



Rep. LaToya Greenwood

**Filed: 2/28/2022**

10200HB5395ham001

LRB102 25907 HLH 36741 a

1 AMENDMENT TO HOUSE BILL 5395

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 5395 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Department of Commerce and Economic  
5 Opportunity Law of the Civil Administrative Code of Illinois  
6 is amended by adding Section 605-1095 as follows:

7 (20 ILCS 605/605-1095 new)

8 Sec. 605-1095. Tax equivalent grants.

9 (a) If a retailer permanently ceases operations in a  
10 municipality and that retailer was responsible for at least  
11 20% of the total use and occupation tax revenue received by the  
12 municipality in the calendar year immediately preceding the  
13 date the retailer permanently ceased operations in the  
14 municipality, then the municipality is entitled to a tax  
15 equivalent grant as provided in this Section. Grants under  
16 this Section shall be awarded, subject to appropriation, for

1 fiscal years beginning on or after July 1, 2023.

2 (b) The corporate authorities of an eligible municipality  
3 may apply to the Department of Commerce and Economic  
4 Opportunity for a grant under this Section in the form and  
5 manner required by the Department of Commerce and Economic  
6 Opportunity by rule. Grants under this Section shall be  
7 awarded for each of the 5 State fiscal years to occur after the  
8 date the retailer permanently ceases operations in the  
9 municipality. The application shall contain the following  
10 information:

11 (1) the identity of the retailer that ceased  
12 operations;

13 (2) the portion of the use and occupation tax revenue  
14 that was received by the municipality in the calendar year  
15 immediately preceding the date the retailer permanently  
16 ceased operations in the municipality and that is  
17 attributable to the retailer; and

18 (3) the total use and occupation tax revenue received  
19 by the municipality in the calendar year immediately  
20 preceding the date the retailer permanently ceased  
21 operations in the municipality.

22 The Department of Revenue shall certify to the Department  
23 of Commerce and Economic Opportunity that the amounts reported  
24 by the municipality in items (1), (2), and (3) of this  
25 subsection (b) are correct.

26 (c) Grants shall be awarded according the following

1 schedule:

2 (1) in the first fiscal year following the date the  
3 retailer permanently ceased operations in the  
4 municipality, the municipality shall receive 100% of the  
5 amount that is reported in item (2) of subsection (b) and  
6 that is verified by the Department of Revenue;

7 (2) in the second fiscal year following the date the  
8 retailer permanently ceased operations in the  
9 municipality, the municipality shall receive 80% of the  
10 amount that is reported in item (2) of subsection (b) and  
11 that is verified by the Department of Revenue;

12 (3) in the third fiscal year following the date the  
13 retailer permanently ceased operations in the  
14 municipality, the municipality shall receive 60% of the  
15 amount that is reported in item (2) of subsection (b) and  
16 that is verified by the Department of Revenue;

17 (4) in the fourth fiscal year following the date the  
18 retailer permanently ceased operations in the  
19 municipality, the municipality shall receive 40% of the  
20 amount that is reported in item (2) of subsection (b) and  
21 that is verified by the Department of Revenue; and

22 (5) in the fifth fiscal year following the date the  
23 retailer permanently ceased operations in the  
24 municipality, the municipality shall receive 20% of the  
25 amount that is reported in item (2) of subsection (b) and  
26 that is verified by the Department of Revenue.

1       (d) The Department of Commerce and Economic Opportunity  
2 shall adopt rules to implement this Section, including, but  
3 not limited to, rules concerning the application process and  
4 the time period during which applications for grants under  
5 this Section will be accepted.

6       (e) As used in this Section:

7       "Retailer" means a retailer or serviceman that is required  
8 to collect and remit tax under the Use Tax Act, the Service Use  
9 Tax Act, the Service Occupation Tax Act, or the Retailers'  
10 Occupation Tax Act.

11       "Use and occupation tax revenue received by the  
12 municipality" means: (1) moneys allocated to the municipality  
13 from the proceeds collected under the Use Tax Act, the Service  
14 Use Tax Act, the Service Occupation Tax Act, and the  
15 Retailers' Occupation Tax Act based on sales occurring in the  
16 municipality; and (2) the proceeds collected from any  
17 municipal use tax imposed by the municipality or any municipal  
18 occupation tax imposed by the municipality, if the tax is  
19 administered by the Department of Revenue and the proceeds are  
20 remitted to the municipality.

21       Section 10. The School Code is amended by adding Section  
22 18-4.6 as follows:

23       (105 ILCS 5/18-4.6 new)

24       Sec. 18-4.6. Tax equivalent grants; State Capitol. Subject

1 to appropriation, the school district in which the Illinois  
2 State Capitol Building is located is entitled to a tax  
3 equivalent grant as provided in this Section. The State  
4 Superintendent of Education shall annually direct the State  
5 Comptroller to pay the amount of the tax equivalent grant  
6 provided in this Section, and the State Comptroller shall draw  
7 his or her warrant upon the State Treasury for the payment of  
8 the grant. For fiscal year 2024 and each fiscal year  
9 thereafter, the grant shall equal 0.5% of the equalized  
10 assessed valuation of all land in the district owned by the  
11 State (computing that equalized assessed valuation by  
12 multiplying the average value per taxable acre of the school  
13 district by the total number of acres of land owned by the  
14 State). The school district superintendent shall certify to  
15 the State Board of Education the following matters: (1) that  
16 the State Capitol Building is located within the district; (2)  
17 the total land area of the district in acres; (3) the total  
18 ownership of the land of the State in the district in acres;  
19 (4) the total equalized assessed value of all the land in the  
20 district; (5) the rate of school tax payable in the year; and  
21 (6) the computed amount of the tax equivalent grant claimed.  
22 Certification for fiscal year 2024 grants under this Section  
23 shall be made no later than September 15, 2022. For subsequent  
24 fiscal years, the certification shall be made no later than  
25 July 1 of the calendar year in which the fiscal year begins.  
26 Failure of the school district superintendent to certify the

1 claim for the tax equivalent grant on or before the date set  
2 forth in this Section shall constitute a forfeiture by the  
3 district of its right to the grant for the school year.

4 Section 99. Effective date. This Act takes effect upon  
5 becoming law.".