**Section 418.10 Purpose**

Section 8-11-2 of the Illinois Municipal Code (Code) [65 ILCS 5/8-11-2] has been amended by Public Act 90-561. The amendment takes effect August 1, 1998 and, over the period from August 1, 1998 to the end of 2000, changes the municipal tax on electric utility gross receipts to a tax on end-users imposed on the basis of kilowatt-hours of electricity used or consumed within the municipality. The purpose of this Part is to establish rules governing requests for Illinois Commerce Commission (Commission) promulgation of alternative maximum municipal electric tax rates under Section 8-11-2 of the Code, and to clarify the obligations of electric utilities with respect to the amendments to that Section of the Code. The Commission seeks to provide municipalities with a method of designing tax rates that will match the tax revenues that could have been derived from classes of customers, defined on the basis of the usage categories set forth in Section 8-11-2 of the Code, under the percentage of purchase price tax in place in 1997. Mindful of the substantial variation in the customer profiles of the municipalities that impose an electricity tax, the Commission also wishes to allow for the consideration of alternative rates that are consistent with Section 8-11-2 of the Code and that address local conditions.