemption under this Section must annually report to the
2 Department the total data center tax benefits that are
3 received by the business. Reports are due no later than May 31
4 of each year and shall cover the previous calendar year. The
5 first report is for the 2019 calendar year and is due no later
6 than May 31, 2020.

7 To the extent that a business issued a certificate of
8 exemption under this Section has obtained an Enterprise Zone
9 Building Materials Exemption Certificate or a High Impact
10 Business Building Materials Exemption Certificate, no
11 additional reporting for those building materials exemption
12 benefits is required under this Section.

13 Failure to file a report under this subsection (h) may
14 result in suspension or revocation of the certificate of
15 exemption. Factors to be considered in determining whether a
16 data center certificate of exemption shall be suspended or
17 revoked include, but are not limited to, prior compliance with
18 the reporting requirements, cooperation in discontinuing and
19 correcting violations, the extent of the violation, and
20 whether the violation was willful or inadvertent.

21 (i) The Department shall not issue any new certificates of
22 exemption under the provisions of this Section after July 1,
23 2029. This sunset shall not affect any existing certificates
24 of exemption in effect on July 1, 2029.

25 (j) The Department shall adopt rules to implement and
26 administer this Section.

1 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 12-13-19;
2 102-427, eff. 8-20-21; 102-558, eff. 8-20-21.)

3 (20 ILCS 605/605-1055)

4 Sec. 605-1055. Illinois SBIR/STTR Matching Funds Program.

5 (a) There is established the Illinois Small Business
6 Innovation Research (SBIR) and Small Business Technology
7 Transfer (STTR) Matching Funds Program to be administered by
8 the Department. In order to foster job creation and economic
9 development in the State, the Department may make grants to
10 eligible businesses to match funds received by the business as
11 an SBIR or STTR Phase I award and to encourage businesses to
12 apply for Phase II awards.

13 (b) In order to be eligible for a grant under this Section,
14 a business must satisfy all of the following conditions:

15 (1) The business must be a for-profit, Illinois-based
16 business. For the purposes of this Section, an
17 Illinois-based business is one that has its principal
18 place of business in this State;

19 (2) The business must have received an SBIR/STTR Phase
20 I award from a participating federal agency in response to
21 a specific federal solicitation. To receive the full
22 match, the business must also have submitted a final Phase
23 I report, demonstrated that the sponsoring agency has
24 interest in the Phase II proposal, and submitted a Phase
25 II proposal to the agency.

1 (3) The business must satisfy all federal SBIR/STTR
2 requirements.

3 (4) The business shall not receive concurrent funding
4 support from other sources that duplicates the purpose of
5 this Section.

6 (5) The business must certify that at least 51% of the
7 research described in the federal SBIR/STTR Phase II
8 proposal will be conducted in this State and that the
9 business will remain an Illinois-based business for the
10 duration of the SBIR/STTR Phase II project.

11 (6) The business must demonstrate its ability to
12 conduct research in its SBIR/STTR Phase II proposal.

13 (c) The Department may award grants to match the funds
14 received by a business through an SBIR/STTR Phase I proposal
15 up to a maximum of \$75,000 ~~\$50,000~~. Seventy-five percent of
16 the total grant shall be remitted to the business upon receipt
17 of the SBIR/STTR Phase I award and application for funds under
18 this Section. Twenty-five percent of the total grant shall be
19 remitted to the business upon submission by the business of
20 the Phase II application to the funding agency and acceptance
21 of the Phase I report by the funding agency. A business may
22 receive only one grant under this subsection ~~Section~~ per year.
23 A business may receive only one grant under this subsection
24 ~~Section~~ with respect to each federal proposal submission. Over
25 its lifetime, a business may receive a maximum of 5 awards
26 under this subsection ~~Section~~.

1 (c-5) The Department may, subject to appropriation, award
2 grants to match the funds received by a business through an
3 SBIR/STTR Phase II proposal up to a maximum of \$250,000. Fifty
4 percent of the total grant shall be remitted to the business
5 upon receipt of the SBIR/STTR Phase II award and application
6 for funds under this Section. Fifty percent of the total grant
7 shall be remitted to the business upon submission by the
8 business of the Phase II final report to the federal funding
9 agency. A business may receive only one grant under this
10 subsection per year. A business may receive only one grant
11 under this subsection with respect to each federal proposal
12 submission. Over its lifetime, a business may receive a
13 maximum of 2 awards under this subsection.

14 (d) A business shall apply, under oath, to the Department
15 for a grant under this Section on a form prescribed by the
16 Department that includes at least all of the following:

17 (1) the name of the business, the form of business
18 organization under which it is operated, and the names and
19 addresses of the principals or management of the business;

20 (2) an acknowledgment of receipt of the Phase I report
21 and Phase II proposal by the relevant federal agency; and

22 (3) any other information necessary for the Department
23 to evaluate the application.

24 (Source: P.A. 101-657, eff. 3-23-21; 102-813, eff. 5-13-22.)

1 Sec. 605-1115. Quantum computing campuses.

2 (a) As used in this Section:

3 "Data center" means a facility: (1) whose primary services
4 are the storage, management, and processing of digital data;
5 and (2) that is used to house (A) computer and network systems,
6 including associated components such as servers, network
7 equipment and appliances, telecommunications, and data storage
8 systems, (B) systems for monitoring and managing
9 infrastructure performance, (C) Internet-related equipment and
10 services, (D) data communications connections, (E)
11 environmental controls, (F) fire protection systems, and (G)
12 security systems and services.

13 "Full-time equivalent job" means a job in which an
14 employee works for a tenant of the quantum campus at a rate of
15 at least 35 hours per week. Vacations, paid holidays, and sick
16 time are included in this computation. Overtime is not
17 considered a part of regular hours.

18 "Quantum computing campus" or "campus" is a contiguous
19 area located in the State of Illinois that is designated by the
20 Department as a quantum computing campus in order to support
21 the demand for quantum computing research, development, and
22 implementation for practical use. A quantum computing campus
23 may include educational institutions ~~intuitions~~, nonprofit
24 research and development organizations, and for-profit
25 organizations serving as anchor tenants and joining tenants
26 that, with approval from the Department, may change. Tenants

1 located at the campus shall have direct and supporting roles
2 in quantum computing activities. Eligible tenants include
3 quantum computer operators and research facilities, data
4 centers, manufacturers and assemblers of quantum computers and
5 component parts, cryogenic or refrigeration facilities, and
6 other facilities determined, by industry and academic leaders,
7 to be fundamental to the research and development of quantum
8 computing for practical solutions. Quantum computing shall
9 include the research, development, and use of computing
10 methods that generate and manipulate quantum bits in a
11 controlled quantum state. This includes the use of photons,
12 semiconductors, superconductors, trapped ions, and other
13 industry and academically regarded methods for simulating
14 quantum bits. Additionally, a quantum computing campus shall
15 meet the following criteria:

16 (1) the campus must comprise a minimum of 100 acres
17 ~~one half square mile~~ and not more than 640 acres ~~4 square~~
18 ~~miles~~;

19 (2) the campus must contain tenants that demonstrate a
20 substantial plan for using the designation to encourage
21 participation by organizations owned by minorities, women,
22 and persons with disabilities, as those terms are defined
23 in the Business Enterprise for Minorities, Women, and
24 Persons with Disabilities Act, and the hiring of
25 minorities, women, and persons with disabilities;

26 (3) upon being placed in service, within 60 months

1 after designation or incorporation into a campus, the
2 owners of property located in a campus shall certify to
3 the Department that the property is carbon neutral or has
4 attained certification under one or more of the following
5 green building standards:

6 (A) BREEAM for New Construction or BREEAM, In-Use;

7 (B) ENERGY STAR;

8 (C) Envision;

9 (D) ISO 50001-energy management;

10 (E) LEED for Building Design and Construction, or
11 LEED for Operations and Maintenance;

12 (F) Green Globes for New Construction, or Green
13 Globes for Existing Buildings;

14 (G) UL 3223; or

15 (H) an equivalent program approved by the
16 Department.

17 (b) Tenants located in a designated quantum computing
18 campus shall qualify for the following exemptions ~~and credits~~:

19 (1) the Department may certify a taxpayer for an
20 exemption from any State or local use tax or retailers'
21 occupation tax on building materials that will be
22 incorporated into real estate at a quantum computing
23 campus; and

24 (2) an exemption from the charges imposed under
25 Section 9-222 of the Public Utilities Act, Section 5-10 of
26 the Gas Use Tax Law, Section 2-4 of the Electricity Excise

1 Tax Law, Section 2 of the Telecommunications Excise Tax
2 Act, Section 10 of the Telecommunications Infrastructure
3 Maintenance Fee Act, and Section 5-7 of the Simplified
4 Municipal Telecommunications Tax Act. ~~and~~

5 ~~(3) a credit against the taxes imposed under~~
6 ~~subsections (a) and (b) of Section 201 of the Illinois~~
7 ~~Income Tax Act as provided in Section 241 of the Illinois~~
8 ~~Income Tax Act.~~

9 (c) Each tenant eligible for exemptions under subsection
10 (b) of this Section shall be issued a certificate by the
11 Department. Upon issuing certificates under this Section, the
12 Department shall notify the Department of Revenue of the
13 certificates, and the Department of Revenue shall issue and
14 administer the exemptions listed in subsection (b) of this
15 Section. The duration of those exemptions may not exceed 20
16 calendar years and one renewal for an additional 20 years.
17 ~~Certificates of exemption and credit certificates under this~~
18 ~~Section shall be issued by the Department. Upon certification~~
19 ~~by the Department under this Section, the Department shall~~
20 ~~notify the Department of Revenue of the certification. The~~
21 ~~exemption status shall take effect within 3 months after~~
22 ~~certification of the taxpayer and notice to the Department of~~
23 ~~Revenue by the Department.~~

24 (d) Entities seeking to form a quantum computing campus
25 must apply to the Department in the manner specified by the
26 Department. ~~Entities seeking to join an established campus~~

1 ~~must apply for an amendment to the existing campus. This~~
2 ~~application for amendment must be submitted to the Department~~
3 ~~with support from other campus members.~~

4 ~~The Department shall determine the duration of~~
5 ~~certificates of exemption awarded under this Act. The duration~~
6 ~~of the certificates of exemption may not exceed 20 calendar~~
7 ~~years and one renewal for an additional 20 years.~~

8 The Department and any tenant located in a quantum
9 computing campus seeking the benefits under this Section must
10 enter into a memorandum of understanding that, at a minimum,
11 provides:

12 (1) the details for determining the amount of capital
13 investment to be made;

14 (2) the number of new jobs created;

15 (3) the timeline for achieving the capital investment
16 and new job goals;

17 (4) the repayment obligation should those goals not be
18 achieved and any conditions under which repayment by the
19 tenant or tenants claiming the exemption shall be
20 required;

21 (5) the duration of the exemptions; and

22 (6) other provisions as deemed necessary by the
23 Department.

24 A certificate designating a quantum computing campus shall
25 be issued by the Department to each qualifying campus. The
26 Department shall, within 10 days after the designation of a

1 quantum computing campus, send a letter of notification to
2 each member of the General Assembly whose legislative district
3 or representative district contains all or part of the
4 designated area.

5 (e) Beginning on July 1, 2025, and each year thereafter,
6 the Department shall annually report to the Governor and the
7 General Assembly on the outcomes and effectiveness of Public
8 Act 103-595 ~~this amendatory Act of the 103rd General Assembly~~.
9 The report shall include the following:

10 (1) the names of each tenant located within the
11 quantum computing campus;

12 (2) the location of each quantum computing campus;

13 (3) the estimated value of the credits to be issued to
14 quantum computing campus tenants;

15 (4) the number of new jobs and, if applicable,
16 retained jobs pledged at each quantum computing campus;
17 and

18 (5) whether or not the quantum computing campus is
19 located in an underserved area, an energy transition zone,
20 or an opportunity zone.

21 (f) Tenants at the quantum computing campus seeking a
22 certificate of exemption related to the construction of
23 required facilities shall require the contractor and all
24 subcontractors to:

25 (1) comply with the requirements of Section 30-22 of
26 the Illinois Procurement Code as those requirements apply

1 to responsible bidders and to present satisfactory
2 evidence of that compliance to the Department; and

3 (2) enter into a project labor agreement submitted to
4 the Department.

5 (g) The Department shall not issue any new certificates of
6 exemption under the provisions of this Section after July 1,
7 2030. This sunset shall not affect any existing certificates
8 of exemption in effect on July 1, 2030.

9 (h) The Department shall adopt rules to implement and
10 administer this Section.

11 (Source: P.A. 103-595, eff. 6-26-24; revised 9-27-24.)

12 Section 10-910. The Illinois Enterprise Zone Act is
13 amended by changing Section 5.5 and by adding Section 5.3.1 as
14 follows:

15 (20 ILCS 655/5.3.1 new)

16 Sec. 5.3.1. Additional Enterprise Zones. Notwithstanding
17 any other provision of law, additional Enterprise Zones may be
18 certified as provided in the Central Illinois Economic
19 Development Authority Act, the Eastern Illinois Economic
20 Development Authority Act, the Quad Cities Regional Economic
21 Development Authority Act, the Southern Illinois Economic
22 Development Authority Act, the Tri-County River Valley
23 Development Authority Law, and the Will-Kankakee Regional
24 Development Authority Law. Enterprise Zones certified by any

1 Regional Development Authority shall not count as one of the
2 97 allowed Enterprise Zones. Enterprise Zones certified by any
3 Regional Development Authority may be noncontiguous within the
4 specified region under the purview of the certifying Regional
5 Development Authority.

6 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

7 Sec. 5.5. High Impact Business.

8 (a) In order to respond to unique opportunities to assist
9 in the encouragement, development, growth, and expansion of
10 the private sector through large scale investment and
11 development projects, the Department is authorized to receive
12 and approve applications for the designation of "High Impact
13 Businesses" in Illinois, for an initial term of 20 years with
14 an option for renewal for a term not to exceed 20 years,
15 subject to the following conditions:

16 (1) such applications may be submitted at any time
17 during the year;

18 (2) such business is not located, at the time of
19 designation, in an enterprise zone designated pursuant to
20 this Act, except for grocery stores, as defined in the
21 Grocery Initiative Act, ~~and~~ a new battery energy storage
22 solution facility, as defined by subparagraph (I) of
23 paragraph (3) of this subsection (a), or a high voltage
24 direct current converter station as defined in Section
25 1-10 of the Illinois Power Act;

1 (3) the business intends to do, commits to do, or is
2 one or more of the following:

3 (A) the business intends to make a minimum
4 investment of \$12,000,000 which will be placed in
5 service in qualified property and intends to create
6 500 full-time equivalent jobs at a designated location
7 in Illinois or intends to make a minimum investment of
8 \$30,000,000 which will be placed in service in
9 qualified property and intends to retain 1,500
10 full-time retained jobs at a designated location in
11 Illinois. The terms "placed in service" and "qualified
12 property" have the same meanings as described in
13 subsection (h) of Section 201 of the Illinois Income
14 Tax Act; or

15 (B) the business intends to establish a new
16 electric generating facility at a designated location
17 in Illinois. "New electric generating facility", for
18 purposes of this Section, means a newly constructed
19 electric generation plant or a newly constructed
20 generation capacity expansion at an existing electric
21 generation plant, including the transmission lines and
22 associated equipment that transfers electricity from
23 points of supply to points of delivery, and for which
24 such new foundation construction commenced not sooner
25 than July 1, 2001. Such facility shall be designed to
26 provide baseload electric generation and shall operate

1 on a continuous basis throughout the year; and (i)
2 shall have an aggregate rated generating capacity of
3 at least 1,000 megawatts for all new units at one site
4 if it uses natural gas as its primary fuel and
5 foundation construction of the facility is commenced
6 on or before December 31, 2004, or shall have an
7 aggregate rated generating capacity of at least 400
8 megawatts for all new units at one site if it uses coal
9 or gases derived from coal as its primary fuel and
10 shall support the creation of at least 150 new
11 Illinois coal mining jobs, or (ii) shall be funded
12 through a federal Department of Energy grant before
13 December 31, 2010 and shall support the creation of
14 Illinois coal mining jobs, or (iii) shall use coal
15 gasification or integrated gasification-combined cycle
16 units that generate electricity or chemicals, or both,
17 and shall support the creation of Illinois coal mining
18 jobs. The term "placed in service" has the same
19 meaning as described in subsection (h) of Section 201
20 of the Illinois Income Tax Act; or

21 (B-5) the business intends to establish a new
22 gasification facility at a designated location in
23 Illinois. As used in this Section, "new gasification
24 facility" means a newly constructed coal gasification
25 facility that generates chemical feedstocks or
26 transportation fuels derived from coal (which may

1 include, but are not limited to, methane, methanol,
2 and nitrogen fertilizer), that supports the creation
3 or retention of Illinois coal mining jobs, and that
4 qualifies for financial assistance from the Department
5 before December 31, 2010. A new gasification facility
6 does not include a pilot project located within
7 Jefferson County or within a county adjacent to
8 Jefferson County for synthetic natural gas from coal;
9 or

10 (C) the business intends to establish production
11 operations at a new coal mine, re-establish production
12 operations at a closed coal mine, or expand production
13 at an existing coal mine at a designated location in
14 Illinois not sooner than July 1, 2001; provided that
15 the production operations result in the creation of
16 150 new Illinois coal mining jobs as described in
17 subdivision (a)(3)(B) of this Section, and further
18 provided that the coal extracted from such mine is
19 utilized as the predominant source for a new electric
20 generating facility. The term "placed in service" has
21 the same meaning as described in subsection (h) of
22 Section 201 of the Illinois Income Tax Act; or

23 (D) the business intends to construct new
24 transmission facilities or upgrade existing
25 transmission facilities at designated locations in
26 Illinois, for which construction commenced not sooner

1 than July 1, 2001. For the purposes of this Section,
2 "transmission facilities" means transmission lines
3 with a voltage rating of 115 kilovolts or above,
4 including associated equipment, that transfer
5 electricity from points of supply to points of
6 delivery and that transmit a majority of the
7 electricity generated by a new electric generating
8 facility designated as a High Impact Business in
9 accordance with this Section. The term "placed in
10 service" has the same meaning as described in
11 subsection (h) of Section 201 of the Illinois Income
12 Tax Act; or

13 (E) the business intends to establish a new wind
14 power facility at a designated location in Illinois.
15 For purposes of this Section, "new wind power
16 facility" means a newly constructed electric
17 generation facility, a newly constructed expansion of
18 an existing electric generation facility, or the
19 replacement of an existing electric generation
20 facility, including the demolition and removal of an
21 electric generation facility irrespective of whether
22 it will be replaced, placed in service or replaced on
23 or after July 1, 2009, that generates electricity
24 using wind energy devices, and such facility shall be
25 deemed to include any permanent structures associated
26 with the electric generation facility and all

1 associated transmission lines, substations, and other
2 equipment related to the generation of electricity
3 from wind energy devices. For purposes of this
4 Section, "wind energy device" means any device, with a
5 nameplate capacity of at least 0.5 megawatts, that is
6 used in the process of converting kinetic energy from
7 the wind to generate electricity; or

8 (E-5) the business intends to establish a new
9 utility-scale solar facility at a designated location
10 in Illinois. For purposes of this Section, "new
11 utility-scale solar power facility" means a newly
12 constructed electric generation facility, or a newly
13 constructed expansion of an existing electric
14 generation facility, placed in service on or after
15 July 1, 2021, that (i) generates electricity using
16 photovoltaic cells and (ii) has a nameplate capacity
17 that is greater than 5,000 kilowatts, and such
18 facility shall be deemed to include all associated
19 transmission lines, substations, energy storage
20 facilities, and other equipment related to the
21 generation and storage of electricity from
22 photovoltaic cells; or

23 (F) the business commits to (i) make a minimum
24 investment of \$500,000,000, which will be placed in
25 service in a qualified property, (ii) create 125
26 full-time equivalent jobs at a designated location in

1 Illinois, (iii) establish a fertilizer plant at a
2 designated location in Illinois that complies with the
3 set-back standards as described in Table 1: Initial
4 Isolation and Protective Action Distances in the 2012
5 Emergency Response Guidebook published by the United
6 States Department of Transportation, (iv) pay a
7 prevailing wage for employees at that location who are
8 engaged in construction activities, and (v) secure an
9 appropriate level of general liability insurance to
10 protect against catastrophic failure of the fertilizer
11 plant or any of its constituent systems; in addition,
12 the business must agree to enter into a construction
13 project labor agreement including provisions
14 establishing wages, benefits, and other compensation
15 for employees performing work under the project labor
16 agreement at that location; for the purposes of this
17 Section, "fertilizer plant" means a newly constructed
18 or upgraded plant utilizing gas used in the production
19 of anhydrous ammonia and downstream nitrogen
20 fertilizer products for resale; for the purposes of
21 this Section, "prevailing wage" means the hourly cash
22 wages plus fringe benefits for training and
23 apprenticeship programs approved by the U.S.
24 Department of Labor, Bureau of Apprenticeship and
25 Training, health and welfare, insurance, vacations and
26 pensions paid generally, in the locality in which the

1 work is being performed, to employees engaged in work
2 of a similar character on public works; this paragraph
3 (F) applies only to businesses that submit an
4 application to the Department within 60 days after
5 July 25, 2013 (the effective date of Public Act
6 98-109); or

7 (G) the business intends to establish a new
8 cultured cell material food production facility at a
9 designated location in Illinois. As used in this
10 paragraph (G):

11 "Cultured cell material food production facility"
12 means a facility (i) at which cultured animal cell
13 food is developed using animal cell culture
14 technology, (ii) at which production processes occur
15 that include the establishment of cell lines and cell
16 banks, manufacturing controls, and all components and
17 inputs, and (iii) that complies with all existing
18 registrations, inspections, licensing, and approvals
19 from all applicable and participating State and
20 federal food agencies, including the Department of
21 Agriculture, the Department of Public Health, and the
22 United States Food and Drug Administration, to ensure
23 that all food production is safe and lawful under
24 provisions of the Federal Food, Drug and Cosmetic Act
25 related to the development, production, and storage of
26 cultured animal cell food.

1 "New cultured cell material food production
2 facility" means a newly constructed cultured cell
3 material food production facility that is placed in
4 service on or after June 7, 2023 (the effective date of
5 Public Act 103-9) or a newly constructed expansion of
6 an existing cultured cell material food production
7 facility, in a controlled environment, when the
8 improvements are placed in service on or after June 7,
9 2023 (the effective date of Public Act 103-9);

10 (H) the business is an existing or planned grocery
11 store, as that term is defined in Section 5 of the
12 Grocery Initiative Act, and receives financial support
13 under that Act within the 10 years before submitting
14 its application under this Act; or

15 (I) the business intends to establish a new
16 battery energy storage solution facility at a
17 designated location in Illinois. As used in this
18 paragraph (I):

19 "New battery energy storage solution facility"
20 means a newly constructed battery energy storage
21 facility, a newly constructed expansion of an existing
22 battery energy storage facility, or the replacement of
23 an existing battery energy storage facility that
24 stores electricity using battery devices and other
25 means. "New battery energy storage solution facility"
26 includes any permanent structures associated with the

1 new battery energy storage facility and all associated
2 transmission lines, substations, and other equipment
3 that is related to the storage and transmission of
4 electric power and that has a capacity of not less than
5 20 megawatt and storage capability of not less than 40
6 megawatt hours of energy; or

7 (J) the business intends to construct a new high
8 voltage direct current converter station at a
9 designated location in Illinois. As used in this
10 paragraph, "high voltage direct current converter
11 station" has the same meaning given to that term in
12 Section 1-10 of the Illinois Power Act; and

13 (4) no later than 90 days after an application is
14 submitted, the Department shall notify the applicant of
15 the Department's determination of the qualification of the
16 proposed High Impact Business under this Section.

17 (b) Businesses designated as High Impact Businesses
18 pursuant to subdivision (a)(3)(A) of this Section shall
19 qualify for the credits and exemptions described in the
20 following Acts: Section 9-222 and Section 9-222.1A of the
21 Public Utilities Act, subsection (h) of Section 201 of the
22 Illinois Income Tax Act, and Section 1d of the Retailers'
23 Occupation Tax Act; provided that these credits and exemptions
24 described in these Acts shall not be authorized until the
25 minimum investments set forth in subdivision (a)(3)(A) of this
26 Section have been placed in service in qualified properties

1 and, in the case of the exemptions described in the Public
2 Utilities Act and Section 1d of the Retailers' Occupation Tax
3 Act, the minimum full-time equivalent jobs or full-time
4 retained jobs set forth in subdivision (a)(3)(A) of this
5 Section have been created or retained. Businesses designated
6 as High Impact Businesses under this Section shall also
7 qualify for the exemption described in Section 51 of the
8 Retailers' Occupation Tax Act. The credit provided in
9 subsection (h) of Section 201 of the Illinois Income Tax Act
10 shall be applicable to investments in qualified property as
11 set forth in subdivision (a)(3)(A) of this Section.

12 (b-5) Businesses designated as High Impact Businesses
13 pursuant to subdivisions (a)(3)(B), (a)(3)(B-5), (a)(3)(C),
14 (a)(3)(D), (a)(3)(G), ~~and~~ (a)(3)(H), (a)(3)(I) and (a)(3)(J)
15 of this Section shall qualify for the credits and exemptions
16 described in the following Acts: Section 51 of the Retailers'
17 Occupation Tax Act, Section 9-222 and Section 9-222.1A of the
18 Public Utilities Act, and subsection (h) of Section 201 of the
19 Illinois Income Tax Act; however, the credits and exemptions
20 authorized under Section 9-222 and Section 9-222.1A of the
21 Public Utilities Act, and subsection (h) of Section 201 of the
22 Illinois Income Tax Act shall not be authorized until the new
23 electric generating facility, the new gasification facility,
24 the new transmission facility, the new, expanded, or reopened
25 coal mine, the new cultured cell material food production
26 facility, or the existing or planned grocery store is

1 operational, except that a new electric generating facility
2 whose primary fuel source is natural gas is eligible only for
3 the exemption under Section 51 of the Retailers' Occupation
4 Tax Act.

5 (b-6) Businesses designated as High Impact Businesses
6 pursuant to subdivision (a) (3) (E), (a) (3) (E-5), (A) (3) (I), or
7 (a) (3) (J) of this Section shall qualify for the exemptions
8 described in Section 51 of the Retailers' Occupation Tax Act;
9 any business so designated as a High Impact Business being,
10 for purposes of this Section, a "Wind Energy Business" or a
11 "High Voltage Direct Converter".

12 (b-7) Beginning on January 1, 2021, businesses designated
13 as High Impact Businesses by the Department shall qualify for
14 the High Impact Business construction jobs credit under
15 subsection (h-5) of Section 201 of the Illinois Income Tax Act
16 if the business meets the criteria set forth in subsection (i)
17 of this Section. The total aggregate amount of credits awarded
18 under the Blue Collar Jobs Act (Article 20 of Public Act 101-9)
19 shall not exceed \$20,000,000 in any State fiscal year.

20 (c) High Impact Businesses located in federally designated
21 foreign trade zones or sub-zones are also eligible for
22 additional credits, exemptions and deductions as described in
23 the following Acts: Section 9-221 and Section 9-222.1 of the
24 Public Utilities Act; and subsection (g) of Section 201, and
25 Section 203 of the Illinois Income Tax Act.

26 (d) Except for businesses contemplated under subdivision

1 (a) (3) (E), (a) (3) (E-5), (a) (3) (G), (a) (3) (H), (A) (3) (I), or
2 (a) (3) (J) of this Section, existing Illinois businesses which
3 apply for designation as a High Impact Business must provide
4 the Department with the prospective plan for which 1,500
5 full-time retained jobs would be eliminated in the event that
6 the business is not designated.

7 (e) Except for new businesses contemplated under
8 subdivision (a) (3) (E), subdivision (a) (3) (G), subdivision
9 (a) (3) (H), subdivision (a) (3) (I), or subdivision (a) (3) (J) of
10 this Section, new proposed facilities which apply for
11 designation as High Impact Business must provide the
12 Department with proof of alternative non-Illinois sites which
13 would receive the proposed investment and job creation in the
14 event that the business is not designated as a High Impact
15 Business.

16 (f) Except for businesses contemplated under subdivision
17 (a) (3) (E), subdivision (a) (3) (G), subdivision (a) (3) (H),
18 subdivision (a) (3) (I), or subdivision (a) (3) (J) of this
19 Section, in the event that a business is designated a High
20 Impact Business and it is later determined after reasonable
21 notice and an opportunity for a hearing as provided under the
22 Illinois Administrative Procedure Act, that the business would
23 have placed in service in qualified property the investments
24 and created or retained the requisite number of jobs without
25 the benefits of the High Impact Business designation, the
26 Department shall be required to immediately revoke the

1 designation and notify the Director of the Department of
2 Revenue who shall begin proceedings to recover all wrongfully
3 exempted State taxes with interest. ~~The business shall also be~~
4 ~~ineligible for all State funded Department programs for a~~
5 ~~period of 10 years.~~

6 (g) The Department shall revoke a High Impact Business
7 designation if the participating business fails to comply with
8 the terms and conditions of the designation.

9 (h) Prior to designating a business, the Department shall
10 provide the members of the General Assembly and Commission on
11 Government Forecasting and Accountability with a report
12 setting forth the terms and conditions of the designation and
13 guarantees that have been received by the Department in
14 relation to the proposed business being designated.

15 (i) High Impact Business construction jobs credit.
16 Beginning on January 1, 2021, a High Impact Business may
17 receive a tax credit against the tax imposed under subsections
18 (a) and (b) of Section 201 of the Illinois Income Tax Act in an
19 amount equal to 50% of the amount of the incremental income tax
20 attributable to High Impact Business construction jobs credit
21 employees employed in the course of completing a High Impact
22 Business construction jobs project. However, the High Impact
23 Business construction jobs credit may equal 75% of the amount
24 of the incremental income tax attributable to High Impact
25 Business construction jobs credit employees if the High Impact
26 Business construction jobs credit project is located in an

1 underserved area.

2 The Department shall certify to the Department of Revenue:
3 (1) the identity of taxpayers that are eligible for the High
4 Impact Business construction jobs credit; and (2) the amount
5 of High Impact Business construction jobs credits that are
6 claimed pursuant to subsection (h-5) of Section 201 of the
7 Illinois Income Tax Act in each taxable year.

8 As used in this subsection (i):

9 "High Impact Business construction jobs credit" means an
10 amount equal to 50% (or 75% if the High Impact Business
11 construction project is located in an underserved area) of the
12 incremental income tax attributable to High Impact Business
13 construction job employees. The total aggregate amount of
14 credits awarded under the Blue Collar Jobs Act (Article 20 of
15 Public Act 101-9) shall not exceed \$20,000,000 in any State
16 fiscal year

17 "High Impact Business construction job employee" means a
18 laborer or worker who is employed by a contractor or
19 subcontractor in the actual construction work on the site of a
20 High Impact Business construction job project.

21 "High Impact Business construction jobs project" means
22 building a structure or building or making improvements of any
23 kind to real property, undertaken and commissioned by a
24 business that was designated as a High Impact Business by the
25 Department. The term "High Impact Business construction jobs
26 project" does not include the routine operation, routine

1 repair, or routine maintenance of existing structures,
2 buildings, or real property.

3 "Incremental income tax" means the total amount withheld
4 during the taxable year from the compensation of High Impact
5 Business construction job employees.

6 "Underserved area" means a geographic area that meets one
7 or more of the following conditions:

8 (1) the area has a poverty rate of at least 20%
9 according to the latest American Community Survey;

10 (2) 35% or more of the families with children in the
11 area are living below 130% of the poverty line, according
12 to the latest American Community Survey;

13 (3) at least 20% of the households in the area receive
14 assistance under the Supplemental Nutrition Assistance
15 Program (SNAP); or

16 (4) the area has an average unemployment rate, as
17 determined by the Illinois Department of Employment
18 Security, that is more than 120% of the national
19 unemployment average, as determined by the U.S. Department
20 of Labor, for a period of at least 2 consecutive calendar
21 years preceding the date of the application.

22 (j) (Blank).

23 (j-5) Annually, until construction is completed, a company
24 seeking High Impact Business Construction Job credits shall
25 submit a report that, at a minimum, describes the projected
26 project scope, timeline, and anticipated budget. Once the

1 project has commenced, the annual report shall include actual
2 data for the prior year as well as projections for each
3 additional year through completion of the project. The
4 Department shall issue detailed reporting guidelines
5 prescribing the requirements of construction-related reports.

6 In order to receive credit for construction expenses, the
7 company must provide the Department with evidence that a
8 certified third-party executed an Agreed-Upon Procedure (AUP)
9 verifying the construction expenses or accept the standard
10 construction wage expense estimated by the Department.

11 Upon review of the final project scope, timeline, budget,
12 and AUP, the Department shall issue a tax credit certificate
13 reflecting a percentage of the total construction job wages
14 paid throughout the completion of the project.

15 (k) Upon 7 business days' notice, each taxpayer shall make
16 available to each State agency and to federal, State, or local
17 law enforcement agencies and prosecutors for inspection and
18 copying at a location within this State during reasonable
19 hours, the report under subsection (j-5).

20 (l) The changes made to this Section by Public Act
21 102-1125, other than the changes in subsection (a), apply to
22 High Impact Businesses that submit applications on or after
23 February 3, 2023 (the effective date of Public Act 102-1125).

24 (Source: P.A. 102-108, eff. 1-1-22; 102-558, eff. 8-20-21;
25 102-605, eff. 8-27-21; 102-662, eff. 9-15-21; 102-673, eff.
26 11-30-21; 102-813, eff. 5-13-22; 102-1125, eff. 2-3-23; 103-9,

1 eff. 6-7-23; 103-561, eff. 1-1-24; 103-595, eff. 6-26-24;
2 103-605, eff. 7-1-24; 103-1066, eff. 2-20-25.)

3 Section 10-915. The Reimagining Energy and Vehicles in
4 Illinois Act is amended by changing Sections 10, 20, and 45 as
5 follows:

6 (20 ILCS 686/10)

7 Sec. 10. Definitions. As used in this Act:

8 "Advanced battery" means a battery that consists of a
9 battery cell that can be integrated into a module, pack, or
10 system to be used in energy storage applications, including a
11 battery used in an electric vehicle or the electric grid.

12 "Advanced battery component" means a component of an
13 advanced battery, including materials, enhancements,
14 enclosures, anodes, cathodes, electrolytes, cells, and other
15 associated technologies that comprise an advanced battery.

16 "Agreement" means the agreement between a taxpayer and the
17 Department under the provisions of Section 45 of this Act.

18 "Applicant" means a taxpayer that (i) operates a business
19 in Illinois or is planning to locate a business within the
20 State of Illinois and (ii) is engaged in interstate or
21 intrastate commerce as an electric vehicle manufacturer, an
22 electric vehicle component parts manufacturer, or an electric
23 vehicle power supply equipment manufacturer. For applications
24 for credits under this Act that are submitted on or after

1 February 3, 2023 (the effective date of Public Act 102-1125)
2 ~~this amendatory Act of the 102nd General Assembly~~, "applicant"
3 also includes a taxpayer that (i) operates a business in
4 Illinois or is planning to locate a business within the State
5 of Illinois and (ii) is engaged in interstate or intrastate
6 commerce as a renewable energy manufacturer, a renewable
7 energy products manufacturer, the manufacturer of an eVTOL
8 aircraft or hybrid-electric or fully electric propulsion
9 system for airliners, a battery recycling and reuse
10 manufacturer, a green steel manufacturer, electrical
11 transformer or transformer component part manufacturer, an
12 assembler or manufacturer of retrofit electric vehicles, an
13 entity that manufactures machinery or equipment essential to
14 the production of electric vehicles, an electric vehicle
15 component parts service provider, a renewable energy service
16 provider, or a battery raw materials refining service
17 provider. "Applicant" does not include a taxpayer who closes
18 or substantially reduces by more than 50% operations at one
19 location in the State and relocates substantially the same
20 operation to another location in the State. This does not
21 prohibit a Taxpayer from expanding its operations at another
22 location in the State. This also does not prohibit a Taxpayer
23 from moving its operations from one location in the State to
24 another location in the State for the purpose of expanding the
25 operation, provided that the Department determines that
26 expansion cannot reasonably be accommodated within the

1 municipality or county in which the business is located, or,
2 in the case of a business located in an incorporated area of
3 the county, within the county in which the business is
4 located, after conferring with the chief elected official of
5 the municipality or county and taking into consideration any
6 evidence offered by the municipality or county regarding the
7 ability to accommodate expansion within the municipality or
8 county.

9 "Battery raw materials" means the raw and processed form
10 of a mineral, metal, chemical, or other material used in an
11 advanced battery component.

12 "Battery raw materials refining service provider" means a
13 business that operates a facility that filters, sifts, and
14 treats battery raw materials for use in an advanced battery.

15 "Battery recycling and reuse manufacturer" means a
16 manufacturer that is primarily engaged in the recovery,
17 retrieval, processing, recycling, or recirculating of battery
18 raw materials for new use in electric vehicle batteries.

19 "Capital improvements" means the purchase, renovation,
20 rehabilitation, or construction of permanent tangible land,
21 buildings, structures, equipment, and furnishings in an
22 approved project sited in Illinois and expenditures for goods
23 or services that are normally capitalized, including
24 organizational costs and research and development costs
25 incurred in Illinois. For land, buildings, structures, and
26 equipment that are leased, the lease must equal or exceed the

1 term of the agreement, and the cost of the property shall be
2 determined from the present value, using the corporate
3 interest rate prevailing at the time of the application, of
4 the lease payments.

5 "Credit" means either a "REV Illinois Credit" or a "REV
6 Construction Jobs Credit" agreed to between the Department and
7 applicant under this Act.

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

10 "Director" means the Director of Commerce and Economic
11 Opportunity.

12 "Electric vehicle" means a vehicle that is exclusively or
13 partially powered by and refueled by electricity, including
14 electricity generated through hydrogen fuel cells or solar
15 technology. "Electric vehicle" also includes hybrid-electric
16 vehicles (HEV) but excludes electric bicycles ~~, except when~~
17 ~~referencing aircraft with hybrid electric propulsion systems,~~
18 ~~does not include hybrid electric vehicles, electric bicycles,~~
19 ~~or extended range electric vehicles that are also equipped~~
20 ~~with conventional fueled propulsion or auxiliary engines.~~

21 "Electric vehicle manufacturer" means a new or existing
22 manufacturer that is primarily focused on reequipping,
23 expanding, or establishing a manufacturing facility in
24 Illinois that produces electric vehicles as defined in this
25 Section.

26 "Electric vehicle component parts manufacturer" means a

1 new or existing manufacturer that is focused on reequipping,
2 expanding, or establishing a manufacturing facility in
3 Illinois that produces parts or accessories used in electric
4 vehicles, as defined by this Section, including advanced
5 battery component parts. The changes to this definition of
6 "electric vehicle component parts manufacturer" apply to
7 agreements under this Act that are entered into on or after
8 December 21, 2022 (the effective date of Public Act 102-1112)
9 ~~this amendatory Act of the 102nd General Assembly.~~

10 "Electric vehicle power supply equipment" means the
11 equipment used specifically for the purpose of delivering
12 electricity to an electric vehicle, including hydrogen fuel
13 cells or solar refueling infrastructure.

14 "Electric vehicle power supply manufacturer" means a new
15 or existing manufacturer that is focused on reequipping,
16 expanding, or establishing a manufacturing facility in
17 Illinois that produces electric vehicle power supply equipment
18 used for the purpose of delivering electricity to an electric
19 vehicle, including hydrogen fuel cell or solar refueling
20 infrastructure.

21 "Electric vehicle powertrain technology" means equipment
22 used to convert electricity for use in aerospace propulsion.

23 "Electric vehicle powertrain technology manufacturer"
24 means a new or existing manufacturer that is focused on
25 reequipping, expanding, or establishing a manufacturing
26 facility in Illinois that develops and validates electric

1 vehicle powertrain technology ~~for use in aerospace propulsion.~~

2 "Electric vertical takeoff and landing aircraft" or "eVTOL
3 aircraft" means a fully electric aircraft that lands and takes
4 off vertically.

5 "Energy Transition Area" means a county with less than
6 100,000 people or a municipality that contains one or more of
7 the following:

8 (1) a fossil fuel plant that was retired from service
9 or has significant reduced service within 6 years before
10 the time of the application or will be retired or have
11 service significantly reduced within 6 years following the
12 time of the application; or

13 (2) a coal mine that was closed or had operations
14 significantly reduced within 6 years before the time of
15 the application or is anticipated to be closed or have
16 operations significantly reduced within 6 years following
17 the time of the application.

18 "Full-time employee" means an individual who is employed
19 for consideration for at least 35 hours each week or who
20 renders any other standard of service generally accepted by
21 industry custom or practice as full-time employment. An
22 individual for whom a W-2 is issued by a Professional Employer
23 Organization (PEO) is a full-time employee if employed in the
24 service of the applicant for consideration for at least 35
25 hours each week.

26 "Green steel manufacturer" means an entity that

1 manufactures steel without the use of fossil fuels and with
2 zero net carbon emissions.

3 "Hybrid-electric vehicle (HEV)" means a motor vehicle
4 which draws propulsion energy from onboard sources of stored
5 energy that are both an internal combustion engine or heat
6 engine using consumable fuel, and a rechargeable energy
7 storage system such as a battery, capacitor, hydraulic
8 accumulator, or flywheel. This includes plug-in,
9 hybrid-electric vehicles.

10 "Incremental income tax" means the total amount withheld
11 during the taxable year from the compensation of new employees
12 and, if applicable, retained employees under Article 7 of the
13 Illinois Income Tax Act arising from employment at a project
14 that is the subject of an agreement.

15 "Institution of higher education" or "institution" means
16 any accredited public or private university, college,
17 community college, business, technical, or vocational school,
18 or other accredited educational institution offering degrees
19 and instruction beyond the secondary school level.

20 "Minority person" means a minority person as defined in
21 the Business Enterprise for Minorities, Women, and Persons
22 with Disabilities Act.

23 "New employee" means a newly hired, ~~newly-hired~~ full-time
24 employee employed to work at the project site and whose work is
25 directly related to the project.

26 "Noncompliance date" means, in the case of a taxpayer that

1 is not complying with the requirements of the agreement or the
2 provisions of this Act, the day following the last date upon
3 which the taxpayer was in compliance with the requirements of
4 the agreement and the provisions of this Act, as determined by
5 the Director, pursuant to Section 70.

6 "Pass-through entity" means an entity that is exempt from
7 the tax under subsection (b) or (c) of Section 205 of the
8 Illinois Income Tax Act.

9 "Placed in service" means the state or condition of
10 readiness, availability for a specifically assigned function,
11 and the facility is constructed and ready to conduct its
12 facility operations to manufacture goods.

13 "Professional employer organization" (PEO) means an
14 employee leasing company, as defined in Section 206.1 of the
15 Illinois Unemployment Insurance Act.

16 "Program" means the Reimagining Energy and Vehicles in
17 Illinois Program (the REV Illinois Program) established in
18 this Act.

19 "Project" or "REV Illinois Project" means ~~a~~ for-profit
20 economic development activity that is designated by the
21 Department as a REV Illinois Project, is the subject of an
22 agreement, and involves one or more of the following:

23 (1) the manufacture of electric vehicles, electric
24 vehicle component parts, or electric vehicle power supply
25 equipment;

26 (2) the manufacture of renewable energy products;

1 (3) the manufacture of eVTOL aircraft or
2 hybrid-electric or fully electric propulsion systems for
3 airliners;

4 (4) the development of battery recycling and reuse
5 processes;

6 (5) the manufacture of green steel;

7 (6) the assembly or manufacture of retrofit
8 electric vehicles;

9 (7) the manufacture of machinery or equipment that
10 is essential to the production of electric vehicles,
11 electric vehicle component parts, or renewable energy;

12 (8) the provision of battery raw materials
13 refining service; or

14 (9) the manufacture of electrical transformer or
15 transformer component parts. ~~for the manufacture of~~
16 ~~electric vehicles, electric vehicle component parts,~~
17 ~~electric vehicle power supply equipment, or renewable~~
18 ~~energy products, which is designated by the Department as~~
19 ~~a REV Illinois Project and is the subject of an agreement.~~

20 "Recycling facility" means a location at which the
21 taxpayer disposes of batteries and other component parts in
22 manufacturing of electric vehicles, electric vehicle component
23 parts, or electric vehicle power supply equipment.

24 "Related member" means a person that, with respect to the
25 taxpayer during any portion of the taxable year, is any one of
26 the following:

1 (1) An individual stockholder, if the stockholder and
2 the members of the stockholder's family (as defined in
3 Section 318 of the Internal Revenue Code) own directly,
4 indirectly, beneficially, or constructively, in the
5 aggregate, at least 50% of the value of the taxpayer's
6 outstanding stock.

7 (2) A partnership, estate, trust and any partner or
8 beneficiary, if the partnership, estate, or trust, and its
9 partners or beneficiaries own directly, indirectly,
10 beneficially, or constructively, in the aggregate, at
11 least 50% of the profits, capital, stock, or value of the
12 taxpayer.

13 (3) A corporation, and any party related to the
14 corporation in a manner that would require an attribution
15 of stock from the corporation under the attribution rules
16 of Section 318 of the Internal Revenue Code, if the
17 Taxpayer owns directly, indirectly, beneficially, or
18 constructively at least 50% of the value of the
19 corporation's outstanding stock.

20 (4) A corporation and any party related to that
21 corporation in a manner that would require an attribution
22 of stock from the corporation to the party or from the
23 party to the corporation under the attribution rules of
24 Section 318 of the Internal Revenue Code, if the
25 corporation and all such related parties own in the
26 aggregate at least 50% of the profits, capital, stock, or

1 value of the taxpayer.

2 (5) A person to or from whom there is an attribution of
3 stock ownership in accordance with Section 1563(e) of the
4 Internal Revenue Code, except, for purposes of determining
5 whether a person is a related member under this paragraph,
6 20% shall be substituted for 5% wherever 5% appears in
7 Section 1563(e) of the Internal Revenue Code.

8 "Renewable energy" means energy produced through renewable
9 energy resources, as defined in Section 1-10 of the Illinois
10 Power Agency Act, and nuclear power ~~using the materials and~~
11 ~~sources of energy through which renewable energy resources are~~
12 ~~generated.~~

13 "Renewable energy manufacturer" means a manufacturer whose
14 primary function is to manufacture or assemble: (i) equipment,
15 systems, or products used to produce renewable or nuclear
16 energy; (ii) products used for energy storage, or grid
17 efficiency purposes; or (iii) component parts for that
18 equipment or those systems or products.

19 "Renewable energy resources" has the meaning ascribed to
20 that term in Section 1-10 of the Illinois Power Agency Act.

21 "Research and development" means work directed toward the
22 innovation, introduction, and improvement of products and
23 processes. "Research and development" includes all levels of
24 research and development that directly result in the potential
25 manufacturing and marketability of renewable energy, electric
26 vehicles, electric vehicle component parts, and electric or

1 hybrid aircraft.

2 "Retained employee" means a full-time employee employed by
3 the taxpayer prior to the term of the Agreement who continues
4 to be employed during the term of the agreement whose job
5 duties are directly related to the project. The term "retained
6 employee" does not include any individual who has a direct or
7 an indirect ownership interest of at least 5% in the profits,
8 equity, capital, or value of the taxpayer or a child,
9 grandchild, parent, or spouse, other than a spouse who is
10 legally separated from the individual, of any individual who
11 has a direct or indirect ownership of at least 5% in the
12 profits, equity, capital, or value of the taxpayer. The
13 changes to this definition of "retained employee" apply to
14 agreements for credits under this Act that are entered into on
15 or after December 21, 2022 (the effective date of Public Act
16 102-1112) ~~this amendatory Act of the 102nd General Assembly.~~

17 "REV Illinois credit" means a credit agreed to between the
18 Department and the applicant under this Act that is based on
19 the incremental income tax attributable to new employees and,
20 if applicable, retained employees, and on training costs for
21 such employees at the applicant's project.

22 "REV construction jobs credit" means a credit agreed to
23 between the Department and the applicant under this Act that
24 is based on the incremental income tax attributable to
25 construction wages paid in connection with construction of the
26 project facilities.

1 "Statewide baseline" means the total number of full-time
2 employees of the applicant and any related member employed by
3 such entities at the time of application for incentives under
4 this Act.

5 "Taxpayer" means an individual, corporation, partnership,
6 or other entity that has a legal obligation to pay Illinois
7 income taxes and file an Illinois income tax return.

8 "Training costs" means costs incurred to upgrade the
9 technological skills of full-time employees in Illinois and
10 includes: curriculum development; training materials
11 (including scrap product costs); trainee domestic travel
12 expenses; instructor costs (including wages, fringe benefits,
13 tuition, and domestic travel expenses); rent, purchase, or
14 lease of training equipment; and other usual and customary
15 training costs. "Training costs" do not include costs
16 associated with travel outside the United States (unless the
17 Taxpayer receives prior written approval for the travel by the
18 Director based on a showing of substantial need or other proof
19 the training is not reasonably available within the United
20 States), wages and fringe benefits of employees during periods
21 of training, or administrative cost related to full-time
22 employees of the taxpayer.

23 "Underserved area" means any geographic area as defined in
24 Section 5-5 of the Economic Development for a Growing Economy
25 Tax Credit Act.

26 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;

1 102-1112, eff. 12-21-22; 102-1125, eff. 2-3-23; 103-595, eff.
2 6-26-24; revised 10-24-24.)

3 (20 ILCS 686/20)

4 Sec. 20. REV Illinois Program; project applications.

5 (a) The Reimagining Energy and Vehicles in Illinois (REV
6 Illinois) Program is hereby established and shall be
7 administered by the Department. The Program will provide
8 financial incentives to any one or more of the following: (1)
9 eligible manufacturers of electric vehicles, electric vehicle
10 component parts, and electric vehicle power supply equipment;
11 (2) battery recycling and reuse manufacturers; (3) battery raw
12 materials refining service providers; or (4) renewable energy
13 manufacturers.

14 (b) Any taxpayer planning a project to be located in
15 Illinois may request consideration for designation of its
16 project as a REV Illinois Project, by formal written letter of
17 request or by formal application to the Department, in which
18 the applicant states its intent to make at least a specified
19 level of investment and intends to hire a specified number of
20 full-time employees at a designated location in Illinois. As
21 circumstances require, the Department shall require a formal
22 application from an applicant and a formal letter of request
23 for assistance.

24 (c) In order to qualify for credits under the REV Illinois
25 Program, an applicant must:

1 (1) if the applicant is an electric vehicle
2 manufacturer:

3 (A) make an investment of at least \$1,500,000,000
4 in capital improvements at the project site;

5 (B) to be placed in service within the State
6 within a 60-month period after approval of the
7 application; and

8 (C) create at least 500 new full-time employee
9 jobs; or

10 (2) if the applicant is: an electric vehicle component
11 parts manufacturer; ~~τ~~ a renewable energy manufacturer; ~~τ~~ a
12 green steel manufacturer; electrical transformer or
13 transformer component part manufacturer; an assembler or
14 manufacturer of retrofit electric vehicles; a manufacturer
15 of machinery or equipment that is essential to the
16 production of electric vehicles, electric vehicle
17 component parts, or renewable energy; ~~τ~~ ~~or~~ an entity
18 engaged in research, development, or manufacturing of
19 eVTOL aircraft or hybrid-electric or fully electric
20 propulsion systems for airliners; an electric vehicle
21 power supply equipment manufacturer; a battery recycling
22 and reuse manufacturer; or a battery raw materials
23 refining service provider:

24 (A) make an investment of at least \$300,000,000 in
25 capital improvements at the project site;

26 (B) manufacture one or more parts that are

1 primarily used for electric vehicle, renewable energy,
2 or green steel manufacturing or electrical transformer
3 or transformer component part manufacturer;

4 (C) to be placed in service within the State
5 within a 60-month period after approval of the
6 application; and

7 (D) create at least 150 new full-time employee
8 jobs; or

9 (3) if the agreement is entered into before February
10 3, 2023 (the effective date of Public Act 102-1125) ~~this~~
11 ~~amendatory Act of the 102nd General Assembly~~ and the
12 applicant is an electric vehicle manufacturer, an electric
13 vehicle power supply equipment manufacturer, an electric
14 vehicle component part manufacturer, renewable energy
15 manufacturer, ~~or~~ green steel manufacturer, or electrical
16 transformer or transformer component part manufacturer,
17 that does not qualify under paragraph (2) above, a battery
18 recycling and reuse manufacturer, or a battery raw
19 materials refining service provider:

20 (A) make an investment of at least \$20,000,000 in
21 capital improvements at the project site;

22 (B) for electric vehicle component part
23 manufacturers, manufacture one or more parts that are
24 primarily used for electric vehicle manufacturing;

25 (C) to be placed in service within the State
26 within a 48-month period after approval of the

1 application; and

2 (D) create at least 50 new full-time employee
3 jobs; or

4 (3.1) if the agreement is entered into on or after
5 February 3, 2023 (the effective date of Public Act
6 102-1125), ~~this amendatory Act of the 102nd General~~
7 ~~Assembly~~ the applicant does not qualify under paragraph
8 (2) above, and the applicant is: an electric vehicle
9 manufacturer; τ an electric vehicle power supply equipment
10 manufacturer; τ an electric vehicle component part
11 manufacturer; τ a renewable energy manufacturer; τ a green
12 steel manufacturer; a manufacturer of electrical
13 transformers or transformer component parts; an assembler
14 or manufacturer of retrofit electric vehicles; an entity
15 that manufactures machinery or equipment that is essential
16 to the production of electric vehicles, electric vehicle
17 component parts, or renewable energy; ~~τ or~~ an entity
18 engaged in research, development, or manufacturing of
19 eVTOL aircraft or hybrid-electric or fully electric
20 propulsion systems for airliners; ~~that does not qualify~~
21 ~~under paragraph (2) above~~ a battery recycling and reuse
22 manufacturer; τ or a battery raw materials refining
23 service provider:

24 (A) make an investment of at least \$2,500,000 in
25 capital improvements at the project site;

26 (B) in the case of electric vehicle component part

1 manufacturers, manufacture one or more parts that are
2 used for electric vehicle manufacturing;

3 (C) to be placed in service within the State
4 within a 48-month period after approval of the
5 application; and

6 (D) create the lesser of 50 new full-time employee
7 jobs or new full-time employee jobs equivalent to 10%
8 of the Statewide baseline applicable to the taxpayer
9 and any related member at the time of application; or

10 (4) if the agreement is entered into before February
11 3, 2023 (the effective date of Public Act 102-1125) ~~this~~
12 ~~amendatory Act of the 102nd General Assembly~~ and the
13 applicant is an electric vehicle manufacturer or electric
14 ~~vehicle~~ component parts manufacturer with existing
15 operations within Illinois that intends to convert or
16 expand, in whole or in part, the existing facility from
17 traditional manufacturing to primarily electric vehicle
18 manufacturing, electric vehicle component parts
19 manufacturing, ~~an~~ electric vehicle power supply equipment
20 manufacturing, ~~or~~ a green steel manufacturer, electrical
21 transformer or transformer component part manufacturer;

22 (A) make an investment of at least \$100,000,000 in
23 capital improvements at the project site;

24 (B) to be placed in service within the State
25 within a 60-month period after approval of the
26 application; and

1 (C) create the lesser of 75 new full-time employee
2 jobs or new full-time employee jobs equivalent to 10%
3 of the Statewide baseline applicable to the taxpayer
4 and any related member at the time of application;

5 (4.1) if the agreement is entered into on or after
6 February 3, 2023 (the effective date of Public Act
7 102-1125) ~~this amendatory Act of the 102nd General~~
8 ~~Assembly~~ and the applicant (i) is any of the following: an
9 electric vehicle manufacturer; τ an electric vehicle
10 component parts manufacturer; τ a renewable energy
11 manufacturer; τ a green steel manufacturer; electrical
12 transformer or transformer component part; an assembler or
13 manufacturer of retrofit electric vehicles; an entity that
14 manufactures machinery or equipment that is essential to
15 the production of electric vehicles, electric vehicle
16 component parts, or renewable energy; a battery recycling
17 and reuse manufacturer; a battery raw materials refining
18 service provider; τ or an entity engaged in research,
19 development, or manufacturing of eVTOL aircraft or
20 hybrid-electric ~~hybrid-electric~~ or fully electric
21 propulsion systems for airliners and (ii) has existing
22 operations within Illinois that the applicant intends to
23 convert or expand, in whole or in part, from traditional
24 manufacturing to electric vehicle manufacturing, electric
25 vehicle component parts manufacturing, renewable energy
26 manufacturing, or electric vehicle power supply equipment

1 manufacturing:

2 (A) make an investment of at least \$100,000,000 in
3 capital improvements at the project site;

4 (B) to be placed in service within the State
5 within a 60-month period after approval of the
6 application; and

7 (C) create the lesser of 50 new full-time employee
8 jobs or new full-time employee jobs equivalent to 10%
9 of the Statewide baseline applicable to the taxpayer
10 and any related member at the time of application; or

11 (5) if the agreement is entered into on or after June
12 7, 2023 (the effective date of the changes made to this
13 Section by Public Act 103-9) ~~this amendatory Act of the~~
14 ~~103rd General Assembly~~ and before June 1, 2024 and the
15 applicant (i) is an electric vehicle manufacturer, an
16 electric vehicle component parts manufacturer, or a
17 renewable energy manufacturer or (ii) has existing
18 operations within Illinois that the applicant intends to
19 convert or expand, in whole or in part, from traditional
20 manufacturing to electric vehicle manufacturing, electric
21 vehicle component parts manufacturing, renewable energy
22 manufacturing, or electric vehicle power supply equipment
23 manufacturing;

24 (A) make an investment of at least \$500,000,000 in
25 capital improvements at the project site;

26 (B) to be placed in service within the State

1 within a 60-month period after approval of the
2 application; and

3 (C) retain at least 800 full-time employee jobs at
4 the project.

5 (d) For agreements entered into prior to April 19, 2022
6 (the effective date of Public Act 102-700), for any applicant
7 creating the full-time employee jobs noted in subsection (c),
8 those jobs must have a total compensation equal to or greater
9 than 120% of the average wage paid to full-time employees in
10 the county where the project is located, as determined by the
11 U.S. Bureau of Labor Statistics. For agreements entered into
12 on or after April 19, 2022 (the effective date of Public Act
13 102-700), for any applicant creating the full-time employee
14 jobs noted in subsection (c), those jobs must have a
15 compensation equal to or greater than 120% of the average wage
16 paid to full-time employees in a similar position within an
17 occupational group in the county where the project is located,
18 as determined by the Department.

19 (e) For any applicant, within 24 months after being placed
20 in service, it must certify to the Department that it is carbon
21 neutral or has attained certification under one of more of the
22 following green building standards:

- 23 (1) BREEAM for New Construction or BREEAM In-Use;
24 (2) ENERGY STAR;
25 (3) Envision;
26 (4) ISO 50001 - energy management;

1 (5) LEED for Building Design and Construction or LEED
2 for Building Operations and Maintenance;

3 (6) Green Globes for New Construction or Green Globes
4 for Existing Buildings; or

5 (7) UL 3223.

6 (f) Each applicant must outline its hiring plan and
7 commitment to recruit and hire full-time employee positions at
8 the project site. The hiring plan may include a partnership
9 with an institution of higher education to provide
10 internships, including, but not limited to, internships
11 supported by the Clean Jobs Workforce Network Program, or
12 full-time permanent employment for students at the project
13 site. Additionally, the applicant may create or utilize
14 participants from apprenticeship programs that are approved by
15 and registered with the United States Department of Labor's
16 Bureau of Apprenticeship and Training. The applicant may apply
17 for apprenticeship education expense credits in accordance
18 with the provisions set forth in 14 Ill. Adm. Code 522. Each
19 applicant, in each year when seeking a credit under this Act,
20 is required to report annually, on or before April 15, on the
21 diversity of its workforce in accordance with Section 50 of
22 this Act. For existing facilities of applicants under
23 paragraph (3) of subsection (b) above, if the taxpayer expects
24 a reduction in force due to its transition to manufacturing
25 electric vehicle, electric vehicle component parts, or
26 electric vehicle power supply equipment, the plan submitted

1 under this Section must outline the taxpayer's plan to assist
2 with retraining its workforce aligned with the taxpayer's
3 adoption of new technologies and anticipated efforts to
4 retrain employees through employment opportunities within the
5 taxpayer's workforce.

6 (g) Each applicant must demonstrate a contractual or other
7 relationship with a recycling facility, or demonstrate its own
8 recycling capabilities, at the time of application and report
9 annually a continuing contractual or other relationship with a
10 recycling facility and the percentage of batteries used in
11 electric vehicles recycled throughout the term of the
12 agreement.

13 (h) A taxpayer may not enter into more than one agreement
14 under this Act with respect to a single address or location for
15 the same period of time. Also, a taxpayer may not enter into an
16 agreement under this Act with respect to a single address or
17 location for the same period of time for which the taxpayer
18 currently holds an active agreement under the Economic
19 Development for a Growing Economy Tax Credit Act. This
20 provision does not preclude the applicant from entering into
21 an additional agreement after the expiration or voluntary
22 termination of an earlier agreement under this Act or under
23 the Economic Development for a Growing Economy Tax Credit Act
24 to the extent that the taxpayer's application otherwise
25 satisfies the terms and conditions of this Act and is approved
26 by the Department. An applicant with an existing agreement

1 under the Economic Development for a Growing Economy Tax
2 Credit Act may submit an application for an agreement under
3 this Act after it terminates any existing agreement under the
4 Economic Development for a Growing Economy Tax Credit Act with
5 respect to the same address or location. If a project that is
6 subject to an existing agreement under the Economic
7 Development for a Growing Economy Tax Credit Act meets the
8 requirements to be designated as a REV Illinois project under
9 this Act, including for actions undertaken prior to the
10 effective date of this Act, the taxpayer that is subject to
11 that existing agreement under the Economic Development for a
12 Growing Economy Tax Credit Act may apply to the Department to
13 amend the agreement to allow the project to become a
14 designated REV Illinois project. Following the amendment, time
15 accrued during which the project was eligible for credits
16 under the existing agreement under the Economic Development
17 for a Growing Economy Tax Credit Act shall count toward the
18 duration of the credit subject to limitations described in
19 Section 40 of this Act.

20 (i) If, at any time following the designation of a project
21 as a REV Illinois Project by the Department and prior to the
22 termination or expiration of an agreement under this Act, the
23 project ceases to qualify as a REV Illinois project because
24 the taxpayer is no longer an electric vehicle manufacturer, an
25 electric vehicle component manufacturer, an electric vehicle
26 power supply equipment manufacturer, a battery recycling and

1 reuse manufacturer, a battery raw materials refining service
2 provider, a green steel manufacturer, electrical transformer
3 manufacturer or transformer component part, an assembler or
4 manufacturer of retrofit electric vehicles, an entity that
5 manufactures machinery or equipment that is essential to the
6 production of electric vehicles, electric vehicle component
7 parts, or renewable energy, or an entity engaged in eVTOL or
8 hybrid-electric ~~hybrid-electric~~ or fully electric propulsion
9 systems for airliners research, development, or manufacturing,
10 that project may receive tax credit awards as described in
11 Section 5-15 and Section 5-51 of the Economic Development for
12 a Growing Economy Tax Credit Act, as long as the project
13 continues to meet requirements to obtain those credits as
14 described in the Economic Development for a Growing Economy
15 Tax Credit Act and remains compliant with terms contained in
16 the Agreement under this Act not related to their status as an
17 electric vehicle manufacturer, an electric vehicle component
18 manufacturer, an electric vehicle power supply equipment
19 manufacturer, a battery recycling and reuse manufacturer, a
20 battery raw materials refining service provider, a green steel
21 manufacturer, electrical transformer or transformer component
22 part manufacturer, an assembler or manufacturer of retrofit
23 electric vehicles, an entity that manufactures machinery or
24 equipment essential to the production of electric vehicles,
25 electric vehicle component parts, or renewable energy, or an
26 entity engaged in eVTOL or hybrid-electric or fully electric

1 propulsion systems for airliners research, development, or
2 manufacturing. Time accrued during which the project was
3 eligible for credits under an agreement under this Act shall
4 count toward the duration of the credit subject to limitations
5 described in Section 5-45 of the Economic Development for a
6 Growing Economy Tax Credit Act.

7 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;
8 102-1112, eff. 12-21-22; 102-1125, eff. 2-3-23; 103-9, eff.
9 6-7-23; 103-595, eff. 6-26-24; revised 10-24-24.)

10 (20 ILCS 686/45)

11 Sec. 45. Contents of agreements with applicants.

12 (a) The Department shall enter into an agreement with an
13 applicant that is awarded a credit under this Act. The
14 agreement shall include all of the following:

15 (1) A detailed description of the project that is the
16 subject of the agreement, including the location and
17 amount of the investment and jobs created or retained.

18 (2) The duration of the credit, the first taxable year
19 for which the credit may be awarded, and the first taxable
20 year in which the credit may be used by the taxpayer.

21 (3) The credit amount that will be allowed for each
22 taxable year.

23 (4) For a project qualified under paragraphs (1), (2),
24 (4), or (5) of subsection (c) of Section 20, a requirement
25 that the taxpayer shall maintain operations at the project

1 location a minimum number of years not to exceed 15. For a
2 project qualified under paragraph (3) of subsection (c) of
3 Section 20, a requirement that the taxpayer shall maintain
4 operations at the project location a minimum number of
5 years not to exceed 10.

6 (5) A specific method for determining the number of
7 new employees and if applicable, retained employees,
8 employed during a taxable year.

9 (6) A requirement that the taxpayer shall report
10 annually, in the years when the taxpayer is seeking a tax
11 credit, ~~annually report~~ to the Department the number of
12 new employees, the incremental income tax withheld in
13 connection with the new employees, and any other
14 information the Department deems necessary and appropriate
15 to perform its duties under this Act.

16 (7) A requirement that the Director is authorized to
17 verify with the appropriate State agencies the amounts
18 reported under paragraph (6), and after doing so shall
19 issue a certificate to the taxpayer stating that the
20 amounts have been verified.

21 (8) A requirement that the taxpayer shall provide
22 written notification to the Director not more than 30 days
23 after the taxpayer makes or receives a proposal that would
24 transfer the taxpayer's State tax liability obligations to
25 a successor taxpayer.

26 (9) (Blank). ~~A detailed description of the number of~~

1 ~~new employees to be hired, and the occupation and payroll~~
2 ~~of full-time jobs to be created or retained because of the~~
3 ~~project.~~

4 (10) The minimum investment the taxpayer will make in
5 capital improvements, the time period for placing the
6 property in service, and the designated location in
7 Illinois for the investment.

8 (11) A requirement that the taxpayer shall provide
9 written notification to the Director and the Director's
10 designee not more than 30 days after the taxpayer
11 determines that the minimum job creation or retention,
12 employment payroll, or investment no longer is or will be
13 achieved or maintained as set forth in the terms and
14 conditions of the agreement. Additionally, the
15 notification should outline to the Department the number
16 of layoffs, date of the layoffs, and detail taxpayer's
17 efforts to provide career and training counseling for the
18 impacted workers with industry-related certifications and
19 trainings.

20 (12) If applicable, a provision that, if the total
21 number of new employees falls below a specified level, the
22 allowance of credit shall be suspended until the number of
23 new employees equals or exceeds the agreement amount.

24 (13) If applicable, a provision that specifies the
25 statewide baseline at the time of application for retained
26 employees. The agreement must have a provision addressing

1 if the total number of retained employees falls below the
2 lesser of the statewide baseline or the retention
3 requirements specified in the agreement, the allowance of
4 the credit shall be suspended until the number of retained
5 employees equals or exceeds the agreement amount.

6 (14) A detailed description of the items for which the
7 costs incurred by the Taxpayer will be included in the
8 limitation on the Credit provided in Section 40.

9 (15) If the agreement is entered into before the
10 effective date of the changes made to this Section by this
11 amendatory Act of the 103rd General Assembly, a provision
12 stating that if the taxpayer fails to meet either the
13 investment or job creation and retention requirements
14 specified in the agreement during the entire 5-year period
15 beginning on the first day of the first taxable year in
16 which the agreement is executed and ending on the last day
17 of the fifth taxable year after the agreement is executed,
18 then the agreement is automatically terminated on the last
19 day of the fifth taxable year after the agreement is
20 executed, and the taxpayer is not entitled to the award of
21 any credits for any of that 5-year period. If the
22 agreement is entered into on or after the effective date
23 of the changes made to this Section by this amendatory Act
24 of the 103rd General Assembly, a provision stating that if
25 the taxpayer fails to meet either the investment or job
26 creation and retention requirements specified in the

1 agreement during the entire 10-year period beginning on
2 the effective date of the agreement and ending 10 years
3 after the effective date of the agreement, then the
4 agreement is automatically terminated, and the taxpayer is
5 not entitled to the award of any credits for any of that
6 10-year period.

7 (16) A provision stating that if the taxpayer ceases
8 principal operations with the intent to permanently shut
9 down the project in the State during the term of the
10 Agreement, then the entire credit amount awarded to the
11 taxpayer prior to the date the taxpayer ceases principal
12 operations shall be returned to the Department and shall
13 be reallocated to the local workforce investment area in
14 which the project was located.

15 (17) A provision stating that the Taxpayer must
16 provide the reports outlined in Sections 50 and 55 on or
17 before April 15 each year.

18 (18) A provision requiring the taxpayer to report
19 annually its contractual obligations or otherwise with a
20 recycling facility for its operations.

21 (19) Any other performance conditions or contract
22 provisions the Department determines are necessary or
23 appropriate.

24 (20) Each taxpayer under paragraph (1) of subsection
25 (c) of Section 20 above shall maintain labor neutrality
26 toward any union organizing campaign for any employees of

1 the taxpayer assigned to work on the premises of the REV
2 Illinois Project Site. This paragraph shall not apply to
3 an electric vehicle manufacturer, electric vehicle
4 component part manufacturer, electric vehicle power supply
5 manufacturer, or renewable energy manufacturer, or any
6 joint venture including an electric vehicle manufacturer,
7 electric vehicle component part manufacturer, electric
8 vehicle power supply manufacturer, renewable energy
9 manufacturer, or an entity engaged in eVTOL or
10 hybrid-electric or fully electric propulsion systems for
11 airliners research, development, or manufacturing, who is
12 subject to collective bargaining agreement entered into
13 prior to the taxpayer filing an application pursuant to
14 this Act.

15 (b) The Department shall post on its website the terms of
16 each agreement entered into under this Act. Such information
17 shall be posted within 10 days after entering into the
18 agreement and must include the following:

- 19 (1) the name of the taxpayer;
- 20 (2) the location of the project;
- 21 (3) the estimated value of the credit;
- 22 (4) the number of new employee jobs and, if
23 applicable, number of retained employee jobs at the
24 project; and
- 25 (5) whether or not the project is in an underserved
26 area or energy transition area.

1 (Source: P.A. 102-669, eff. 11-16-21; 102-1125, eff. 2-3-23;
2 103-9, eff. 6-7-23; 103-595, eff. 6-26-24.)

3 Section 10-917. The Design-Build Procurement Act is
4 amended by changing Sections 10 and 90 as follows:

5 (30 ILCS 537/10)

6 (Section scheduled to be repealed on January 1, 2026)

7 Sec. 10. Definitions. As used in this Act:

8 "State construction agency" means the Capital Development
9 Board or, in the case of a design-build procurement for a
10 public institution of higher education, the public institution
11 of higher education or, until January 1, 2026, in the case of a
12 design-build procurement by the Department of Central
13 Management Services in accordance with the authority
14 established by the Department of Central Management Services
15 Law of the Civil Administrative Code of Illinois, the
16 Department of Central Management Services.

17 "Delivery system" means the design and construction
18 approach used to develop and construct a project.

19 "Design-bid-build" means the traditional delivery system
20 used on public projects in this State that incorporates the
21 Architectural, Engineering, and Land Surveying Qualification
22 Based Selection Act (30 ILCS 535/) and the principles of
23 competitive selection in the Illinois Procurement Code (30
24 ILCS 500/).

1 "Design-build" means a delivery system that provides
2 responsibility within a single contract for the furnishing of
3 architecture, engineering, land surveying and related services
4 as required, and the labor, materials, equipment, and other
5 construction services for the project.

6 "Design-build contract" means a contract for a public
7 project under this Act between the State construction agency
8 and a design-build entity to furnish architecture,
9 engineering, land surveying, and related services as required,
10 and to furnish the labor, materials, equipment, and other
11 construction services for the project. The design-build
12 contract may be conditioned upon subsequent refinements in
13 scope and price and may allow the State construction agency to
14 make modifications in the project scope without invalidating
15 the design-build contract.

16 "Design-build entity" means any individual, sole
17 proprietorship, firm, partnership, joint venture, corporation,
18 professional corporation, or other entity that proposes to
19 design and construct any public project under this Act. A
20 design-build entity and associated design-build professionals
21 shall conduct themselves in accordance with the laws of this
22 State and the related provisions of the Illinois
23 Administrative Code, as referenced by the licensed design
24 professionals Acts of this State.

25 "Design professional" means any individual, sole
26 proprietorship, firm, partnership, joint venture, corporation,

1 professional corporation, or other entity that offers services
2 under the Illinois Architecture Practice Act of 1989 (225 ILCS
3 305/), the Professional Engineering Practice Act of 1989 (225
4 ILCS 325/), the Structural Engineering Licensing Act of 1989
5 (225 ILCS 340/), or the Illinois Professional Land Surveyor
6 Act of 1989 (225 ILCS 330/).

7 "Evaluation criteria" means the requirements for the
8 separate phases of the selection process as defined in this
9 Act and may include the specialized experience, technical
10 qualifications and competence, capacity to perform, past
11 performance, experience with similar projects, assignment of
12 personnel to the project, and other appropriate factors. Price
13 may not be used as a factor in the evaluation of Phase I
14 proposals.

15 "Proposal" means the offer to enter into a design-build
16 contract as submitted by a design-build entity in accordance
17 with this Act.

18 "Public institution of higher education" has the meaning
19 ascribed in subsection (f) of Section 1-13 of the Illinois
20 Procurement Code.

21 "Request for proposal" means the document used by the
22 State construction agency to solicit proposals for a
23 design-build contract.

24 "Scope and performance criteria" means the requirements
25 for the public project, including, but not limited to, the
26 intended usage, capacity, size, scope, quality and performance

standards, life-cycle costs, and other programmatic criteria that are expressed in performance-oriented and quantifiable specifications and drawings that can be reasonably inferred and are suited to allow a design-build entity to develop a proposal.

(Source: P.A. 102-1119, eff. 1-23-23.)

(30 ILCS 537/90)

(Section scheduled to be repealed on January 1, 2026)

Sec. 90. Repealer. This Act is repealed on January 1, 2030
~~January 1, 2026.~~

(Source: P.A. 102-1016, eff. 5-27-22; 102-1119, eff. 1-23-23.)

Section 10-920. The Illinois Income Tax Act is amended by changing Section 231 and by adding Section 252 as follows:

(35 ILCS 5/231)

Sec. 231. Apprenticeship education expense credit.

(a) As used in this Section:

"Accredited training organization" means an organization that:

(1) incurs costs related to training apprentice employees;

(2) maintains an apprenticeship program approved by the United States Department of Labor, Office of Apprenticeships, that results in an industry-recognized

1 credential; and either

2 (3) is affiliated with a public or nonpublic secondary
3 school in Illinois and is:

4 (A) an institution of higher education that
5 provides a program that leads to an
6 industry-recognized postsecondary credential or
7 degree;

8 (B) an entity that carries out programs that
9 are registered under the federal National
10 Apprenticeship Act; or

11 (C) a public or private provider of a program
12 of training services, including, but not limited to, a
13 joint labor-management organization; or

14 (4) is not affiliated with a public or nonpublic
15 secondary school in Illinois but receives preapproval from
16 the Department to receive tax credits under this Section.

17 "Department" means the Department of Commerce and Economic
18 Opportunity.

19 "Employer" means an Illinois taxpayer who is the employer
20 of the qualifying apprentice.

21 "Qualifying apprentice" means an individual who: (i) is a
22 resident of the State of Illinois; (ii) is at least 16 years
23 old at the close of the school year for which a credit is
24 sought; (iii) during the school year for which a credit is
25 sought, was a full-time apprentice enrolled in an
26 apprenticeship program which is registered with the United

1 States Department of Labor, Office of Apprenticeship; and (iv)
2 is employed in Illinois by the taxpayer who is the employer.

3 "Qualified education expense" means the amount incurred on
4 behalf of a qualifying apprentice not to exceed \$3,500 for
5 tuition, instructional materials, book fees (including, but
6 not limited to, book, license, and lab fees), or ~~, and lab fees~~
7 other expenses that are directly related to training the
8 apprentices and that are preapproved by the Department. All
9 expenses must be paid to or incurred for training at the
10 school, or community college, or organization where in which
11 the apprentice receives training is enrolled during the
12 regular school year.

13 ~~"School" means any public or nonpublic secondary school in~~
14 ~~Illinois that is: (i) an institution of higher education that~~
15 ~~provides a program that leads to an industry recognized~~
16 ~~postsecondary credential or degree; (ii) an entity that~~
17 ~~carries out programs registered under the federal National~~
18 ~~Apprenticeship Act; or (iii) another public or private~~
19 ~~provider of a program of training services, which may include~~
20 ~~a joint labor management organization.~~

21 (b) For taxable years beginning on or after January 1,
22 2020, and beginning on or before January 1, 2026, the employer
23 of one or more qualifying apprentices shall be allowed a
24 credit against the tax imposed by subsections (a) and (b) of
25 Section 201 of the Illinois Income Tax Act ~~for qualified~~
26 ~~education expenses incurred on behalf of a qualifying~~

1 ~~apprentice.~~ The credit shall be equal to ~~100% of the qualified~~
2 ~~education expenses, but in no event may the total credit~~
3 ~~amount awarded to a single taxpayer in a single taxable year~~
4 ~~exceed~~ \$3,500 per qualifying apprentice. A taxpayer shall be
5 entitled to an additional \$1,500 credit against the tax
6 imposed by subsections (a) and (b) of Section 201 of the
7 Illinois Income Tax Act if (i) the qualifying apprentice
8 resides in an underserved area as defined in Section 5-5 of the
9 Economic Development for a Growing Economy Tax Credit Act
10 during the school year for which a credit is sought by an
11 employer or (ii) the employer's principal place of business is
12 located in an underserved area, as defined in Section 5-5 of
13 the Economic Development for a Growing Economy Tax Credit Act.
14 The taxpayer shall also be entitled to receive an additional
15 \$1,500 credit against the tax imposed by subsections (a) and
16 (b) of Section 201 of the Illinois Income Tax Act if (i) the
17 qualified apprentice identifies as a Socially or Economically
18 Disadvantaged Individual (SEDI), as defined by the United
19 States Department of the Treasury, or (ii) the employer
20 identifies as a business owned by a Socially or Economically
21 Disadvantaged Individual (SEDI). In no event shall a credit
22 under this Section reduce the taxpayer's liability under this
23 Act to less than zero. For taxable years ending before
24 December 31, 2023, for partners, shareholders of Subchapter S
25 corporations, and owners of limited liability companies, if
26 the liability company is treated as a partnership for purposes

1 of federal and State income taxation, there shall be allowed a
2 credit under this Section to be determined in accordance with
3 the determination of income and distributive share of income
4 under Sections 702 and 704 and Subchapter S of the Internal
5 Revenue Code. For taxable years ending on or after December
6 31, 2023, partners and shareholders of subchapter S
7 corporations are entitled to a credit under this Section as
8 provided in Section 251.

9 (c) The Department shall implement a program to certify
10 applicants for an apprenticeship credit under this Section.
11 Upon satisfactory review, the Department shall issue a tax
12 credit certificate to an employer incurring costs on behalf of
13 a qualifying apprentice stating the amount of the tax credit
14 to which the employer is entitled. If the employer is seeking a
15 tax credit for multiple qualifying apprentices, the Department
16 may issue a single tax credit certificate that encompasses the
17 aggregate total of tax credits for qualifying apprentices for
18 a single employer.

19 (d) The Department, in addition to those powers granted
20 under the Civil Administrative Code of Illinois, is granted
21 and shall have all the powers necessary or convenient to carry
22 out and effectuate the purposes and provisions of this
23 Section, including, but not limited to, power and authority
24 to:

25 (1) Adopt rules deemed necessary and appropriate for
26 the administration of this Section; establish forms for

1 applications, notifications, contracts, or any other
2 agreements; and accept applications at any time during the
3 year and require that all applications be submitted via
4 the Internet. The Department shall require that
5 applications be submitted in electronic form.

6 (2) Provide guidance and assistance to applicants
7 pursuant to the provisions of this Section and cooperate
8 with applicants to promote, foster, and support job
9 creation within the State.

10 (3) Enter into agreements and memoranda of
11 understanding for participation of and engage in
12 cooperation with agencies of the federal government, units
13 of local government, universities, research foundations or
14 institutions, regional economic development corporations,
15 or other organizations for the purposes of this Section.

16 (4) Gather information and conduct inquiries, in the
17 manner and by the methods it deems desirable, including,
18 without limitation, gathering information with respect to
19 applicants for the purpose of making any designations or
20 certifications necessary or desirable or to gather
21 information in furtherance of the purposes of this Act.

22 (5) Establish, negotiate, and effectuate any term,
23 agreement, or other document with any person necessary or
24 appropriate to accomplish the purposes of this Section,
25 and consent, subject to the provisions of any agreement
26 with another party, to the modification or restructuring

1 of any agreement to which the Department is a party.

2 (6) Provide for sufficient personnel to permit
3 administration, staffing, operation, and related support
4 required to adequately discharge its duties and
5 responsibilities described in this Section from funds made
6 available through charges to applicants or from funds as
7 may be appropriated by the General Assembly for the
8 administration of this Section.

9 (7) Require applicants, upon written request, to issue
10 any necessary authorization to the appropriate federal,
11 State, or local authority or any other person for the
12 release to the Department of information requested by the
13 Department, including, but not be limited to, financial
14 reports, returns, or records relating to the applicant or
15 to the amount of credit allowable under this Section.

16 (8) Require that an applicant shall, at all times,
17 keep proper books of record and account in accordance with
18 generally accepted accounting principles consistently
19 applied, with the books, records, or papers related to the
20 agreement in the custody or control of the applicant open
21 for reasonable Department inspection and audits,
22 including, without limitation, the making of copies of the
23 books, records, or papers.

24 (9) Take whatever actions are necessary or appropriate
25 to protect the State's interest in the event of
26 bankruptcy, default, foreclosure, or noncompliance with

1 the terms and conditions of financial assistance or
2 participation required under this Section or any agreement
3 entered into under this Section, including the power to
4 sell, dispose of, lease, or rent, upon terms and
5 conditions determined by the Department to be appropriate,
6 real or personal property that the Department may recover
7 as a result of these actions.

8 (e) The Department, in consultation with the Department of
9 Revenue, shall adopt rules to administer this Section. The
10 aggregate amount of the tax credits that may be claimed under
11 this Section for qualified education expenses incurred by an
12 employer on behalf of a qualifying apprentice shall be limited
13 to \$5,000,000 per calendar year. If applications for a greater
14 amount are received, credits shall be allowed on a first-come
15 first-served basis, based on the date on which each properly
16 completed application for a certificate of eligibility is
17 received by the Department. If more than one certificate is
18 received on the same day, the credits will be awarded based on
19 the time of submission for that particular day.

20 (f) An employer may not sell or otherwise transfer a
21 credit awarded under this Section to another person or
22 taxpayer.

23 (g) The employer shall provide the Department such
24 information as the Department may require, including, but not
25 limited to: (i) the name, age, and ~~taxpayer~~ identification
26 number of each qualifying apprentice employed by the taxpayer

1 during the taxable year; (ii) the amount of qualified
2 education expenses incurred with respect to each qualifying
3 apprentice; and (iii) the name of the accredited training
4 organization ~~school~~ at which the qualifying apprentice is
5 enrolled and the qualified education expenses are incurred.

6 (h) On or before July 1 of each year, the Department shall
7 report to the Governor and the General Assembly on the tax
8 credit certificates awarded under this Section for the prior
9 calendar year. The report must include:

10 (1) the name of each employer awarded or allocated a
11 credit;

12 (2) the number of qualifying apprentices for whom the
13 employer has incurred qualified education expenses;

14 (3) the North American Industry Classification System
15 (NAICS) code applicable to each employer awarded or
16 allocated a credit;

17 (4) the amount of the credit awarded or allocated to
18 each employer;

19 (5) the total number of employers awarded or allocated
20 a credit;

21 (6) the total number of qualifying apprentices for
22 whom employers receiving credits under this Section
23 incurred qualified education expenses; and

24 (7) the average cost to the employer of all
25 apprenticeships receiving credits under this Section.

26 (Source: P.A. 102-558, eff. 8-20-21; 103-396, eff. 1-1-24;

1 103-1059, eff. 12-20-24.)

2 (35 ILCS 5/252 new)

3 Sec. 252. Advancing Innovative Manufacturing for Illinois
4 Tax Credit.

5 (a) For tax years beginning on or after January 1, 2026, a
6 taxpayer who has entered into an agreement under the Advancing
7 Innovative Manufacturing for Illinois Tax Credit Act is
8 entitled to a credit against the taxes imposed under
9 subsections (a) and (b) of Section 201 of this Act in an amount
10 to be determined in the Agreement. If the taxpayer is a
11 partnership or Subchapter S corporation, the credit shall be
12 allowed to the partners or shareholders in accordance with the
13 provisions of Section 251. The Department, in cooperation with
14 the Department of Commerce and Economic Opportunity, shall
15 adopt rules to enforce and administer the provisions of this
16 Section. This Section is exempt from the provisions of Section
17 250 of this Act.

18 (b) The credit established under this Section is subject
19 to the conditions set forth in the agreement and the following
20 limitations:

21 (1) The amount of the credit shall be as stated in the
22 agreement between the taxpayer and the Department of
23 Commerce and Economic Opportunity. The production of a tax
24 credit certificate shall occur after the project is placed
25 in service and the taxpayer adequately completes all

1 required reporting demonstrating completion of the capital
2 improvement investment as outlined within the program
3 agreement. The credit shall be available only in the
4 taxable year in which the project is placed in service.
5 Except as applied in a carryover year pursuant to
6 paragraph (2), the credit may not be applied against any
7 State income tax liability in more than 10 taxable years.

8 (2) The credit shall be claimed for the taxable year
9 in which the tax credit award certificate is issued, and
10 the certificate shall be attached to the return. The
11 credit may not exceed the amount of the taxpayer's
12 liability under subsections (a) and (b) of Section 201 of
13 this Act. Any credit that is unused in the year the credit
14 is computed may be carried forward and applied to the tax
15 liability for 10 taxable years following the excess credit
16 year. The credit shall be applied to the earliest year for
17 which there is a tax liability.

18 (3) No credit shall be allowed with respect to any
19 agreement for any taxable year ending after the
20 noncompliance date. Upon receiving notification by the
21 Department of Commerce and Economic Opportunity of the
22 noncompliance of a taxpayer with an agreement, the
23 Department shall notify the taxpayer that no credit is
24 allowed with respect to that agreement for any taxable
25 year ending after the noncompliance date, as stated in the
26 notification. If any credit has been allowed with respect

1 to an agreement for a taxable year ending after the
2 noncompliance date for that agreement, any refund paid to
3 the taxpayer for that taxable year shall, to the extent of
4 that credit allowed, be an erroneous refund within the
5 meaning of Section 912 of this Act.

6 (4) If the credit awarded under this Section is
7 required to be recaptured under the provisions of Section
8 10-40 of the Advanced Innovative Manufacturing for
9 Illinois Tax Credit Act, then the tax imposed under
10 subsections (a) and (b) of Section 201 shall be increased
11 by the amount of the recapture for the taxable year in
12 which recapture is made.

13 Section 10-925. The Economic Development for a Growing
14 Economy Tax Credit Act is amended by changing Sections 5-15,
15 5-20, and 5-45 as follows:

16 (35 ILCS 10/5-15)

17 Sec. 5-15. Tax Credit Awards. Subject to the conditions
18 set forth in this Act, a Taxpayer is entitled to a Credit
19 against or, as described in subsection (g) of this Section, a
20 payment towards taxes imposed pursuant to subsections (a) and
21 (b) of Section 201 of the Illinois Income Tax Act that may be
22 imposed on the Taxpayer for a taxable year beginning on or
23 after January 1, 1999, if the Taxpayer is awarded a Credit by
24 the Department under this Act for that taxable year.

1 (a) The Department shall make Credit awards under this Act
2 to foster job creation and retention in Illinois.

3 (b) A person that proposes a project to create new jobs in
4 Illinois must enter into an Agreement with the Department for
5 the Credit under this Act.

6 (c) The Credit shall be claimed for the taxable years
7 specified in the Agreement.

8 (d) The Credit shall not exceed the Incremental Income Tax
9 attributable to the project that is the subject of the
10 Agreement.

11 (e) Nothing herein shall prohibit a Tax Credit Award to an
12 Applicant that uses a PEO if all other award criteria are
13 satisfied.

14 (f) In lieu of the Credit allowed under this Act against
15 the taxes imposed pursuant to subsections (a) and (b) of
16 Section 201 of the Illinois Income Tax Act for any taxable year
17 ending on or after December 31, 2009, for Taxpayers that
18 entered into Agreements prior to January 1, 2015 and otherwise
19 meet the criteria set forth in this subsection (f), the
20 Taxpayer may elect to claim the Credit against its obligation
21 to pay over withholding under Section 704A of the Illinois
22 Income Tax Act.

23 (1) The election under this subsection (f) may be made
24 only by a Taxpayer that (i) is primarily engaged in one of
25 the following business activities: water purification and
26 treatment, motor vehicle metal stamping, automobile

1 manufacturing, automobile and light duty motor vehicle
2 manufacturing, motor vehicle manufacturing, light truck
3 and utility vehicle manufacturing, heavy duty truck
4 manufacturing, motor vehicle body manufacturing, cable
5 television infrastructure design or manufacturing, or
6 wireless telecommunication or computing terminal device
7 design or manufacturing for use on public networks and
8 (ii) meets the following criteria:

9 (A) the Taxpayer (i) had an Illinois net loss or an
10 Illinois net loss deduction under Section 207 of the
11 Illinois Income Tax Act for the taxable year in which
12 the Credit is awarded, (ii) employed a minimum of
13 1,000 full-time employees in this State during the
14 taxable year in which the Credit is awarded, (iii) has
15 an Agreement under this Act on December 14, 2009 (the
16 effective date of Public Act 96-834), and (iv) is in
17 compliance with all provisions of that Agreement;

18 (B) the Taxpayer (i) had an Illinois net loss or an
19 Illinois net loss deduction under Section 207 of the
20 Illinois Income Tax Act for the taxable year in which
21 the Credit is awarded, (ii) employed a minimum of
22 1,000 full-time employees in this State during the
23 taxable year in which the Credit is awarded, and (iii)
24 has applied for an Agreement within 365 days after
25 December 14, 2009 (the effective date of Public Act
26 96-834);

1 (C) the Taxpayer (i) had an Illinois net operating
2 loss carryforward under Section 207 of the Illinois
3 Income Tax Act in a taxable year ending during
4 calendar year 2008, (ii) has applied for an Agreement
5 within 150 days after the effective date of this
6 amendatory Act of the 96th General Assembly, (iii)
7 creates at least 400 new jobs in Illinois, (iv)
8 retains at least 2,000 jobs in Illinois that would
9 have been at risk of relocation out of Illinois over a
10 10-year period, and (v) makes a capital investment of
11 at least \$75,000,000;

12 (D) the Taxpayer (i) had an Illinois net operating
13 loss carryforward under Section 207 of the Illinois
14 Income Tax Act in a taxable year ending during
15 calendar year 2009, (ii) has applied for an Agreement
16 within 150 days after the effective date of this
17 amendatory Act of the 96th General Assembly, (iii)
18 creates at least 150 new jobs, (iv) retains at least
19 1,000 jobs in Illinois that would have been at risk of
20 relocation out of Illinois over a 10-year period, and
21 (v) makes a capital investment of at least
22 \$57,000,000; or

23 (E) the Taxpayer (i) employed at least 2,500
24 full-time employees in the State during the year in
25 which the Credit is awarded, (ii) commits to make at
26 least \$500,000,000 in combined capital improvements

1 and project costs under the Agreement, (iii) applies
2 for an Agreement between January 1, 2011 and June 30,
3 2011, (iv) executes an Agreement for the Credit during
4 calendar year 2011, and (v) was incorporated no more
5 than 5 years before the filing of an application for an
6 Agreement.

7 (1.5) The election under this subsection (f) may also
8 be made by a Taxpayer for any Credit awarded pursuant to an
9 agreement that was executed between January 1, 2011 and
10 June 30, 2011, if the Taxpayer (i) is primarily engaged in
11 the manufacture of inner tubes or tires, or both, from
12 natural and synthetic rubber, (ii) employs a minimum of
13 2,400 full-time employees in Illinois at the time of
14 application, (iii) creates at least 350 full-time jobs and
15 retains at least 250 full-time jobs in Illinois that would
16 have been at risk of being created or retained outside of
17 Illinois, and (iv) makes a capital investment of at least
18 \$200,000,000 at the project location.

19 (1.6) The election under this subsection (f) may also
20 be made by a Taxpayer for any Credit awarded pursuant to an
21 agreement that was executed within 150 days after the
22 effective date of this amendatory Act of the 97th General
23 Assembly, if the Taxpayer (i) is primarily engaged in the
24 operation of a discount department store, (ii) maintains
25 its corporate headquarters in Illinois, (iii) employs a
26 minimum of 4,250 full-time employees at its corporate

1 headquarters in Illinois at the time of application, (iv)
2 retains at least 4,250 full-time jobs in Illinois that
3 would have been at risk of being relocated outside of
4 Illinois, (v) had a minimum of \$40,000,000,000 in total
5 revenue in 2010, and (vi) makes a capital investment of at
6 least \$300,000,000 at the project location.

7 (1.7) Notwithstanding any other provision of law, the
8 election under this subsection (f) may also be made by a
9 Taxpayer for any Credit awarded pursuant to an agreement
10 that was executed or applied for on or after July 1, 2011
11 and on or before March 31, 2012, if the Taxpayer is
12 primarily engaged in the manufacture of original and
13 aftermarket filtration parts and products for automobiles,
14 motor vehicles, light duty motor vehicles, light trucks
15 and utility vehicles, and heavy duty trucks, (ii) employs
16 a minimum of 1,000 full-time employees in Illinois at the
17 time of application, (iii) creates at least 250 full-time
18 jobs in Illinois, (iv) relocates its corporate
19 headquarters to Illinois from another state, and (v) makes
20 a capital investment of at least \$4,000,000 at the project
21 location.

22 (1.8) Notwithstanding any other provision of law, the
23 election under this subsection (f) may also be made by a
24 startup taxpayer for any Credit awarded pursuant to an
25 Agreement that was executed on or after the effective date
26 of this amendatory Act of the 102nd General Assembly. Any

1 such election under this paragraph (1.8) shall be
2 effective unless and until such startup taxpayer has any
3 Illinois income tax liability. This election under this
4 paragraph (1.8) shall automatically terminate when the
5 startup taxpayer has any Illinois income tax liability at
6 the end of any taxable year during the term of the
7 Agreement. Thereafter, the startup taxpayer may receive a
8 Credit, taking into account any benefits previously
9 enjoyed or received by way of the election under this
10 paragraph (1.8), so long as the startup taxpayer remains
11 in compliance with the terms and conditions of the
12 Agreement.

13 (1.9) Notwithstanding any other provision of law, the
14 election under this subsection (f) may ~~also~~ be made by an
15 applicant qualified under paragraph (1.7) or 1.8 of
16 subsection (b) of Section 5-20 for any Credit awarded
17 pursuant to an Agreement that was executed on or after the
18 effective date of this amendatory Act of the 104th ~~103rd~~
19 General Assembly. Any such election under this paragraph
20 (1.9) shall be made by entering into an agreement with the
21 Department that allows for such an election and remain
22 effective for the duration of the agreement allowing for
23 the election. ~~effective unless and until such taxpayer has~~
24 ~~any Illinois income tax liability. This election under~~
25 ~~this paragraph (1.9) shall automatically terminate when~~
26 ~~the taxpayer has any Illinois income tax liability at the~~

~~end of any taxable year during the term of the Agreement.
Thereafter, the startup taxpayer may receive a Credit,
taking into account any benefits previously enjoyed or
received by way of the election under this paragraph
(1.9), so long as the startup taxpayer remains in
compliance with the terms and conditions of the Agreement.~~

(1.10) The election under this subsection (f) may also
be made by a taxpayer that (i) is primarily engaged in the
recycling and melting of steel products and in the
manufacturing of new steel wire and rod products, (ii)
retains at least 700 full-time jobs that would have been
at risk of facing termination or relocation outside of
Illinois, (iii) relocates its corporate headquarters to
Illinois from another state, (iv) makes a capital
investment of at least \$40,000,000 within 4 years after
the effective date of an Agreement under this Act, and (v)
makes an application for an agreement within 90 days after
the effective date of this amendatory Act of the 104th
General Assembly. The duration of this credit may not
exceed 15 taxable years.

(2) An election under this subsection shall allow the
credit to be taken against payments otherwise due under
Section 704A of the Illinois Income Tax Act during the
first calendar quarter beginning after the end of the
taxable quarter in which the credit is awarded under this
Act.

1 (3) The election shall be made in the form and manner
2 required by the Illinois Department of Revenue and, once
3 made, shall be irrevocable.

4 (4) If a Taxpayer who meets the requirements of
5 subparagraph (A) of paragraph (1) of this subsection (f)
6 elects to claim the Credit against its withholdings as
7 provided in this subsection (f), then, on and after the
8 date of the election, the terms of the Agreement between
9 the Taxpayer and the Department may not be further amended
10 during the term of the Agreement.

11 (g) A pass-through entity that has been awarded a credit
12 under this Act, its shareholders, or its partners may treat
13 some or all of the credit awarded pursuant to this Act as a tax
14 payment for purposes of the Illinois Income Tax Act. The term
15 "tax payment" means a payment as described in Article 6 or
16 Article 8 of the Illinois Income Tax Act or a composite payment
17 made by a pass-through entity on behalf of any of its
18 shareholders or partners to satisfy such shareholders' or
19 partners' taxes imposed pursuant to subsections (a) and (b) of
20 Section 201 of the Illinois Income Tax Act. In no event shall
21 the amount of the award credited pursuant to this Act exceed
22 the Illinois income tax liability of the pass-through entity
23 or its shareholders or partners for the taxable year.

24 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
25 103-595, eff. 6-26-24.)

1 (35 ILCS 10/5-20)

2 Sec. 5-20. Application for a project to create and retain
3 new jobs.

4 (a) Any Taxpayer proposing a project located or planned to
5 be located in Illinois may request consideration for
6 designation of its project, by formal written letter of
7 request or by formal application to the Department, in which
8 the Applicant states its intent to make at least a specified
9 level of investment and intends to hire or retain a specified
10 number of full-time employees at a designated location in
11 Illinois. As circumstances require, the Department may require
12 a formal application from an Applicant and a formal letter of
13 request for assistance.

14 (b) In order to qualify for Credits under this Act, an
15 Applicant's project must:

16 (1) if the Applicant has more than 100 employees,
17 involve an investment of at least \$2,500,000 in capital
18 improvements to be placed in service within the State as a
19 direct result of the project; if the Applicant has 100 or
20 fewer employees, then there is no capital investment
21 requirement;

22 (1.5) if the Applicant has more than 100 employees,
23 employ a number of new employees in the State equal to the
24 lesser of (A) 10% of the number of full-time employees
25 employed by the applicant world-wide on the date the
26 application is filed with the Department or (B) 50 New

1 Employees; and, if the Applicant has 100 or fewer
2 employees, employ a number of new employees in the State
3 equal to the lesser of (A) 5% of the number of full-time
4 employees employed by the applicant world-wide on the date
5 the application is filed with the Department or (B) 50 New
6 Employees;

7 (1.6) if the Applicant is a startup taxpayer, the
8 employees employed by Related Members shall not be
9 attributed to the Applicant for purposes of determining
10 the capital investment or job creation requirements under
11 this subsection (b);

12 (1.7) if the agreement is entered into on or after the
13 effective date of this amendatory Act of the 103rd General
14 Assembly and the Applicant's project:

15 (A) makes an investment of at least \$50,000,000 in
16 capital improvements at the project site;

17 (B) is placed in service after approval of the
18 application; and

19 (C) creates jobs for at least 100 new full-time
20 employees; -

21 (1.8) if the agreement is entered into on or after the
22 effective date of this amendatory Act of the 104th General
23 Assembly and the Applicant's project:

24 (A) makes an investment of at least \$100,000,000
25 in capital improvements at the project site;

26 (B) is placed in service as described within the

1 agreement; and

2 (C) retains at least 500 full-time employees.

3 (2) (blank);

4 (3) (blank); and

5 (4) include an annual sexual harassment policy report
6 as provided under Section 5-58.

7 (c) After receipt of an application, the Department may
8 enter into an Agreement with the Applicant if the application
9 is accepted in accordance with Section 5-25.

10 (Source: P.A. 102-700, eff. 4-19-22; 103-595, eff. 6-26-24.)

11 (35 ILCS 10/5-45)

12 Sec. 5-45. Amount and duration of the credit.

13 (a) The Department shall determine the amount and duration
14 of the credit awarded under this Act. The duration of the
15 credit may not exceed 10 taxable years for projects qualified
16 under paragraph (1), (1.5), or (1.6) of subsection (b) of
17 Section 5-20 or 15 taxable years for projects qualified under
18 paragraph (1.7) or (1.8) of subsection (b) of Section 5-20.
19 The credit may be stated as a percentage of the Incremental
20 Income Tax attributable to the applicant's project and may
21 include a fixed dollar limitation.

22 (b) Notwithstanding subsection (a), and except as the
23 credit may be applied in a carryover year pursuant to Section
24 211(4) of the Illinois Income Tax Act, the credit may be
25 applied against the State income tax liability in more than 10

1 taxable years but not in more than 15 taxable years for an
2 eligible business that (i) qualifies under this Act and the
3 Corporate Headquarters Relocation Act and has in fact
4 undertaken a qualifying project within the time frame
5 specified by the Department of Commerce and Economic
6 Opportunity under that Act, and (ii) applies against its State
7 income tax liability, during the entire 15-year period, no
8 more than 60% of the maximum credit per year that would
9 otherwise be available under this Act.

10 (c) Nothing in this Section shall prevent the Department,
11 in consultation with the Department of Revenue, from adopting
12 rules to extend the sunset of any earned, existing, and unused
13 tax credit or credits a taxpayer may be in possession of, as
14 provided for in Section 605-1070 of the Department of Commerce
15 and Economic Opportunity Law of the Civil Administrative Code
16 of Illinois, notwithstanding the carry-forward provisions
17 pursuant to paragraph (4) of Section 211 of the Illinois
18 Income Tax Act.

19 (Source: P.A. 102-16, eff. 6-17-21; 102-813, eff. 5-13-22;
20 103-595, eff. 6-26-24.)

21 Section 10-930. The Manufacturing Illinois Chips for Real
22 Opportunity (MICRO) Act is amended by changing Section 110-45
23 as follows:

24 (35 ILCS 45/110-45)

1 Sec. 110-45. Contents of agreements with applicants.

2 (a) The Department shall enter into an agreement with an
3 applicant that is awarded a credit under this Act. The
4 agreement shall include all of the following:

5 (1) A detailed description of the project that is the
6 subject of the agreement, including the location and
7 amount of the investment and jobs created or retained.

8 (2) The duration of the credit, the first taxable year
9 for which the credit may be awarded, and the first taxable
10 year in which the credit may be used by the taxpayer.

11 (3) The credit amount that will be allowed for each
12 taxable year.

13 (4) For a project qualified under paragraphs (1), (2),
14 or (4) of subsection (c) of Section 110-20, a requirement
15 that the taxpayer shall maintain operations at the project
16 location a minimum number of years not to exceed 15. For
17 projects ~~project~~ qualified under paragraph (3) of
18 subsection (c) of Section 110-20, a requirement that the
19 taxpayer shall maintain operations at the project location
20 a minimum number of years not to exceed 10.

21 (5) A specific method for determining the number of
22 new employees and, if applicable, retained employees,
23 employed during a taxable year.

24 (6) A requirement that the taxpayer shall annually
25 report to the Department the number of new employees, the
26 incremental income tax withheld in connection with the new

1 employees, and any other information the Department deems
2 necessary and appropriate to perform its duties under this
3 Act.

4 (7) A requirement that the Director is authorized to
5 verify with the appropriate State agencies the amounts
6 reported under paragraph (6), and after doing so shall
7 issue a certificate to the taxpayer stating that the
8 amounts have been verified.

9 (8) A requirement that the taxpayer shall provide
10 written notification to the Director not more than 30 days
11 after the taxpayer makes or receives a proposal that would
12 transfer the taxpayer's State tax liability obligations to
13 a successor taxpayer.

14 (9) A detailed description of the number of new
15 employees to be hired, and the occupation and payroll of
16 full-time jobs to be created or retained because of the
17 project.

18 (10) The minimum investment the taxpayer will make in
19 capital improvements, the time period for placing the
20 property in service, and the designated location in
21 Illinois for the investment.

22 (11) A requirement that the taxpayer shall provide
23 written notification to the Director and the Director's
24 designee not more than 30 days after the taxpayer
25 determines that the minimum job creation or retention,
26 employment payroll, or investment no longer is or will be

1 achieved or maintained as set forth in the terms and
2 conditions of the agreement. Additionally, the
3 notification should outline to the Department the number
4 of layoffs, date of the layoffs, and detail taxpayer's
5 efforts to provide career and training counseling for the
6 impacted workers with industry-related certifications and
7 trainings.

8 (12) A provision that, if the total number of new
9 employees falls below a specified level, the allowance of
10 credit shall be suspended until the number of new
11 employees equals or exceeds the agreement amount.

12 (13) If applicable, a provision that specifies the
13 statewide baseline at the time of application for retained
14 employees. Additionally, the agreement must have a
15 provision addressing if the total number retained
16 employees falls below the statewide baseline, the
17 allowance of the credit shall be suspended until the
18 number of retained employees equals or exceeds the
19 agreement amount.

20 (14) A detailed description of the items for which the
21 costs incurred by the taxpayer will be included in the
22 limitation on the credit.

23 (15) A provision stating that if the taxpayer fails to
24 meet either the investment or job creation and retention
25 requirements specified in the agreement during the entire
26 10-year ~~5-year~~ period beginning on the first day of the

1 first taxable year in which the agreement is executed and
2 ending on the last day of the tenth ~~fifth~~ taxable year
3 after the agreement is executed, then the agreement is
4 automatically terminated on the last day of the tenth
5 ~~fifth~~ taxable year after the agreement is executed, and
6 the taxpayer is not entitled to the award of any credits
7 for any of that 10-year ~~5-year~~ period.

8 (16) A provision stating that if the taxpayer ceases
9 principal operations with the intent to permanently shut
10 down the project in the State during the term of the
11 agreement, then the entire credit amount awarded to the
12 taxpayer prior to the date the taxpayer ceases principal
13 operations shall be returned to the Department and shall
14 be reallocated to the local workforce investment area in
15 which the project was located.

16 (17) A provision stating that the taxpayer must
17 provide the reports outlined in Sections 110-50 and 110-55
18 on or before April 15 each year.

19 (18) (Blank). ~~A provision requiring the taxpayer to~~
20 ~~report annually its contractual obligations or otherwise~~
21 ~~with a recycling facility for its operations.~~

22 (19) Any other performance conditions or contract
23 provisions the Department determines are necessary or
24 appropriate.

25 (20) Each taxpayer under paragraph (1) of subsection
26 (c) of Section 110-20 above shall maintain labor

1 neutrality toward any union organizing campaign for any
2 employees of the taxpayer assigned to work on the premises
3 of the project. This paragraph shall not apply to a
4 manufacturer who is subject to collective bargaining
5 agreement entered into prior to the taxpayer filing an
6 application pursuant to this Act.

7 (b) The Department shall post on its website the terms of
8 each agreement entered into under this Act. Such information
9 shall be posted within 10 days after entering into the
10 agreement and must include the following:

- 11 (1) the name of the taxpayer;
12 (2) the location of the project;
13 (3) the estimated value of the credit;
14 (4) the number of new employee jobs and, if
15 applicable, number of retained employee jobs at the
16 project; and
17 (5) whether or not the project is in an underserved
18 area or energy transition area.

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

20 Section 10-935. The Central Illinois Economic Development
21 Authority Act is amended by adding Section 50 as follows:

22 (70 ILCS 504/50 new)

23 Sec. 50. Enterprise zones. The Authority may, by ordinance
24 or resolution, designate a portion of the territorial

1 jurisdiction of the Authority for certification as an
2 Enterprise Zone under the Illinois Enterprise Zone Act in
3 addition to any other enterprise zones that may be created
4 under that Act. The area so designated shall have all the
5 privileges and rights of an Enterprise Zone under the Illinois
6 Enterprise Zone Act but shall not be counted in determining
7 the number of Enterprise Zones to be created in any year
8 pursuant to that Act.

9 Section 10-940. The Eastern Illinois Economic Development
10 Authority Act is amended by adding Section 50 as follows:

11 (70 ILCS 506/50 new)

12 Sec. 50. Enterprise zones. The Authority may, by ordinance
13 or resolution, designate a portion of the territorial
14 jurisdiction of the Authority for certification as an
15 Enterprise Zone under the Illinois Enterprise Zone Act in
16 addition to any other enterprise zones that may be created
17 under that Act. The area so designated shall have all the
18 privileges and rights of an Enterprise Zone under the Illinois
19 Enterprise Zone Act but shall not be counted in determining
20 the number of Enterprise Zones to be created in any year
21 pursuant to that Act.

22 Section 10-950. The Southern Illinois Economic Development
23 Authority Act is amended by adding Section 5-55 as follows:

1 (70 ILCS 519/5-55 new)

2 Sec. 5-55. 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 10-955. The Tri-County River Valley Development
13 Authority Law is amended by adding Section 2008.1 as follows:

14 (70 ILCS 525/2008.1 new)

15 Sec. 2008.1. 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

1 pursuant to that Act.

2 Section 10-960. The Will-Kankakee Regional Development
3 Authority Law is amended by adding Section 9.1 as follows:

4 (70 ILCS 535/9.1 new)

5 Sec. 9.1. Enterprise zones. The Authority may, by
6 ordinance or resolution, designate a portion of the
7 territorial jurisdiction of the Authority for certification as
8 an Enterprise Zone under the Illinois Enterprise Zone Act in
9 addition to any other enterprise zones that may be created
10 under that Act. The area so designated shall have all the
11 privileges and rights of an Enterprise Zone under the Illinois
12 Enterprise Zone Act but shall not be counted in determining
13 the number of Enterprise Zones to be created in any year
14 pursuant to that Act.

15 ARTICLE 15

16 Section 15-5. The Illinois Income Tax Act is amended by
17 changing Section 701 as follows:

18 (35 ILCS 5/701) (from Ch. 120, par. 7-701)

19 Sec. 701. Requirement and amount of withholding.

20 (a) In General. Every employer maintaining an office or
21 transacting business within this State and required under the

1 provisions of the Internal Revenue Code to withhold a tax on:

2 (1) compensation paid in this State (as determined
3 under Section 304(a)(2)(B)) to an individual; or

4 (2) payments described in subsection (b) shall deduct
5 and withhold from such compensation for each payroll
6 period (as defined in Section 3401 of the Internal Revenue
7 Code) an amount equal to the amount by which such
8 individual's compensation exceeds the proportionate part
9 of this withholding exemption (computed as provided in
10 Section 702) attributable to the payroll period for which
11 such compensation is payable multiplied by a percentage
12 equal to the percentage tax rate for individuals provided
13 in subsection (b) of Section 201.

14 (a-5) Withholding from nonresident employees. For taxable
15 years beginning on or after January 1, 2020, for purposes of
16 determining compensation paid in this State under paragraph
17 (B) of item (2) of subsection (a) of Section 304:

18 (1) If an employer maintains a time and attendance
19 system that tracks where employees perform services on a
20 daily basis, then data from the time and attendance system
21 shall be used. For purposes of this paragraph, time and
22 attendance system means a system:

23 (A) in which the employee is required, on a
24 contemporaneous basis, to record the work location for
25 every day worked outside of the State where the
26 employment duties are primarily performed; and

1 (B) that is designed to allow the employer to
2 allocate the employee's wages for income tax purposes
3 among all states in which the employee performs
4 services.

5 (2) In all other cases, the employer shall obtain a
6 written statement from the employee of the number of days
7 reasonably expected to be spent performing services in
8 this State during the taxable year. Absent the employer's
9 actual knowledge of fraud or gross negligence by the
10 employee in making the determination or collusion between
11 the employer and the employee to evade tax, the
12 certification so made by the employee and maintained in
13 the employer's books and records shall be prima facie
14 evidence and constitute a rebuttable presumption of the
15 number of days spent performing services in this State.

16 (a-10) If the compensation is paid through a loan out
17 company, as defined under Section 10 of the Film Production
18 Services Tax Credit Act of 2008, if the compensation is
19 considered compensation paid in this State under paragraph (B)
20 of item (2) of subsection (a) of Section 304, and if the
21 compensation is for in-State services performed for a
22 production that is accredited under Section 10 of the Film
23 Production Services Tax Credit Act of 2008 and concludes on or
24 after July 1, 2025, then the production company or its
25 authorized payroll service company shall be considered the
26 employer for the purpose of withholding tax on that

1 compensation under this Article 7 and shall withhold at the
2 tax rate provided in subsection (b) of Section 201 on all
3 payments to loan out companies for services performed in
4 Illinois by the loan out company's employees. Notwithstanding
5 any other provision of law, nonresident employees of loan out
6 companies who perform services in Illinois shall be considered
7 taxable nonresidents and shall be subject to the tax under
8 this Act in the taxable year in which the employee performs
9 services in Illinois.

10 (b) Payment to Residents. Any payment (including
11 compensation, but not including a payment from which
12 withholding is required under Section 710 of this Act) to a
13 resident by a payor maintaining an office or transacting
14 business within this State (including any agency, officer, or
15 employee of this State or of any political subdivision of this
16 State) and on which withholding of tax is required under the
17 provisions of the Internal Revenue Code shall be deemed to be
18 compensation paid in this State by an employer to an employee
19 for the purposes of Article 7 and Section 601(b)(1) to the
20 extent such payment is included in the recipient's base income
21 and not subjected to withholding by another state.
22 Notwithstanding any other provision to the contrary, no amount
23 shall be withheld from unemployment insurance benefit payments
24 made to an individual pursuant to the Unemployment Insurance
25 Act unless the individual has voluntarily elected the
26 withholding pursuant to rules promulgated by the Director of

1 Employment Security.

2 (c) Special Definitions. Withholding shall be considered
3 required under the provisions of the Internal Revenue Code to
4 the extent the Internal Revenue Code either requires
5 withholding or allows for voluntary withholding the payor and
6 recipient have entered into such a voluntary withholding
7 agreement. For the purposes of Article 7 and Section 1002(c)
8 the term "employer" includes any payor who is required to
9 withhold tax pursuant to this Section.

10 (d) Reciprocal Exemption. The Director may enter into an
11 agreement with the taxing authorities of any state which
12 imposes a tax on or measured by income to provide that
13 compensation paid in such state to residents of this State
14 shall be exempt from withholding of such tax; in such case, any
15 compensation paid in this State to residents of such state
16 shall be exempt from withholding. All reciprocal agreements
17 shall be subject to the requirements of Section 2505-575 of
18 the Department of Revenue Law (20 ILCS 2505/2505-575).

19 (e) Notwithstanding subsection (a)(2) of this Section, no
20 withholding is required on payments for which withholding is
21 required under Section 3405 or 3406 of the Internal Revenue
22 Code.

23 (Source: P.A. 101-585, eff. 8-26-19; 102-558, eff. 8-20-21.)

24 Section 15-10. The Film Production Services Tax Credit Act
25 of 2008 is amended by changing Sections 10 and 42 as follows:

1 (35 ILCS 16/10)

2 Sec. 10. Definitions. As used in this Act:

3 "Above-the-line spending" means all salary, wages, fees,
4 and fringe benefits paid for services performed by personnel
5 of the production that are considered above-the-line services
6 in the film and television industry, including, but not
7 limited to, services performed by a producer, executive
8 producer, co-producer, director, screenwriter, lead cast,
9 supporting cast, or day player.

10 "Accredited production" means: (i) for productions
11 commencing before May 1, 2006, a film, video, or television
12 production that has been certified by the Department in which
13 the aggregate Illinois labor expenditures included in the cost
14 of the production, in the period that ends 12 months after the
15 time principal filming or taping of the production began,
16 exceed \$100,000 for productions of 30 minutes or longer, or
17 \$50,000 for productions of less than 30 minutes; and (ii) for
18 productions commencing on or after May 1, 2006, a film, video,
19 or television production that has been certified by the
20 Department in which the Illinois production spending included
21 in the cost of production in the period that ends 12 months
22 after the time principal filming or taping of the production
23 began exceeds \$100,000 for productions of 30 minutes or longer
24 or exceeds \$50,000 for productions of less than 30 minutes.

25 "Accredited production" does not include a production that:

1 (1) is news, current events, or public programming, or
2 a program that includes weather or market reports;

3 (2) is a talk show produced for local or regional
4 markets;

5 (3) (blank);

6 (4) is a sports event or activity;

7 (5) is a gala presentation or awards show;

8 (6) is a finished production that solicits funds;

9 (7) is a production produced by a film production
10 company if records, as required by 18 U.S.C. 2257, are to
11 be maintained by that film production company with respect
12 to any performer portrayed in that single media or
13 multimedia program; or

14 (8) is a production produced primarily for industrial,
15 corporate, or institutional purposes.

16 "Accredited animated production" means an accredited
17 production in which movement and characters' performances are
18 created using a frame-by-frame technique and a significant
19 number of major characters are animated. Motion capture by
20 itself is not an animation technique.

21 "Accredited production certificate" means a certificate
22 issued by the Department certifying that the production is an
23 accredited production that meets the guidelines of this Act.

24 "Applicant" means a taxpayer that is a film production
25 company that is operating or has operated an accredited
26 production located within the State of Illinois and that (i)

owns the copyright in the accredited production throughout the Illinois production period or (ii) has contracted directly with the owner of the copyright in the accredited production or a person acting on behalf of the owner to provide services for the production, where the owner of the copyright is not an eligible production corporation.

"Below-the-line spending" means salary, wages, fees, and fringe benefits paid for services performed by a person in a position that is off camera and who provides technical services during the physical production of a film.

"Below-the-line spending" does not include salary, wages, fees, or fringe benefits paid to a person who is a producer, executive producer, co-producer, director, screenwriter, lead cast, supporting cast, or day player, or who performs other services that are customarily considered above-the-line services in the film and television industry.

"Credit" means:

(1) for an accredited production approved by the Department on or before January 1, 2005 and commencing before May 1, 2006, the amount equal to 25% of the Illinois labor expenditure approved by the Department. The applicant is deemed to have paid, on its balance due day for the year, an amount equal to 25% of its qualified Illinois labor expenditure for the tax year. For Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high

1 unemployment, as determined by the Department, in an
2 accredited production commencing before May 1, 2006 and
3 approved by the Department after January 1, 2005, the
4 applicant shall receive an enhanced credit of 10% in
5 addition to the 25% credit; ~~and~~

6 (2) for an accredited production commencing on or
7 after May 1, 2006 and before January 1, 2009, the amount
8 equal to:

9 (i) 20% of the Illinois production spending for
10 the taxable year; plus

11 (ii) 15% of the Illinois labor expenditures
12 generated by the employment of residents of geographic
13 areas of high poverty or high unemployment, as
14 determined by the Department; ~~and~~

15 (3) for an accredited production commencing on or
16 after January 1, 2009 and before July 1, 2025, the amount
17 equal to:

18 (i) 30% of the Illinois production spending for
19 the taxable year; plus

20 (ii) 15% of the Illinois labor expenditures
21 generated by the employment of residents of geographic
22 areas of high poverty or high unemployment, as
23 determined by the Department; and -

24 (4) for an accredited production commencing on or
25 after July 1, 2025, the amount equal to:

26 (i) 35% of the Illinois production spending for

1 the use of tangible personal property or the expenses
2 to acquire services from vendors in Illinois and for
3 Illinois labor expenditures generated by the
4 employment of Illinois residents; plus

5 (ii) 30% of the wages paid to nonresidents for
6 services performed on an accredited production,
7 subject to the limitations in Section 10; plus

8 (iii) 15% of the Illinois labor expenditures
9 generated by the employment of residents of geographic
10 areas of high poverty or high unemployment, as
11 determined by the Department; plus

12 (iv) 10% of the Illinois labor expenditures
13 generated by the employment of residents of counties
14 outside of Cook, DuPage, Kane, Lake, McHenry, and Will
15 Counties; plus

16 (v) 5% of the Illinois production spending for
17 television series relocating to Illinois from another
18 jurisdiction. To qualify under this subparagraph (v),
19 the production must be a television series in which
20 all prior seasons of the series were filmed outside of
21 Illinois; plus

22 (vi) 5% of the Illinois Production Spending for
23 productions certified as green pursuant to rules
24 adopted by the Department.

25 "Department" means the Department of Commerce and Economic
26 Opportunity.

1 "Director" means the Director of Commerce and Economic
2 Opportunity.

3 "Fair market value" means:

4 (1) for unrelated parties, the value established
5 through comparable transactions between unrelated parties
6 for substantially similar goods and services considering
7 the geographic market and other pertinent variables as
8 specified by the Department by rule; and

9 (2) for related parties, the value established through
10 the related party's historical dealings with unrelated
11 parties or established by comparable transactions between
12 other unrelated parties for substantially similar goods
13 and services considering the geographic market and other
14 pertinent variables as specified by the Department by
15 rule.

16 "Illinois labor expenditure" means salary or wages paid to
17 employees of the applicant for services on the accredited
18 production, subject to the following limitations: -

19 ~~To qualify as an Illinois labor expenditure, the~~
20 ~~expenditure must be:~~

21 (1) The expenditure must be reasonable ~~Reasonable~~ in
22 the circumstances.

23 (2) The expenditure must be included ~~Included~~ in the
24 federal income tax basis of the property.

25 (3) The expenditure must be incurred ~~Incurred~~ by the
26 applicant for services on or after January 1, 2004.

1 (4) The expenditure must be incurred ~~Incurred~~ for the
2 production stages of the accredited production, from the
3 final script stage to the end of the post-production
4 stage.

5 (5) The expenditure is limited ~~Limited~~ to the first
6 \$25,000 of wages paid or incurred to each employee of a
7 production commencing before May 1, 2006 and the first
8 \$100,000 of wages paid or incurred to each employee of a
9 production commencing on or after May 1, 2006 and prior to
10 July 1, 2022. For productions commencing on or after July
11 1, 2022, the expenditure is limited to the first \$500,000
12 of wages paid or incurred to each eligible nonresident or
13 resident employee of a production company or loan out
14 company that provides in-State services to a production,
15 whether those wages are paid or incurred by the production
16 company, loan out company, or both, subject to withholding
17 payments provided for in Article 7 of the Illinois Income
18 Tax Act. For purposes of calculating Illinois labor
19 expenditures for a television series, the eligible
20 nonresident wage limitations provided under this
21 subparagraph are applied per episode to the entire season.
22 For the purpose of this paragraph (5), an eligible
23 nonresident is a nonresident whose wages qualify as an
24 Illinois labor expenditure under the provisions of
25 paragraphs paragraph (9) through (9.3) that apply to that
26 production.

1 (6) For a production commencing before May 1, 2006,
2 Illinois labor expenditures are exclusive of the salary or
3 wages paid to or incurred for the 2 highest paid employees
4 of the production.

5 (7) The expenditure must be directly ~~Directly~~
6 attributable to the accredited production.

7 (8) (Blank).

8 (8.5) For a production commencing on or after July 1,
9 2025, subject to the other limitations of this definition,
10 wages paid to no more than 2 producers per accredited
11 production may be considered Illinois labor expenditures;
12 of those 2 producers, only one may be an individual who is
13 responsible for overseeing the creative and managerial
14 process of the accredited production, and only one may be
15 an individual who is responsible for the day-to-day
16 operational management of the accredited production. If
17 the producer is compensated for any other position on the
18 production for services performed, then, subject to the
19 other requirements of this definition, only the wages paid
20 for the other position may be considered Illinois labor
21 expenditures.

22 (9) Prior to July 1, 2022, the expenditure must be
23 paid to persons resident in Illinois at the time the
24 payments were made. For a production commencing on or
25 after July 1, 2022, subject to the limitations of
26 paragraphs (9.1) through (9.3), the expenditure may be

1 paid to a person ~~persons~~ resident in Illinois at the time
2 the payment is made or to a person who is a nonresident and
3 ~~nonresidents~~ at the time the payment is ~~payments were~~
4 made.

5 (9.1) For purposes of paragraph (9) ~~this subparagraph~~,
6 if the production is accredited by the Department before
7 the effective date of this amendatory Act of the 102nd
8 General Assembly, only wages paid to nonresidents working
9 in the following positions shall be considered Illinois
10 labor expenditures: Writer, Director, Director of
11 Photography, Production Designer, Costume Designer,
12 Production Accountant, VFX Supervisor, Editor, Composer,
13 and Actor, subject to the limitations set forth under this
14 subparagraph. For an accredited Illinois production
15 spending of \$25,000,000 or less, no more than 2
16 nonresident actors' wages shall qualify as an Illinois
17 labor expenditure. For an accredited production with
18 Illinois production spending of more than \$25,000,000, no
19 more than 4 nonresident actor's wages shall qualify as
20 Illinois labor expenditures.

21 (9.2) For purposes of paragraph (9) ~~this subparagraph~~,
22 if the production is accredited by the Department on or
23 after the effective date of this amendatory Act of the
24 102nd General Assembly and before July 1, 2025, wages paid
25 to nonresidents shall qualify as Illinois labor
26 expenditures only under the following conditions:

1 (A) the nonresident must be employed in a
2 qualified position;

3 (B) for each of those accredited productions, the
4 wages of not more than 9 nonresidents who are employed
5 in a qualified position other than Actor shall qualify
6 as Illinois labor expenditures;

7 (C) for an accredited production with Illinois
8 production spending of \$25,000,000 or less, no more
9 than 2 nonresident actors' wages shall qualify as
10 Illinois labor expenditures; and

11 (D) for an accredited production with Illinois
12 production spending of more than \$25,000,000, no more
13 than 4 nonresident actors' wages shall qualify as
14 Illinois labor expenditures.

15 As used in this paragraph (9.2) ~~(9)~~, "qualified
16 position" means: Writer, Director, Director of
17 Photography, Production Designer, Costume Designer,
18 Production Accountant, VFX Supervisor, Editor, Composer,
19 or Actor.

20 (9.3) For the purposes of paragraph (9), in the case
21 of a production that commences on or after July 1, 2025,
22 wages paid to nonresidents shall qualify as Illinois labor
23 expenditures only under the following conditions:

24 (A) the wages of not more than 13 nonresidents who
25 are selected by the accredited production and employed
26 in a position other than Actor shall qualify as

1 Illinois labor expenditures;

2 (B) for an accredited production with Illinois
3 production spending of less than \$ 20,000,000, no more
4 than 4 nonresident actors' wages shall qualify as
5 Illinois labor expenditures; and

6 (C) for an accredited production with Illinois
7 production spending of more than \$20,000,000 and less
8 than \$40,000,000, no more than 5 nonresident actors'
9 wages shall qualify as Illinois labor expenditures;
10 and

11 (D) for an accredited production with Illinois
12 production spending of \$40,000,000 or more, no more
13 than 6 nonresident actors' wages shall qualify as
14 Illinois labor expenditures.

15 (10) Paid for services rendered in Illinois.

16 For a production commencing on or after the effective date
17 of this amendatory Act of the 104th General Assembly,
18 "Illinois labor expenditure" does not include:

19 (1) above-the-line spending exceeding 40% of the total
20 Illinois production spending for the production, unless
21 the Department determines, through a process specified by
22 administrative rule, that inclusion as an Illinois labor
23 expenditure of above-the-line spending for the production
24 in an amount that exceeds 40% of the production's total
25 Illinois production spending is necessary for the
26 production to meet the conditions set forth in subsection

1 (a) of Section 30;

2 (2) above-the-line spending paid to related parties
3 that exceeds, in the aggregate, 12% of the total Illinois
4 production spending for the production; or

5 (3) below-the-line spending paid to a related party
6 that exceeds the fair market value of the transaction.

7 "Illinois production spending" means the expenses incurred
8 by the applicant for an accredited production that are
9 reasonable under the circumstances, but does not include any
10 monetary prize or the cost of any non-monetary prize awarded
11 pursuant to a production in respect of a game, questionnaire,
12 or contest. "Illinois production spending" includes, without
13 limitation, unless otherwise specified in this definition, all
14 of the following:

15 (1) expenses to purchase, from vendors within
16 Illinois, tangible personal property that is used in the
17 accredited production;

18 (2) expenses to acquire services, from vendors in
19 Illinois, for film production, editing, or processing; ~~and~~

20 (2.1) airfare, if purchased from an airline domiciled
21 in Illinois; and

22 (3) for a production commencing before July 1, 2022,
23 the compensation, not to exceed \$100,000 for any one
24 employee, for contractual or salaried employees who are
25 Illinois residents performing services with respect to the
26 accredited production. For a production commencing on or

1 after July 1, 2022, Illinois labor expenditure ~~the~~
2 compensation, not to exceed \$500,000 for any one employee,
3 for contractual or salaried employees who are Illinois
4 residents or nonresident employees, subject to the
5 limitations set forth under Section 10 of this Act; and ~~—~~

6 (4) for a production commencing on or after the
7 effective date of this amendatory Act of the 104th General
8 Assembly, the fair market value of any transaction that
9 (i) is entered into between the taxpayer and a related
10 party or the taxpayer and an unrelated party, (ii) is for
11 the accredited production, and (iii) has terms that
12 reflect the fair market value of the transaction.

13 "Loan out company" means a personal service corporation or
14 other entity that is under contract with the taxpayer to
15 provide specified individual personnel, such as artists, crew,
16 actors, producers, or directors for the performance of
17 services used directly in a production. "Loan out company"
18 does not include entities contracted with by the taxpayer to
19 provide goods or ancillary contractor services such as
20 catering, construction, trailers, equipment, or
21 transportation.

22 "Qualified production facility" means stage facilities in
23 the State in which television shows and films are or are
24 intended to be regularly produced and that contain at least
25 one sound stage of at least 15,000 square feet.

26 "Related party" means a party that is deemed to be related

1 to the taxpayer by common ownership or control according to
2 generally accepted accounting standards and generally accepted
3 accounting principles.

4 "Unrelated party" means a party that is not a related
5 party with respect to the taxpayer.

6 The Department shall adopt rules to implement the changes
7 made to this Section within one year after the effective date
8 of this amendatory Act of the 104th General Assembly.

9 ~~Rulemaking authority to implement Public Act 95-1006, if~~
10 ~~any, is conditioned on the rules being adopted in accordance~~
11 ~~with all provisions of the Illinois Administrative Procedure~~
12 ~~Act and all rules and procedures of the Joint Committee on~~
13 ~~Administrative Rules; any purported rule not so adopted, for~~
14 ~~whatever reason, is unauthorized.~~

15 (Source: P.A. 102-558, eff. 8-20-21; 102-700, eff. 4-19-22;
16 102-1125, eff. 2-3-23; 103-595, eff. 6-26-24.)

17 (35 ILCS 16/42)

18 Sec. 42. Sunset of credits. The application of credits
19 awarded pursuant to this Act shall be limited by a reasonable
20 and appropriate sunset date. A taxpayer shall not be awarded
21 any new credits pursuant to this Act for tax years beginning on
22 or after January 1, 2039 ~~2033~~.

23 (Source: P.A. 101-178, eff. 8-1-19; 102-700, eff. 4-19-22;
24 102-1125, eff. 2-3-23.)

1 ARTICLE 99

2 Section 99-999. Effective date. This Act takes effect upon
3 becoming law.".