



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

SB3512

Introduced 2/14/2020, by Sen. Iris Y. Martinez

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.930 new  
65 ILCS 5/11-42-1.5 new

Amends the Illinois Municipal Code. Provides that, in addition to any other tax that may be imposed, a municipality may also impose, by ordinance, a tax upon all persons engaged in the municipality in the business of acting as a resale facilitator. Provides that the tax may be imposed, in one percent increments, at a rate not to exceed 5% of the selling price of all tickets or other licenses resold by or through the resale facilitator for amusements taking place within the municipality. Provides that the tax does not apply to: (i) the original sale of a ticket or license by the owner, operator, or manager of an amusement, either directly or through a third party; or (ii) resales by or to ticket brokers registered with the Secretary of State under the Ticket Sale and Resale Act. Defines terms. Amends the State Finance Act to create the Municipal Ticket and License Reselling Tax Fund.

LRB101 20623 AWJ 70269 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning local government.

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 Section 5.930 as follows:

6 (30 ILCS 105/5.930 new)

7 Sec. 5.930. The Municipal Ticket and License Reselling Tax  
8 Fund.

9 Section 10. The Illinois Municipal Code is amended by  
10 adding Section 11-42-1.5 as follows:

11 (65 ILCS 5/11-42-1.5 new)

12 Sec. 11-42-1.5. Municipal Ticket and License Reselling Tax  
13 Law.

14 (a) As used in this Section:

15 "License" means a ticket or other license granting the  
16 privilege to enter, to witness, to view, or to participate in  
17 an amusement or the opportunity to obtain the privilege to  
18 enter, to witness, to view, or to participate in an amusement.  
19 "License" includes, but is not limited to, a permanent seat  
20 license.

21 "Resale" means the resale of a ticket or other license to

1 an amusement after the ticket or other license has been sold by  
2 the owner, manager, or operator of the amusement, or by the  
3 owner, manager, or operator of the place where the amusement is  
4 being held, to an independent and unrelated third party.

5 "Resale facilitator" means a person engaged in the business  
6 of resale on behalf of the owner of the ticket or other license  
7 or assisting the owner in resale of the owner's ticket or other  
8 license, whether or not the ticket or other license is resold  
9 by bidding, consignment, or otherwise and whether or not the  
10 ticket or other license is resold in person, at a site on the  
11 Internet, or otherwise. "Resale facilitator" includes, but is  
12 not limited to, an auctioneer, a ticket broker, a seller of  
13 tickets or other licenses for amusements, or an Internet  
14 auction listing service. "Resale facilitator" does not include  
15 a person who advertises the availability of a ticket or other  
16 license for resale without participating in the resale  
17 transaction.

18 "Reseller" means a person who resells a ticket or other  
19 license to an amusement for consideration, whether or not the  
20 ticket or other license is resold by bidding, consignment, or  
21 otherwise and whether or not the ticket or other license is  
22 resold in person, at a site on the Internet, or otherwise.  
23 "Reseller" includes, but is not limited to, ticket brokers.

24 "Selling price" means the total consideration received  
25 from the consumer and collected by the reseller or resale  
26 facilitator for the purchase of a ticket or license, including

1 any service fees or other charges. "Selling price" includes any  
2 local amusement tax on the original sale of the ticket or  
3 license that is included in the consideration received, but  
4 excludes any federal, State, or local taxes imposed on such  
5 resale and any separately stated and optional charges for  
6 services or property.

7 "Ticket" means the privilege to enter, witness, view, or  
8 participate in an amusement, whether or not expressed in a  
9 tangible form.

10 (b) Notwithstanding any other provision of law, in addition  
11 to any other tax that may be imposed, a municipality may also  
12 impose, by ordinance, a tax upon all persons engaged in the  
13 municipality in the business of acting as a resale facilitator.  
14 The tax may be imposed, in one percent increments, at a rate  
15 not to exceed 5% of the selling price of all tickets or other  
16 licenses resold by or through the resale facilitator for  
17 amusements taking place within the municipality. The tax may  
18 not be imposed under this Section on: (i) the original sale of  
19 a ticket or license by the owner, operator, or manager of an  
20 amusement, either directly or through a third party; or (ii)  
21 resales to ticket brokers or resales by ticket brokers to  
22 ticket brokers, when registered with the Secretary of State  
23 under the Ticket Sale and Resale Act.

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

1 as an additional charge, which charge may be stated in  
2 combination, in a single amount, with other applicable taxes,  
3 pursuant to such bracket schedules as the Department of Revenue  
4 may prescribe.

5 A tax imposed pursuant to this Section, and all civil  
6 penalties that may be assessed as an incident thereof, shall be  
7 administered, collected, and enforced by the Department of  
8 Revenue in the same manner as the tax imposed under the  
9 Retailers' Occupation Tax Act, as now or hereafter amended,  
10 insofar as may be practicable; except that in the event of a  
11 conflict with the provisions of this Section, this Section  
12 shall control. The Department of Revenue shall have full power  
13 to: administer and enforce this Section; collect all taxes and  
14 penalties due hereunder; dispose of taxes and penalties so  
15 collected in the manner hereinafter provided; and determine all  
16 rights to credit memoranda arising on account of the erroneous  
17 payment of tax or penalty hereunder.

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

26 The Department of Revenue shall immediately pay over to the

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

8 On or before the 25th day of each calendar month, the  
9 Department of Revenue shall prepare and certify to the State  
10 Comptroller the disbursement of stated sums of money to named  
11 municipalities for which taxpayers have paid taxes or penalties  
12 hereunder to the Department of Revenue during the second  
13 preceding calendar month. The amount to be paid to each  
14 municipality shall be the amount (not including credit  
15 memoranda) collected under this Section from resellers within  
16 the municipality during the second preceding calendar month by  
17 the Department of Revenue, plus an amount the Department of  
18 Revenue determines is necessary to offset amounts that were  
19 erroneously paid to a different municipality, and not including  
20 an amount equal to the amount of refunds made during the second  
21 preceding calendar month by the Department of Revenue on behalf  
22 of the municipality, and not including any amount that the  
23 Department of Revenue determines is necessary to offset any  
24 amounts that were payable to a different municipality but were  
25 erroneously paid to the municipality, less 1.5% of the  
26 remainder, which the Comptroller shall transfer into the Tax

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

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

1 adoption and filing.

2 (c) This Section shall be known and may be cited as the

3 Municipal Ticket and License Reselling Tax Law.