



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3169

Introduced 2/2/2026, by Sen. Graciela Guzmán

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.1038 new	
30 ILCS 105/6z-149 new	
35 ILCS 145/3	from Ch. 120, par. 481b.33
35 ILCS 145/6	from Ch. 120, par. 481b.36
35 ILCS 200/15-77 new	

Amends the Hotel Operators' Occupation Tax Act. Imposes a tax upon hosting platforms that facilitate the renting, leasing, or letting of short-term rentals. Provides that the tax is imposed at the rate of 4% of 94% of the gross rental receipts received by the platform from the renting, leasing, or letting of short-term rentals in this State. Provides that the proceeds from the tax shall be deposited into the Community Land Trust Fund. Amends the State Finance Act to create the Community Land Trust Fund. Amends the Property Tax Code. Provides that property that is owned by a non-profit community land trust and that is used exclusively for the creation and maintenance of permanently affordable single-family or multifamily residences is exempt beginning with the taxable year in which the property is acquired by the community land trust and continuing through the taxable year in which the property is sold to a homeowner. Effective immediately.

LRB104 20474 HLH 33944 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 State Finance Act is amended by adding
5 Sections 5.1038 and 6z-149 as follows:

6 (30 ILCS 105/5.1038 new)

7 Sec. 5.1038. The Community Land Trust Fund.

8 (30 ILCS 105/6z-149 new)

9 Sec. 6z-149. The Community Land Trust Fund; creation. The
10 Community Land Trust Fund is created as a special fund in the
11 State treasury. The Fund may accept moneys from any lawful
12 source. Any interest earned on moneys in the Fund shall be
13 deposited into the Fund. Moneys in the Fund shall be used by
14 the Illinois Housing Development Authority for development,
15 staffing, and capacity building and technical assistance
16 related to community land trusts in the State. As used in this
17 Section, "community land trust" has the meaning given to that
18 term in the Community Land Trust Home Ownership Act.

19 Section 10. The Hotel Operators' Occupation Tax Act is
20 amended by changing Sections 3 and 6 as follows:

1 (35 ILCS 145/3) (from Ch. 120, par. 481b.33)

2 Sec. 3. Rate; exemptions.

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

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

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

1 the taxes under subsections (a) and (b) if it meets one of the
2 following thresholds:

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

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

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

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

11 (b-10) On and after January 1, 2027, an additional tax is
12 imposed upon hosting platforms that facilitate the renting,
13 leasing, or letting of short-term rentals. The tax under this
14 subsection (b-10) is imposed at the rate of 4% of 94% of the
15 gross rental receipts received by the platform from the
16 renting, leasing, or letting of short-term rentals in this
17 State. As used in this subsection, "short-term rental" means a
18 furnished, house, apartment, or room that is available for
19 rent for valuable consideration for a period of less than 30
20 days but that is not otherwise considered a hotel under this
21 Act.

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

25 (d) However, such tax is not imposed upon the privilege of
26 engaging in any business in Interstate Commerce or otherwise,

1 which business may not, under the Constitution and Statutes of
2 the United States, be made the subject of taxation by this
3 State. In addition, the tax is not imposed upon gross rental
4 receipts for which the hotel operator is prohibited from
5 obtaining reimbursement for the tax from the customer by
6 reason of a federal treaty.

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

14 (1) in furtherance of the purposes for which it is
15 organized; or

16 (2) to entities that (i) are organized and operated
17 exclusively for religious purposes, (ii) possess an active
18 Exemption Identification Number issued by the Department
19 pursuant to the Retailers' Occupation Tax Act, and (iii)
20 rent the rooms in furtherance of the purposes for which
21 they are organized.

22 No gross rental receipts are exempt under paragraph (2) of
23 this subsection (d-5) unless the hotel operator obtains the
24 active Exemption Identification Number from the exclusively
25 religious entity to whom it is renting and maintains that
26 number in its books and records. Gross rental receipts from

1 all rentals other than those described in items (1) or (2) of
2 this subsection (d-5) are subject to the tax imposed by this
3 Act unless otherwise exempt under this Act.

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

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

18 (e) Persons subject to the tax imposed by this Act may
19 reimburse themselves for their tax liability under this Act by
20 separately stating such tax as an additional charge, which
21 charge may be stated in combination, in a single amount, with
22 any tax imposed pursuant to Sections 8-3-13 and 8-3-14 of the
23 Illinois Municipal Code, and Section 25.05-10 of "An Act to
24 revise the law in relation to counties".

25 (f) If any hotel operator collects an amount (however
26 designated) which purports to reimburse such operator for

1 hotel operators' occupation tax liability measured by receipts
2 which are not subject to hotel operators' occupation tax, or
3 if any hotel operator, in collecting an amount (however
4 designated) which purports to reimburse such operator for
5 hotel operators' occupation tax liability measured by receipts
6 which are subject to tax under this Act, collects more from the
7 guest or re-renter than the operators' hotel operators'
8 occupation tax liability in the transaction is, the guest or
9 re-renter, as applicable, shall have a legal right to claim a
10 refund of such amount from such operator. However, if such
11 amount is not refunded to the guest or re-renter, as
12 applicable, for any reason, the hotel operator is liable to
13 pay such amount to the Department.

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

15 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

16 Sec. 6. Returns; allocation of proceeds.

17 (a) Except as provided hereinafter in this Section, on or
18 before the last day of each calendar month, every person
19 engaged as a hotel operator in this State during the preceding
20 calendar month shall file a return with the Department,
21 stating:

22 1. the name of the operator;

23 2. his residence address and the address of his
24 principal place of business and the address of the
25 principal place of business (if that is a different

1 address) from which he engages in business as a hotel
2 operator in this State (including, if required by the
3 Department, the address of each hotel from which rental
4 receipts were received);

5 3. total amount of rental receipts received by him
6 during the preceding calendar month from engaging in
7 business as a hotel operator during such preceding
8 calendar month;

9 4. total amount of rental receipts received by him
10 during the preceding calendar month from renting, leasing
11 or letting rooms to permanent residents during such
12 preceding calendar month;

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

15 6. gross rental receipts which were received by him
16 during the preceding calendar month and upon the basis of
17 which the tax is imposed;

18 7. the amount of tax due;

19 8. credit for any reimbursement of tax paid by a
20 re-renter of hotel rooms to hotel operators for rentals
21 purchased for re-rental, as provided in Section 3-3 of
22 this Act;

23 9. such other reasonable information as the Department
24 may require.

25 If the operator's average monthly tax liability to the
26 Department does not exceed \$200, the Department may authorize

1 his returns to be filed on a quarter annual basis, with the
2 return for January, February and March of a given year being
3 due by April 30 of such year; with the return for April, May
4 and June of a given year being due by July 31 of such year;
5 with the return for July, August and September of a given year
6 being due by October 31 of such year, and with the return for
7 October, November and December of a given year being due by
8 January 31 of the following year.

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

13 Such quarter annual and annual returns, as to form and
14 substance, shall be subject to the same requirements as
15 monthly returns.

16 Notwithstanding any other provision in this Act concerning
17 the time within which an operator may file his return, in the
18 case of any operator who ceases to engage in a kind of business
19 which makes him responsible for filing returns under this Act,
20 such operator shall file a final return under this Act with the
21 Department not more than one month after discontinuing such
22 business.

23 Where the same person has more than one business
24 registered with the Department under separate registrations
25 under this Act, such person shall not file each return that is
26 due as a single return covering all such registered

1 businesses, but shall file separate returns for each such
2 registered business.

3 In his return, the operator shall determine the value of
4 any consideration other than money received by him in
5 connection with engaging in business as a hotel operator and
6 he shall include such value in his return. Such determination
7 shall be subject to review and revision by the Department in
8 the manner hereinafter provided for the correction of returns.

9 Where the operator is a corporation, the return filed on
10 behalf of such corporation shall be signed by the president,
11 vice-president, secretary or treasurer or by the properly
12 accredited agent of such corporation.

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

23 If any payment provided for in this Section exceeds the
24 operator's liabilities under this Act, as shown on an original
25 return, the Department may authorize the operator to credit
26 such excess payment against liability subsequently to be

1 remitted to the Department under this Act, in accordance with
2 reasonable rules adopted by the Department. If the Department
3 subsequently determines that all or any part of the credit
4 taken was not actually due to the operator, the operator's
5 discount shall be reduced by an amount equal to the difference
6 between the discount as applied to the credit taken and that
7 actually due, and that operator shall be liable for penalties
8 and interest on such difference.

9 (b) Until July 1, 2024, the Department shall deposit the
10 total net revenue realized from the tax imposed under this Act
11 as provided in this subsection (b). Beginning on July 1, 2024,
12 the Department shall deposit the total net revenue realized
13 from the tax imposed under this Act as provided in subsection
14 (c).

15 There shall be deposited into the Build Illinois Fund in
16 the State treasury for each State fiscal year 40% of the amount
17 of total net revenue from the tax imposed by subsection (a) of
18 Section 3. Of the remaining 60%: (i) \$5,000,000 shall be
19 deposited into the Illinois Sports Facilities Fund and
20 credited to the Subsidy Account each fiscal year by making
21 monthly deposits in the amount of 1/8 of \$5,000,000 plus
22 cumulative deficiencies in such deposits for prior months, and
23 (ii) an amount equal to the then applicable Advance Amount, as
24 defined in subsection (d), shall be deposited into the
25 Illinois Sports Facilities Fund and credited to the Advance
26 Account each fiscal year by making monthly deposits in the

1 amount of 1/8 of the then applicable Advance Amount plus any
2 cumulative deficiencies in such deposits for prior months.
3 (The deposits of the then applicable Advance Amount during
4 each fiscal year shall be treated as advances of funds to the
5 Illinois Sports Facilities Authority for its corporate
6 purposes to the extent paid to the Authority or its trustee and
7 shall be repaid into the General Revenue Fund in the State
8 treasury by the State Treasurer on behalf of the Authority
9 pursuant to Section 19 of the Illinois Sports Facilities
10 Authority Act, as amended. If in any fiscal year the full
11 amount of the then applicable Advance Amount is not repaid
12 into the General Revenue Fund, then the deficiency shall be
13 paid from the amount in the Local Government Distributive Fund
14 that would otherwise be allocated to the City of Chicago under
15 the State Revenue Sharing Act.)

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

1 by Section 605-705 of the Department of Commerce and Economic
2 Opportunity Law. Beginning on August 1, 2011 and through June
3 30, 2023, an amount equal to 4.5% of the net revenue realized
4 from this Act during the preceding month shall be deposited as
5 follows: 55% of such amount shall be deposited into the
6 Chicago Travel Industry Promotion Fund for the purposes
7 described in subsection (n) of Section 5 of the Metropolitan
8 Pier and Exposition Authority Act and the remaining 45% of
9 such amount deposited into the International Tourism Fund for
10 the purposes authorized in Section 605-707 of the Department
11 of Commerce and Economic Opportunity Law.

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

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

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

24 After making all these deposits, any remaining net revenue
25 realized from the tax imposed under subsection (a) of Section
26 3 shall be deposited into the Tourism Promotion Fund in the

1 State treasury. All moneys received by the Department from the
2 additional tax imposed under subsection (b) of Section 3 shall
3 be deposited into the Build Illinois Fund in the State
4 treasury.

5 (c) Beginning on July 1, 2024, except as provided in
6 subsection (c-5), the total net revenue realized from the tax
7 imposed under this Act for the preceding month shall be
8 deposited each month as follows:

9 (1) 50% shall be deposited into the Build Illinois
10 Fund; and

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

13 (A) First:

14 (i) \$5,000,000 shall be deposited into the
15 Illinois Sports Facilities Fund and credited to
16 the Subsidy Account each fiscal year by making
17 monthly deposits in the amount of one-eighth of
18 \$5,000,000 plus cumulative deficiencies in those
19 deposits for prior months; and

20 (ii) an amount equal to the then applicable
21 Advance Amount, as defined in subsection (d),
22 shall be deposited into the Illinois Sports
23 Facilities Fund and credited to the Advance
24 Account each fiscal year by making monthly
25 deposits in the amount of one-eighth of the then
26 applicable Advance Amount plus any cumulative

1 deficiencies in such deposits for prior months;
2 the deposits of the then applicable Advance Amount
3 during each fiscal year shall be treated as
4 advances of funds to the Illinois Sports
5 Facilities Authority for its corporate purposes to
6 the extent paid to the Illinois Sports Facilities
7 Authority or its trustee and shall be repaid into
8 the General Revenue Fund in the State treasury by
9 the State Treasurer on behalf of the Authority
10 pursuant to Section 19 of the Illinois Sports
11 Facilities Authority Act; if, in any fiscal year,
12 the full amount of the Advance Amount is not
13 repaid into the General Revenue Fund, then the
14 deficiency shall be paid from the amount in the
15 Local Government Distributive Fund that would
16 otherwise be allocated to the City of Chicago
17 under the State Revenue Sharing Act; and

18 (B) after all required deposits into the Illinois
19 Sports Facilities Fund under paragraph (A) have been
20 made each month, the remainder shall be deposited as
21 follows:

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

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

24 (iii) 14% into the Chicago Travel Industry
25 Promotion Fund; and

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

1 (c-5) Notwithstanding any other provision of law, 100% of
2 the proceeds received from the tax imposed on hosting
3 platforms under subsection (b-10) of Section 3 shall be
4 deposited into the Illinois Community Land Trust Fund.

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

6 "Advance Amount" means, for fiscal year 2002, \$22,179,000,
7 and for subsequent fiscal years through fiscal year 2033,
8 105.615% of the Advance Amount for the immediately preceding
9 fiscal year, rounded up to the nearest \$1,000.

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

13 (e) The Department may, upon separate written notice to a
14 taxpayer, require the taxpayer to prepare and file with the
15 Department on a form prescribed by the Department within not
16 less than 60 days after receipt of the notice an annual
17 information return for the tax year specified in the notice.
18 Such annual return to the Department shall include a statement
19 of gross receipts as shown by the operator's last State income
20 tax return. If the total receipts of the business as reported
21 in the State income tax return do not agree with the gross
22 receipts reported to the Department for the same period, the
23 operator shall attach to his annual information return a
24 schedule showing a reconciliation of the 2 amounts and the
25 reasons for the difference. The operator's annual information
26 return to the Department shall also disclose payroll

1 information of the operator's business during the year covered
2 by such return and any additional reasonable information which
3 the Department deems would be helpful in determining the
4 accuracy of the monthly, quarterly or annual tax returns by
5 such operator as hereinbefore provided for in this Section.

6 If the annual information return required by this Section
7 is not filed when and as required the taxpayer shall be liable
8 for a penalty in an amount determined in accordance with
9 Section 3-4 of the Uniform Penalty and Interest Act until such
10 return is filed as required, the penalty to be assessed and
11 collected in the same manner as any other penalty provided for
12 in this Act.

13 The chief executive officer, proprietor, owner or highest
14 ranking manager shall sign the annual return to certify the
15 accuracy of the information contained therein. Any person who
16 willfully signs the annual return containing false or
17 inaccurate information shall be guilty of perjury and punished
18 accordingly. The annual return form prescribed by the
19 Department shall include a warning that the person signing the
20 return may be liable for perjury.

21 The foregoing portion of this Section concerning the
22 filing of an annual information return shall not apply to an
23 operator who is not required to file an income tax return with
24 the United States Government.

25 (Source: P.A. 103-8, eff. 6-7-23; 103-592, eff. 7-1-24;
26 103-642, eff. 7-1-24; 104-417, eff. 8-15-25.)

1 Section 15. The Property Tax Code is amended by adding
2 Section 15-77 as follows:

3 (35 ILCS 200/15-77 new)

4 Sec. 15-77. Community land trusts. Beginning in taxable
5 year 2027, property that is owned by a non-profit community
6 land trust, as defined in the Community Land Trust Home
7 Ownership Act, and that is used exclusively for the creation
8 and maintenance of permanently affordable single-family or
9 multifamily residences is exempt beginning with the taxable
10 year in which the property is acquired by the community land
11 trust and continuing through the taxable year in which the
12 property is sold to a homeowner.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.