



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3068

Introduced 1/28/2026, by Sen. Cristina Castro

SYNOPSIS AS INTRODUCED:

35 ILCS 145/2	from Ch. 120, par. 481b.32
35 ILCS 145/3	from Ch. 120, par. 481b.33
35 ILCS 145/3-2	
35 ILCS 145/3-3	
35 ILCS 145/6	from Ch. 120, par. 481b.36

Amends the Hotel Operators' Occupation Tax Act. Defines "hotel marketplace" and "hotel marketplace facilitator". Provides that hotel marketplace facilitators that meet specified tax remittance thresholds are considered to be hotel operators for the purposes of the taxes under the Act. Provides that a marketplace facilitator that is considered a hotel operator is required to remit the applicable taxes under the Act and any local hotel operators' occupation taxes administered by the Department of Revenue on all rentals, leases, or lettings of Illinois hotel rooms made by the hotel marketplace facilitator or facilitated for marketplace hotel operators to guests. Effective July 1, 2026.

LRB104 17480 HLH 30906 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Hotel Operators' Occupation Tax Act is
5 amended by changing Sections 2, 3, 3-2, 3-3, and 6 as follows:

6 (35 ILCS 145/2) (from Ch. 120, par. 481b.32)

7 Sec. 2. Definitions. As used in this Act, unless the
8 context otherwise requires:

9 (1) "Hotel" means any building or buildings in which the
10 public may, for a consideration, obtain living quarters,
11 sleeping or housekeeping accommodations. The term includes,
12 but is not limited to, inns, motels, tourist homes or courts,
13 lodging houses, rooming houses and apartment houses, retreat
14 centers, conference centers, hunting lodges, and short-term
15 rentals.

16 (2) "Operator" means any person engaged in the business of
17 renting, leasing, or letting rooms in a hotel.

18 (3) "Occupancy" means the use or possession, or the right
19 to the use or possession, of any room or rooms in a hotel for
20 any purpose, or the right to the use or possession of the
21 furnishings or to the services and accommodations accompanying
22 the use and possession of the room or rooms.

23 (4) "Room" or "rooms" means any living quarters, sleeping

1 or housekeeping accommodations.

2 (5) "Permanent resident" means any person who occupied or
3 has the right to occupy any room or rooms, regardless of
4 whether or not it is the same room or rooms, in a hotel for at
5 least 30 consecutive days.

6 (6) "Rent" or "rental" means the consideration received
7 for occupancy, valued in money, whether received in money or
8 otherwise, including all receipts, cash, credits, and property
9 or services of any kind or nature. "Rent" or "rental" includes
10 any fee, charge, or commission received from a guest by a
11 re-renter of hotel rooms specifically in connection with the
12 re-rental of hotel rooms.

13 (7) "Department" means the Department of Revenue.

14 (8) "Person" means any natural individual, firm,
15 partnership, association, joint stock company, joint
16 adventure, public or private corporation, limited liability
17 company, or a receiver, executor, trustee, guardian, or other
18 representative appointed by order of any court.

19 (9) "Re-renter of hotel rooms" means a person who is not
20 employed by the hotel operator but who, either directly or
21 indirectly, through agreements or arrangements with third
22 parties, collects or processes the payment of rent for a hotel
23 room located in this State and (i) obtains the right or
24 authority to grant control of, access to, or occupancy of a
25 hotel room in this State to a guest of the hotel or (ii)
26 facilitates the booking of a hotel room located in this State.

1 A person who obtains those rights or authorities is not
2 considered a re-renter of a hotel room if the person operates
3 under a shared hotel brand with the operator.

4 (10) "Hosting platform" or "platform" means a person who
5 provides an online application, software, website, or system
6 through which a short-term rental located in this State is
7 advertised or held out to the public as available to rent for
8 occupancy. For purposes of this definition, "short-term
9 rental" means an owner-occupied, tenant-occupied, or
10 non-owner-occupied dwelling, including, but not limited to, an
11 apartment, house, cottage, or condominium, located in this
12 State, where: (i) at least one room in the dwelling is rented
13 to an occupant for a period of less than 30 consecutive days;
14 and (ii) all accommodations are reserved in advance; provided,
15 however, that a dwelling shall be considered a single room if
16 rented as such.

17 (11) "Shared hotel brand" means an identifying trademark
18 that a hotel operator is expressly licensed to operate under
19 in accordance with the terms of a hotel franchise or
20 management agreement.

21 (12) "Hotel marketplace" means a physical or electronic
22 place, forum, platform, application, or other method by which
23 marketplace hotel operators rent, lease, or let or offer to
24 rent, lease, or let rooms in a hotel.

25 (13) "Hotel marketplace facilitator" means a person who,
26 pursuant to agreements with unrelated third-party marketplace

1 hotel operators, directly or indirectly through one or more
2 affiliates facilitates the renting, leasing, or letting of
3 rooms in hotels by unrelated third-party marketplace hotel
4 operators by:

5 (A) listing or advertising hotel rooms for rent,
6 lease, or letting by marketplace hotel operators in a
7 hotel marketplace if that renting, leasing, or letting is
8 subject to tax under this Act; and

9 (B) collecting, either directly or indirectly, through
10 agreements or arrangements with third parties, payment
11 from customers and transmitting those payments to the
12 marketplace hotel operator, regardless of whether the
13 hotel marketplace facilitator receives compensation or
14 other consideration in exchange for its services.

15 "Hotel marketplace facilitator" includes re-renters of
16 hotel rooms and hosting platforms for short-term rentals who
17 otherwise meet the definition of "hotel marketplace
18 facilitator" set forth in this item (13).

19 (14) "Marketplace hotel operator" means a person who
20 rents, leases, or lets rooms in a hotel through a hotel
21 marketplace operated by an unrelated third-party hotel
22 marketplace facilitator.

23 (Source: P.A. 103-592, eff. 7-1-24; 104-6, eff. 7-1-25;
24 104-417, eff. 8-15-25.)

25 (35 ILCS 145/3) (from Ch. 120, par. 481b.33)

1 Sec. 3. Rate; exemptions.

2 (a) A tax is imposed upon hotel operators at the rate of 5%
3 of 94% of the gross rental receipts from engaging in business
4 as a hotel operator, excluding, however, from gross rental
5 receipts, the proceeds of renting, leasing or letting hotel
6 rooms to permanent residents of a hotel and proceeds from the
7 tax imposed under subsection (c) of Section 13 of the
8 Metropolitan Pier and Exposition Authority Act.

9 (b) There shall be imposed an additional tax upon hotel
10 operators at the rate of 1% of 94% of the gross rental receipts
11 received by the hotel operator from engaging in business as a
12 hotel operator, excluding, however, from gross rental
13 receipts, the proceeds of such renting, leasing or letting to
14 permanent residents of that hotel and proceeds from the tax
15 imposed under subsection (c) of Section 13 of the Metropolitan
16 Pier and Exposition Authority Act.

17 (b-5) Beginning on July 1, 2024 and through June 30, 2026,
18 if the renting, leasing, or letting of a hotel room is done
19 through a re-renter of hotel rooms, then, subject to the
20 provisions of Sections 3-2 and 3-3, the re-renter is the hotel
21 operator for the purposes of the taxes under subsections (a)
22 and (b). If the re-renter is headquartered outside of this
23 State and has no presence in this State other than its business
24 as a re-renter, conducted remotely, then, subject to the
25 provisions of Sections 3-2 and 3-3, such re-renter is the
26 hotel operator for the purposes of the taxes under subsections

1 (a) and (b) if it meets one of the following thresholds:

2 (1) the cumulative gross receipts from rentals in
3 Illinois by the re-renter of hotel rooms are \$100,000 or
4 more; or

5 (2) the re-renter of hotel rooms cumulatively enters
6 into 200 or more separate transactions for rentals in
7 Illinois.

8 A re-renter of hotel rooms who is headquartered outside of
9 this State and has no presence in this State other than its
10 business as a re-renter, conducted remotely, shall determine
11 on a quarterly basis, ending on the last day of March, June,
12 September, and December, whether he or she meets the threshold
13 of either paragraph (1) or (2) of this subsection (b-5) for the
14 preceding 12-month period. If such re-renter of hotel rooms
15 meets the threshold of either paragraph (1) or (2) for a
16 12-month period, he or she is subject to tax under this Act and
17 is required to remit the tax imposed under this Act and file
18 returns for the 12-month period beginning on the first day of
19 the next month after he or she determines that he or she meets
20 the threshold of paragraph (1) or (2). At the end of that
21 12-month period, such re-renter of hotel rooms shall determine
22 whether he or she continued to meet the threshold of either
23 paragraph (1) or (2) during the preceding 12-month period. If
24 he or she met the threshold in either paragraph (1) or (2) for
25 the preceding 12-month period, he or she is a hotel operator in
26 this State and is required to remit the tax imposed under this

1 Act and file returns for the subsequent 12-month period. If,
2 at the end of a 12-month period during which such re-renter is
3 required to remit the tax imposed under this Act, the
4 re-renter determines that he or she did not meet the threshold
5 in either paragraph (1) or (2) during the preceding 12-month
6 period, he or she shall subsequently determine on a quarterly
7 basis, ending on the last day of March, June, September, and
8 December, whether he or she meets the threshold of either
9 paragraph (1) or (2) for the preceding 12-month period.

10 (b-10) On and after July 1, 2026, if the renting, leasing,
11 or letting of a hotel room is done through a hotel marketplace
12 facilitator that has met the tax remittance threshold under
13 this subsection (b-10), then the hotel marketplace facilitator
14 is the hotel operator for the purposes of the taxes under this
15 Act. A hotel marketplace facilitator is engaged in the
16 business of renting, leasing, or letting rooms in a hotel in
17 Illinois and meets the tax remittance threshold for purposes
18 of this Act if, during the previous 12-month period, the
19 cumulative gross rental receipts from renting, leasing, or
20 letting rooms in Illinois hotels on its own behalf or on behalf
21 of marketplace hotel operators to guests are greater than or
22 equal to \$100,000.

23 A hotel marketplace facilitator that meets the tax
24 remittance threshold of this subsection is required to remit
25 the applicable State hotel operators' occupation taxes under
26 this Act and any local hotel operators' occupation taxes

1 administered by the Department on all rentals, leases, or
2 lettings of Illinois hotel rooms made by the hotel marketplace
3 facilitator or facilitated for marketplace hotel operators to
4 guests. A hotel marketplace facilitator who meets the tax
5 remittance threshold and rents, leases, or lets Illinois hotel
6 rooms to guests is subject to all applicable procedures and
7 requirements of this Act.

8 A hotel marketplace facilitator shall determine on a
9 quarterly basis, ending on the last day of March, June,
10 September, and December, whether it meets the tax remittance
11 threshold in this subsection (b-10) for the preceding 12-month
12 period. If the hotel marketplace facilitator meets the tax
13 remittance threshold for a 12-month period, it is subject to
14 tax under this Act and is required to remit the tax imposed
15 under this Act and all hotel operators' occupation tax imposed
16 by local taxing jurisdictions in Illinois, provided that those
17 local taxes are administered by the Department, and to file
18 all applicable returns for one year. At the end of that
19 one-year period, the hotel marketplace facilitator shall
20 determine whether it met the tax remittance threshold for the
21 preceding 12-month period. If the hotel marketplace
22 facilitator met the tax remittance threshold for the preceding
23 12-month period, it is subject to the tax under this Act and is
24 required to continue to collect and remit all applicable State
25 and local hotel operators' occupation taxes and file returns
26 for the subsequent year. If at the end of a one-year period a

1 hotel marketplace facilitator that was required to collect and
2 remit the tax imposed under this Act determines that it did not
3 meet the tax remittance threshold during the preceding
4 12-month period, the hotel marketplace facilitator shall
5 subsequently determine on a quarterly basis, ending on the
6 last day of March, June, September, and December, whether it
7 meets the tax remittance threshold for the preceding 12-month
8 period.

9 A hotel marketplace facilitator is entitled to any
10 credits, deductions, or adjustments to rental receipts
11 otherwise provided to the marketplace hotel operator, in
12 addition to any such adjustments provided directly to the
13 hotel marketplace facilitator. This includes, but is not
14 limited to, adjustments, such as discounts, coupons, and
15 rebates. In addition, a hotel marketplace facilitator shall be
16 entitled to the discount provided in Section 6 of this Act on
17 all hotel marketplace rentals, leases, or lettings, and the
18 marketplace hotel operator shall not include rentals, leases,
19 or lettings made through a hotel marketplace facilitator when
20 computing any discount on remaining rentals, leases, or
21 lettings. Hotel marketplace facilitators shall report and
22 remit the applicable State and local hotel operators'
23 occupation taxes on leases, rentals, or lettings facilitated
24 for marketplace hotel operators separately from any hotel
25 operators' occupation tax on taxable rentals, leases, or
26 lettings made directly by the hotel marketplace facilitator or

1 its affiliates.

2 The hotel marketplace facilitator is liable for the
3 remittance of all applicable State hotel operators' occupation
4 taxes under this Act and any local hotel operators' occupation
5 taxes administered by the Department on rentals, leases, or
6 lettings made through the hotel marketplace and is subject to
7 audit on all such rentals, leases, or lettings. The Department
8 shall not audit marketplace hotel operators for their
9 marketplace rentals, leases, or lettings if the hotel
10 marketplace facilitator remitted the applicable State and
11 local hotel operators' occupation taxes unless the hotel
12 marketplace facilitator seeks relief as a result of incorrect
13 information provided to the hotel marketplace facilitator by a
14 marketplace hotel operator as set forth in this Section. The
15 hotel marketplace facilitator shall not be held liable for tax
16 on any rentals, leases, or lettings made by a marketplace
17 hotel operator that take place outside of the hotel
18 marketplace and that is not a part of any agreement between a
19 hotel marketplace facilitator and a marketplace hotel
20 operator. In addition, hotel marketplace facilitators shall
21 not be held liable to State and local governments of Illinois
22 for having charged and remitted an incorrect amount of State
23 and local hotel operators' occupation tax if, at the time of
24 the rentals, leases, or lettings, the tax is computed based on
25 erroneous data provided by the State on tax rates, boundaries,
26 or taxing jurisdictions or incorrect information provided to

1 the hotel marketplace facilitator by the marketplace hotel
2 operator.

3 (b-15) A hotel marketplace facilitator shall:

4 (1) certify to each marketplace hotel operator that
5 the hotel marketplace facilitator assumes the rights and
6 duties of a hotel operator under this Act with respect to
7 rentals, leases, or lettings made by the marketplace hotel
8 operator through the hotel marketplace; and

9 (2) remit taxes imposed by this Act as required by
10 this Act for rentals, leases, and lettings made through
11 the hotel marketplace.

12 (b-20) A marketplace hotel operator shall retain books and
13 records for all rentals, leases, and lettings made through a
14 hotel marketplace in accordance with the requirements of this
15 Act.

16 (b-25) A hotel marketplace facilitator is subject to audit
17 on all hotel marketplace rentals, leases, and lettings for
18 which it is considered to be the hotel operator, but shall not
19 be liable for tax or subject to audit on rentals, leases, or
20 lettings made by marketplace hotel operators outside of the
21 hotel marketplace.

22 (b-30) Nothing in this Section shall allow the Department
23 to collect hotel operators' occupation taxes from both the
24 hotel marketplace facilitator and marketplace hotel operator
25 on the same transaction.

26 (b-35) If, for any reason, the Department is prohibited

1 from enforcing the hotel marketplace facilitator's duty under
2 this Act to remit taxes pursuant to this Section, the duty to
3 remit such taxes remains with the marketplace hotel operator.

4 (c) No funds received pursuant to this Act shall be used to
5 advertise for or otherwise promote new competition in the
6 hotel business.

7 (d) However, such tax is not imposed upon the privilege of
8 engaging in any business in Interstate Commerce or otherwise,
9 which business may not, under the Constitution and Statutes of
10 the United States, be made the subject of taxation by this
11 State. In addition, the tax is not imposed upon gross rental
12 receipts for which the hotel operator is prohibited from
13 obtaining reimbursement for the tax from the customer by
14 reason of a federal treaty.

15 (d-5) On and after July 1, 2017, the tax imposed by this
16 Act shall not apply to gross rental receipts received by an
17 entity that is organized and operated exclusively for
18 religious purposes and possesses an active Exemption
19 Identification Number issued by the Department pursuant to the
20 Retailers' Occupation Tax Act when acting as a hotel operator
21 renting, leasing, or letting rooms:

22 (1) in furtherance of the purposes for which it is
23 organized; or

24 (2) to entities that (i) are organized and operated
25 exclusively for religious purposes, (ii) possess an active
26 Exemption Identification Number issued by the Department

1 pursuant to the Retailers' Occupation Tax Act, and (iii)
2 rent the rooms in furtherance of the purposes for which
3 they are organized.

4 No gross rental receipts are exempt under paragraph (2) of
5 this subsection (d-5) unless the hotel operator obtains the
6 active Exemption Identification Number from the exclusively
7 religious entity to whom it is renting and maintains that
8 number in its books and records. Gross rental receipts from
9 all rentals other than those described in items (1) or (2) of
10 this subsection (d-5) are subject to the tax imposed by this
11 Act unless otherwise exempt under this Act.

12 This subsection (d-5) is exempt from the sunset provisions
13 of Section 3-5 of this Act.

14 (d-10) On and after July 1, 2023, the tax imposed by this
15 Act shall not apply to gross rental receipts received from the
16 renting, leasing, or letting of rooms to an entity that is
17 organized and operated exclusively by an organization
18 chartered by the United States Congress for the purpose of
19 providing disaster relief and that possesses an active
20 Exemption Identification Number issued by the Department
21 pursuant to the Retailers' Occupation Tax Act if the renting,
22 leasing, or letting of the rooms is in furtherance of the
23 purposes for which the exempt organization is organized. This
24 subsection (d-10) is exempt from the sunset provisions of
25 Section 3-5 of this Act.

26 (e) Persons subject to the tax imposed by this Act may

1 reimburse themselves for their tax liability under this Act by
2 separately stating such tax as an additional charge, which
3 charge may be stated in combination, in a single amount, with
4 any tax imposed pursuant to Sections 8-3-13 and 8-3-14 of the
5 Illinois Municipal Code, and Section 25.05-10 of "An Act to
6 revise the law in relation to counties".

7 (f) If any hotel operator collects an amount (however
8 designated) which purports to reimburse such operator for
9 hotel operators' occupation tax liability measured by receipts
10 which are not subject to hotel operators' occupation tax, or
11 if any hotel operator, in collecting an amount (however
12 designated) which purports to reimburse such operator for
13 hotel operators' occupation tax liability measured by receipts
14 which are subject to tax under this Act, collects more from the
15 guest or, until July 1, 2026, from the re-renter than the
16 operators' hotel operators' occupation tax liability in the
17 transaction is, the guest or re-renter, as applicable, shall
18 have a legal right to claim a refund of such amount from such
19 operator. However, if such amount is not refunded to the guest
20 or re-renter, as applicable, for any reason, the hotel
21 operator is liable to pay such amount to the Department.

22 (Source: P.A. 103-9, eff. 6-7-23; 103-592, eff. 7-1-24.)

23 (35 ILCS 145/3-2)

24 Sec. 3-2. No resale exemption for transactions before July
25 1, 2026; hotel marketplace facilitators subject to tax

1 ~~beginning July 1, 2026, tax incurred by re-renters of hotel~~
2 ~~rooms.~~ Until July 1, 2026, a ~~A~~ hotel operator who rents,
3 leases, or lets rooms subject to tax under this Act through ~~to~~
4 a re-renter of hotel rooms incurs the tax under this Act on the
5 gross rental receipts it receives from that re-renter of hotel
6 rooms and cannot claim any resale exemption. In such
7 situations, the re-renter of hotel rooms incurs tax under this
8 Act on its gross rental receipts as provided in Section 3 of
9 this Act, subject to a credit as provided in Section 3-3 for
10 any reimbursement of tax paid to the hotel operator under
11 subsection (e) of Section 3 of this Act.

12 Beginning July 1, 2026, a hotel operator who rents,
13 leases, or lets rooms subject to tax under this Act through a
14 re-renter of hotel rooms, a hosting platform for short-term
15 rentals, or through any other person who meets the definition
16 of a hotel marketplace facilitator and who meets the tax
17 remittance threshold under this Act does not incur the tax
18 under this Act, except as otherwise provided under subsection
19 (b-35) of Section 3. Instead, the hotel marketplace
20 facilitator incurs the tax under this Act in accordance with
21 the provisions of Section 3.

22 (Source: P.A. 103-592, eff. 7-1-24.)

23 (35 ILCS 145/3-3)

24 Sec. 3-3. Re-renter of hotel rooms; credit for tax
25 reimbursement. For transactions before July 1, 2026, a ~~A~~

1 re-renter of hotel rooms may take a credit against the tax it
2 incurs on the rental of a hotel room under this Act for the
3 amount it paid under subsection (e) of Section 3 of this Act to
4 a hotel operator as reimbursement for the tax incurred under
5 this Act for the rental of that room for the purposes of
6 re-rental.

7 (Source: P.A. 103-592, eff. 7-1-24.)

8 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

9 Sec. 6. Returns; allocation of proceeds.

10 (a) Except as provided hereinafter in this Section, on or
11 before the last day of each calendar month, every person
12 engaged as a hotel operator in this State during the preceding
13 calendar month shall file a return with the Department,
14 stating:

15 1. the name of the operator;

16 2. his residence address and the address of his
17 principal place of business and the address of the
18 principal place of business (if that is a different
19 address) from which he engages in business as a hotel
20 operator in this State (including, if required by the
21 Department, the address of each hotel from which rental
22 receipts were received);

23 3. total amount of rental receipts received by him
24 during the preceding calendar month from engaging in
25 business as a hotel operator during such preceding

1 calendar month;

2 4. total amount of rental receipts received by him
3 during the preceding calendar month from renting, leasing
4 or letting rooms to permanent residents during such
5 preceding calendar month;

6 5. total amount of other exclusions from gross rental
7 receipts allowed by this Act;

8 6. gross rental receipts which were received by him
9 during the preceding calendar month and upon the basis of
10 which the tax is imposed;

11 7. the amount of tax due;

12 8. for transactions before July 1, 2026, credit for
13 any reimbursement of tax paid by a re-renter of hotel
14 rooms to hotel operators for rentals purchased for
15 re-rental, as provided in Section 3-3 of this Act;

16 9. such other reasonable information as the Department
17 may require.

18 If the operator's average monthly tax liability to the
19 Department does not exceed \$200, the Department may authorize
20 his returns to be filed on a quarter annual basis, with the
21 return for January, February and March of a given year being
22 due by April 30 of such year; with the return for April, May
23 and June of a given year being due by July 31 of such year;
24 with the return for July, August and September of a given year
25 being due by October 31 of such year, and with the return for
26 October, November and December of a given year being due by

1 January 31 of the following year.

2 If the operator's average monthly tax liability to the
3 Department does not exceed \$50, the Department may authorize
4 his returns to be filed on an annual basis, with the return for
5 a given year being due by January 31 of the following year.

6 Such quarter annual and annual returns, as to form and
7 substance, shall be subject to the same requirements as
8 monthly returns.

9 Notwithstanding any other provision in this Act concerning
10 the time within which an operator may file his return, in the
11 case of any operator who ceases to engage in a kind of business
12 which makes him responsible for filing returns under this Act,
13 such operator shall file a final return under this Act with the
14 Department not more than one month after discontinuing such
15 business.

16 Where the same person has more than one business
17 registered with the Department under separate registrations
18 under this Act, such person shall not file each return that is
19 due as a single return covering all such registered
20 businesses, but shall file separate returns for each such
21 registered business.

22 In his return, the operator shall determine the value of
23 any consideration other than money received by him in
24 connection with engaging in business as a hotel operator and
25 he shall include such value in his return. Such determination
26 shall be subject to review and revision by the Department in

1 the manner hereinafter provided for the correction of returns.

2 Where the operator is a corporation, the return filed on
3 behalf of such corporation shall be signed by the president,
4 vice-president, secretary or treasurer or by the properly
5 accredited agent of such corporation.

6 The person filing the return herein provided for shall, at
7 the time of filing such return, pay to the Department the
8 amount of tax herein imposed. The operator filing the return
9 under this Section shall, at the time of filing such return,
10 pay to the Department the amount of tax imposed by this Act
11 less a discount of 2.1% or \$25 per calendar year, whichever is
12 greater, which is allowed to reimburse the operator for the
13 expenses incurred in keeping records, preparing and filing
14 returns, remitting the tax and supplying data to the
15 Department on request.

16 If any payment provided for in this Section exceeds the
17 operator's liabilities under this Act, as shown on an original
18 return, the Department may authorize the operator to credit
19 such excess payment against liability subsequently to be
20 remitted to the Department under this Act, in accordance with
21 reasonable rules adopted by the Department. If the Department
22 subsequently determines that all or any part of the credit
23 taken was not actually due to the operator, the operator's
24 discount shall be reduced by an amount equal to the difference
25 between the discount as applied to the credit taken and that
26 actually due, and that operator shall be liable for penalties

1 and interest on such difference.

2 (b) Until July 1, 2024, the Department shall deposit the
3 total net revenue realized from the tax imposed under this Act
4 as provided in this subsection (b). Beginning on July 1, 2024,
5 the Department shall deposit the total net revenue realized
6 from the tax imposed under this Act as provided in subsection
7 (c).

8 There shall be deposited into the Build Illinois Fund in
9 the State treasury for each State fiscal year 40% of the amount
10 of total net revenue from the tax imposed by subsection (a) of
11 Section 3. Of the remaining 60%: (i) \$5,000,000 shall be
12 deposited into the Illinois Sports Facilities Fund and
13 credited to the Subsidy Account each fiscal year by making
14 monthly deposits in the amount of 1/8 of \$5,000,000 plus
15 cumulative deficiencies in such deposits for prior months, and
16 (ii) an amount equal to the then applicable Advance Amount, as
17 defined in subsection (d), shall be deposited into the
18 Illinois Sports Facilities Fund and credited to the Advance
19 Account each fiscal year by making monthly deposits in the
20 amount of 1/8 of the then applicable Advance Amount plus any
21 cumulative deficiencies in such deposits for prior months.
22 (The deposits of the then applicable Advance Amount during
23 each fiscal year shall be treated as advances of funds to the
24 Illinois Sports Facilities Authority for its corporate
25 purposes to the extent paid to the Authority or its trustee and
26 shall be repaid into the General Revenue Fund in the State

1 treasury by the State Treasurer on behalf of the Authority
2 pursuant to Section 19 of the Illinois Sports Facilities
3 Authority Act, as amended. If in any fiscal year the full
4 amount of the then applicable Advance Amount is not repaid
5 into the General Revenue Fund, then the deficiency shall be
6 paid from the amount in the Local Government Distributive Fund
7 that would otherwise be allocated to the City of Chicago under
8 the State Revenue Sharing Act.)

9 Of the remaining 60% of the amount of total net revenue
10 beginning on August 1, 2011 through June 30, 2023, from the tax
11 imposed by subsection (a) of Section 3 after all required
12 deposits into the Illinois Sports Facilities Fund, an amount
13 equal to 8% of the net revenue realized from this Act during
14 the preceding month shall be deposited as follows: 18% of such
15 amount shall be deposited into the Chicago Travel Industry
16 Promotion Fund for the purposes described in subsection (n) of
17 Section 5 of the Metropolitan Pier and Exposition Authority
18 Act and the remaining 82% of such amount shall be deposited
19 into the Local Tourism Fund each month for purposes authorized
20 by Section 605-705 of the Department of Commerce and Economic
21 Opportunity Law. Beginning on August 1, 2011 and through June
22 30, 2023, an amount equal to 4.5% of the net revenue realized
23 from this Act during the preceding month shall be deposited as
24 follows: 55% of such amount shall be deposited into the
25 Chicago Travel Industry Promotion Fund for the purposes
26 described in subsection (n) of Section 5 of the Metropolitan

1 Pier and Exposition Authority Act and the remaining 45% of
2 such amount deposited into the International Tourism Fund for
3 the purposes authorized in Section 605-707 of the Department
4 of Commerce and Economic Opportunity Law.

5 Beginning on July 1, 2023 and until July 1, 2024, of the
6 remaining 60% of the amount of total net revenue realized from
7 the tax imposed under subsection (a) of Section 3, after all
8 required deposits into the Illinois Sports Facilities Fund:

9 (1) an amount equal to 8% of the net revenue realized
10 under this Act for the preceding month shall be deposited
11 as follows: 82% to the Local Tourism Fund and 18% to the
12 Chicago Travel Industry Promotion Fund; and

13 (2) an amount equal to 4.5% of the net revenue
14 realized under this Act for the preceding month shall be
15 deposited as follows: 55% to the Chicago Travel Industry
16 Promotion Fund and 45% to the International Tourism Fund.

17 After making all these deposits, any remaining net revenue
18 realized from the tax imposed under subsection (a) of Section
19 3 shall be deposited into the Tourism Promotion Fund in the
20 State treasury. All moneys received by the Department from the
21 additional tax imposed under subsection (b) of Section 3 shall
22 be deposited into the Build Illinois Fund in the State
23 treasury.

24 (c) Beginning on July 1, 2024, the total net revenue
25 realized from the tax imposed under this Act for the preceding
26 month shall be deposited each month as follows:

1 (1) 50% shall be deposited into the Build Illinois
2 Fund; and

3 (2) the remaining 50% shall be deposited in the
4 following order of priority:

5 (A) First:

6 (i) \$5,000,000 shall be deposited into the
7 Illinois Sports Facilities Fund and credited to
8 the Subsidy Account each fiscal year by making
9 monthly deposits in the amount of one-eighth of
10 \$5,000,000 plus cumulative deficiencies in those
11 deposits for prior months; and

12 (ii) an amount equal to the then applicable
13 Advance Amount, as defined in subsection (d),
14 shall be deposited into the Illinois Sports
15 Facilities Fund and credited to the Advance
16 Account each fiscal year by making monthly
17 deposits in the amount of one-eighth of the then
18 applicable Advance Amount plus any cumulative
19 deficiencies in such deposits for prior months;
20 the deposits of the then applicable Advance Amount
21 during each fiscal year shall be treated as
22 advances of funds to the Illinois Sports
23 Facilities Authority for its corporate purposes to
24 the extent paid to the Illinois Sports Facilities
25 Authority or its trustee and shall be repaid into
26 the General Revenue Fund in the State treasury by

1 the State Treasurer on behalf of the Authority
2 pursuant to Section 19 of the Illinois Sports
3 Facilities Authority Act; if, in any fiscal year,
4 the full amount of the Advance Amount is not
5 repaid into the General Revenue Fund, then the
6 deficiency shall be paid from the amount in the
7 Local Government Distributive Fund that would
8 otherwise be allocated to the City of Chicago
9 under the State Revenue Sharing Act; and

10 (B) after all required deposits into the Illinois
11 Sports Facilities Fund under paragraph (A) have been
12 made each month, the remainder shall be deposited as
13 follows:

14 (i) 56% into the Tourism Promotion Fund;

15 (ii) 23% into the Local Tourism Fund;

16 (iii) 14% into the Chicago Travel Industry
17 Promotion Fund; and

18 (iv) 7% into the International Tourism Fund.

19 (d) As used in subsections (b) and (c):

20 "Advance Amount" means, for fiscal year 2002, \$22,179,000,
21 and for subsequent fiscal years through fiscal year 2033,
22 105.615% of the Advance Amount for the immediately preceding
23 fiscal year, rounded up to the nearest \$1,000.

24 "Net revenue realized" means the revenue collected by the
25 State under this Act less the amount paid out as refunds to
26 taxpayers for overpayment of liability under this Act.

1 (e) The Department may, upon separate written notice to a
2 taxpayer, require the taxpayer to prepare and file with the
3 Department on a form prescribed by the Department within not
4 less than 60 days after receipt of the notice an annual
5 information return for the tax year specified in the notice.
6 Such annual return to the Department shall include a statement
7 of gross receipts as shown by the operator's last State income
8 tax return. If the total receipts of the business as reported
9 in the State income tax return do not agree with the gross
10 receipts reported to the Department for the same period, the
11 operator shall attach to his annual information return a
12 schedule showing a reconciliation of the 2 amounts and the
13 reasons for the difference. The operator's annual information
14 return to the Department shall also disclose payroll
15 information of the operator's business during the year covered
16 by such return and any additional reasonable information which
17 the Department deems would be helpful in determining the
18 accuracy of the monthly, quarterly or annual tax returns by
19 such operator as hereinbefore provided for in this Section.

20 If the annual information return required by this Section
21 is not filed when and as required the taxpayer shall be liable
22 for a penalty in an amount determined in accordance with
23 Section 3-4 of the Uniform Penalty and Interest Act until such
24 return is filed as required, the penalty to be assessed and
25 collected in the same manner as any other penalty provided for
26 in this Act.

1 The chief executive officer, proprietor, owner or highest
2 ranking manager shall sign the annual return to certify the
3 accuracy of the information contained therein. Any person who
4 willfully signs the annual return containing false or
5 inaccurate information shall be guilty of perjury and punished
6 accordingly. The annual return form prescribed by the
7 Department shall include a warning that the person signing the
8 return may be liable for perjury.

9 The foregoing portion of this Section concerning the
10 filing of an annual information return shall not apply to an
11 operator who is not required to file an income tax return with
12 the United States Government.

13 (Source: P.A. 103-8, eff. 6-7-23; 103-592, eff. 7-1-24;
14 103-642, eff. 7-1-24; 104-417, eff. 8-15-25.)

15 Section 99. Effective date. This Act takes effect July 1,
16 2026.