



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB0991

Introduced 1/12/2023, by Rep. Anthony DeLuca

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-11-1.1	from Ch. 24, par. 8-11-1.1
65 ILCS 5/8-11-1.2	from Ch. 24, par. 8-11-1.2
65 ILCS 5/8-11-1.3	from Ch. 24, par. 8-11-1.3
65 ILCS 5/8-11-1.4	from Ch. 24, par. 8-11-1.4
65 ILCS 5/8-11-1.5	from Ch. 24, par. 8-11-1.5

Amends the Illinois Municipal Code. Provides that the rate of tax under the Non-Home Rule Municipal Retailers' Occupation Tax Act, the Non-Home Rule Municipal Service Occupation Tax Act, and the Non-Home Rule Municipal Use Tax Act may not exceed 2% (currently, 1%). Provides that the rate of tax that may be imposed for municipal operations may not exceed 1%. With respect to the Non-Home Rule Municipal Retailers' Occupation Tax Act, the Non-Home Rule Municipal Service Occupation Tax Act, and the Non-Home Rule Municipal Use Tax Act, provides that the term "public infrastructure" includes the acquisition, repair, and maintenance of public safety equipment. Effective immediately.

LRB103 00050 AWJ 45050 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 Illinois Municipal Code is amended by  
5 changing Sections 8-11-1.1, 8-11-1.2, 8-11-1.3, 8-11-1.4, and  
6 8-11-1.5 as follows:

7 (65 ILCS 5/8-11-1.1) (from Ch. 24, par. 8-11-1.1)

8 Sec. 8-11-1.1. Non-home rule municipalities; imposition of  
9 taxes.

10 (a) The corporate authorities of a non-home rule  
11 municipality may, upon approval of the electors of the  
12 municipality pursuant to subsection (b) of this Section,  
13 impose by ordinance or resolution the tax authorized in  
14 Sections 8-11-1.3, 8-11-1.4 and 8-11-1.5 of this Act.

15 (b) The corporate authorities of the municipality may by  
16 ordinance or resolution call for the submission to the  
17 electors of the municipality the question of whether the  
18 municipality shall impose such tax or increase the rate of  
19 such tax. Such question shall be certified by the municipal  
20 clerk to the election authority in accordance with Section  
21 28-5 of the Election Code and shall be in a form in accordance  
22 with Section 16-7 of the Election Code.

23 Notwithstanding any provision of law to the contrary, if

1 the proceeds of the tax may be used for municipal operations  
2 pursuant to Section 8-11-1.3, 8-11-1.4, or 8-11-1.5, then the  
3 election authority must submit the question in substantially  
4 the following form:

5           Shall the corporate authorities of the municipality be  
6 authorized to levy a tax at a rate of (rate)% for  
7 expenditures on municipal operations, expenditures on  
8 public infrastructure, or property tax relief?

9           If a majority of the electors in the municipality voting  
10 upon the question vote in the affirmative, such tax shall be  
11 imposed.

12           Until January 1, 1992, an ordinance or resolution imposing  
13 the tax of not more than 1% hereunder or discontinuing the same  
14 shall be adopted and a certified copy thereof, together with a  
15 certification that the ordinance or resolution received  
16 referendum approval in the case of the imposition of such tax,  
17 filed with the Department of Revenue, on or before the first  
18 day of June, whereupon the Department shall proceed to  
19 administer and enforce the additional tax or to discontinue  
20 the tax, as the case may be, as of the first day of September  
21 next following such adoption and filing.

22           Beginning January 1, 1992 and through December 31, 1992,  
23 an ordinance or resolution imposing or discontinuing the tax  
24 hereunder shall be adopted and a certified copy thereof filed  
25 with the Department on or before the first day of July,  
26 whereupon the Department shall proceed to administer and

1 enforce this Section as of the first day of October next  
2 following such adoption and filing.

3 Beginning January 1, 1993, and through September 30, 2002,  
4 an ordinance or resolution imposing or discontinuing the tax  
5 hereunder shall be adopted and a certified copy thereof filed  
6 with the Department on or before the first day of October,  
7 whereupon the Department shall proceed to administer and  
8 enforce this Section as of the first day of January next  
9 following such adoption and filing.

10 Beginning October 1, 2002, and through December 31, 2013,  
11 an ordinance or resolution imposing or discontinuing the tax  
12 under this Section or effecting a change in the rate of tax  
13 must either (i) be adopted and a certified copy of the  
14 ordinance or resolution filed with the Department on or before  
15 the first day of April, whereupon the Department shall proceed  
16 to administer and enforce this Section as of the first day of  
17 July next following the adoption and filing; or (ii) be  
18 adopted and a certified copy of the ordinance or resolution  
19 filed with the Department on or before the first day of  
20 October, whereupon the Department shall proceed to administer  
21 and enforce this Section as of the first day of January next  
22 following the adoption and filing.

23 Beginning January 1, 2014, if an ordinance or resolution  
24 imposing the tax under this Section, discontinuing the tax  
25 under this Section, or effecting a change in the rate of tax  
26 under this Section is adopted, a certified copy thereof,

1 together with a certification that the ordinance or resolution  
2 received referendum approval in the case of the imposition of  
3 or increase in the rate of such tax, shall be filed with the  
4 Department of Revenue, either (i) on or before the first day of  
5 May, whereupon the Department shall proceed to administer and  
6 enforce this Section as of the first day of July next following  
7 the adoption and filing; or (ii) on or before the first day of  
8 October, whereupon the Department shall proceed to administer  
9 and enforce this Section as of the first day of January next  
10 following the adoption and filing.

11 Notwithstanding any provision in this Section to the  
12 contrary, if, in a non-home rule municipality with more than  
13 150,000 but fewer than 200,000 inhabitants, as determined by  
14 the last preceding federal decennial census, an ordinance or  
15 resolution under this Section imposes or discontinues a tax or  
16 changes the tax rate as of July 1, 2007, then that ordinance or  
17 resolution, together with a certification that the ordinance  
18 or resolution received referendum approval in the case of the  
19 imposition of the tax, must be adopted and a certified copy of  
20 that ordinance or resolution must be filed with the Department  
21 on or before May 15, 2007, whereupon the Department shall  
22 proceed to administer and enforce this Section as of July 1,  
23 2007.

24 Notwithstanding any provision in this Section to the  
25 contrary, if, in a non-home rule municipality with more than  
26 6,500 but fewer than 7,000 inhabitants, as determined by the

1 last preceding federal decennial census, an ordinance or  
2 resolution under this Section imposes or discontinues a tax or  
3 changes the tax rate on or before May 20, 2009, then that  
4 ordinance or resolution, together with a certification that  
5 the ordinance or resolution received referendum approval in  
6 the case of the imposition of the tax, must be adopted and a  
7 certified copy of that ordinance or resolution must be filed  
8 with the Department on or before May 20, 2009, whereupon the  
9 Department shall proceed to administer and enforce this  
10 Section as of July 1, 2009.

11 A non-home rule municipality may file a certified copy of  
12 an ordinance or resolution, with a certification that the  
13 ordinance or resolution received referendum approval in the  
14 case of the imposition of the tax, with the Department of  
15 Revenue, as required under this Section, only after October 2,  
16 2000.

17 The tax authorized by this Section may not be more than 2%  
18 ~~4%~~ and may be imposed only in 1/4% increments. The rate of this  
19 tax that may be imposed for municipal operations may not  
20 exceed 1%; therefore, notwithstanding any other provision of  
21 law, if the tax under this Section is imposed at a rate of more  
22 than 1%, then, beginning with the first disbursement to occur  
23 on or after the effective date of the increase, the total  
24 amount that may be used for municipal operations may not  
25 exceed the total amount of the proceeds disbursed to the  
26 municipality under Sections 8-11-1.3, 8-11-1.4, and 8-11-1.5,

1 multiplied by a fraction having a numerator of 1 and a  
2 denominator of the rate of tax.

3 (Source: P.A. 98-584, eff. 8-27-13.)

4 (65 ILCS 5/8-11-1.2) (from Ch. 24, par. 8-11-1.2)

5 Sec. 8-11-1.2. Definition. As used in Sections 8-11-1.3,  
6 8-11-1.4 and 8-11-1.5 of this Act:

7 (a) "Public infrastructure" means municipal roads and  
8 streets, access roads, bridges, and sidewalks; waste disposal  
9 systems; the acquisition, repair, and maintenance of public  
10 safety equipment; and water and sewer line extensions, water  
11 distribution and purification facilities, storm water drainage  
12 and retention facilities, and sewage treatment facilities. For  
13 purposes of referenda authorizing the imposition of taxes by  
14 the City of DuQuoin under Sections 8-11-1.3, 8-11-1.4, and  
15 8-11-1.5 of this Act that are approved in November, 2002, or  
16 for purposes of referenda authorizing the imposition of taxes  
17 by the Village of Forsyth under Sections 8-11-1.3, 8-11-1.4,  
18 and 8-11-1.5 of this Act that are approved after the effective  
19 date of this amendatory Act of the 94th General Assembly,  
20 "public infrastructure" shall also include public schools.

21 (a-5) "Public safety equipment" means firefighting,  
22 police, rescue, transportation, or communications equipment  
23 used by police departments, fire departments, or other first  
24 responders, including, but not limited to, police vehicles,  
25 fire trucks, surveillance equipment, and body cameras.

1           (b) "Property tax relief" means the action of a  
2 municipality to reduce the levy for real estate taxes or avoid  
3 an increase in the levy for real estate taxes that would  
4 otherwise have been required. Property tax relief or the  
5 avoidance of property tax must uniformly apply to all classes  
6 of property.

7 (Source: P.A. 94-1078, eff. 1-9-07; 95-331, eff. 8-21-07.)

8           (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

9           Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'  
10 Occupation Tax Act. The corporate authorities of a non-home  
11 rule municipality may impose a tax upon all persons engaged in  
12 the business of selling tangible personal property, other than  
13 on an item of tangible personal property which is titled and  
14 registered by an agency of this State's Government, at retail  
15 in the municipality for expenditure on public infrastructure  
16 or for property tax relief or both as defined in Section  
17 8-11-1.2 if approved by referendum as provided in Section  
18 8-11-1.1, of the gross receipts from such sales made in the  
19 course of such business. If the tax is approved by referendum  
20 on or after July 14, 2010 (the effective date of Public Act  
21 96-1057), the corporate authorities of a non-home rule  
22 municipality may, until July 1, 2030, use the proceeds of the  
23 tax for expenditure on municipal operations, in addition to or  
24 in lieu of any expenditure on public infrastructure or for  
25 property tax relief. The tax imposed may not be more than 2% ~~1%~~



1 and may be imposed only in 1/4% increments. The rate of this  
2 tax that may be imposed for municipal operations may not  
3 exceed 1%; therefore, notwithstanding any other provision of  
4 law, if the tax under this Section is imposed at a rate of more  
5 than 1%, then, beginning with the first disbursement to occur  
6 on or after the effective date of the increase, the total  
7 amount that may be used for municipal operations may not  
8 exceed the total amount of the proceeds disbursed to the  
9 municipality under this Section, Section 8-11-1.4, and Section  
10 8-11-1.5, multiplied by a fraction having a numerator of 1 and  
11 a denominator of the rate of tax. The tax may not be imposed on  
12 tangible personal property taxed at the 1% rate under the  
13 Retailers' Occupation Tax Act (or at the 0% rate imposed under  
14 this amendatory Act of the 102nd General Assembly). Beginning  
15 December 1, 2019, this tax is not imposed on sales of aviation  
16 fuel unless the tax revenue is expended for airport-related  
17 purposes. If a municipality does not have an airport-related  
18 purpose to which it dedicates aviation fuel tax revenue, then  
19 aviation fuel is excluded from the tax. Each municipality must  
20 comply with the certification requirements for airport-related  
21 purposes under Section 2-22 of the Retailers' Occupation Tax  
22 Act. For purposes of this Section, "airport-related purposes"  
23 has the meaning ascribed in Section 6z-20.2 of the State  
24 Finance Act. This exclusion for aviation fuel only applies for  
25 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
26 and 49 U.S.C. 47133 are binding on the municipality. The tax

1 imposed by a municipality pursuant to this Section and all  
2 civil penalties that may be assessed as an incident thereof  
3 shall be collected and enforced by the State Department of  
4 Revenue. The certificate of registration which is issued by  
5 the Department to a retailer under the Retailers' Occupation  
6 Tax Act shall permit such retailer to engage in a business  
7 which is taxable under any ordinance or resolution enacted  
8 pursuant to this Section without registering separately with  
9 the Department under such ordinance or resolution or under  
10 this Section. The Department shall have full power to  
11 administer and enforce this Section; to collect all taxes and  
12 penalties due hereunder; to dispose of taxes and penalties so  
13 collected in the manner hereinafter provided, and to determine  
14 all rights to credit memoranda, arising on account of the  
15 erroneous payment of tax or penalty hereunder. In the  
16 administration of, and compliance with, this Section, the  
17 Department and persons who are subject to this Section shall  
18 have the same rights, remedies, privileges, immunities, powers  
19 and duties, and be subject to the same conditions,  
20 restrictions, limitations, penalties and definitions of terms,  
21 and employ the same modes of procedure, as are prescribed in  
22 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in  
23 respect to all provisions therein other than the State rate of  
24 tax), 2c, 3 (except as to the disposition of taxes and  
25 penalties collected, and except that the retailer's discount  
26 is not allowed for taxes paid on aviation fuel that are subject

1 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
2 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,  
3 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the  
4 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
5 Penalty and Interest Act as fully as if those provisions were  
6 set forth herein.

7 No municipality may impose a tax under this Section unless  
8 the municipality also imposes a tax at the same rate under  
9 Section 8-11-1.4 of this Code.

10 Persons subject to any tax imposed pursuant to the  
11 authority granted in this Section may reimburse themselves for  
12 their seller's tax liability hereunder by separately stating  
13 such tax as an additional charge, which charge may be stated in  
14 combination, in a single amount, with State tax which sellers  
15 are required to collect under the Use Tax Act, pursuant to such  
16 bracket schedules as the Department may prescribe.

17 Whenever the Department determines that a refund should be  
18 made under this Section to a claimant instead of issuing a  
19 credit memorandum, the Department shall notify the State  
20 Comptroller, who shall cause the order to be drawn for the  
21 amount specified, and to the person named, in such  
22 notification from the Department. Such refund shall be paid by  
23 the State Treasurer out of the non-home rule municipal  
24 retailers' occupation tax fund or the Local Government  
25 Aviation Trust Fund, as appropriate.

26 Except as otherwise provided, the Department shall

1 forthwith pay over to the State Treasurer, ex officio, as  
2 trustee, all taxes and penalties collected hereunder for  
3 deposit into the Non-Home Rule Municipal Retailers' Occupation  
4 Tax Fund. Taxes and penalties collected on aviation fuel sold  
5 on or after December 1, 2019, shall be immediately paid over by  
6 the Department to the State Treasurer, ex officio, as trustee,  
7 for deposit into the Local Government Aviation Trust Fund. The  
8 Department shall only pay moneys into the Local Government  
9 Aviation Trust Fund under this Section for so long as the  
10 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
11 47133 are binding on the municipality.

12 As soon as possible after the first day of each month,  
13 beginning January 1, 2011, upon certification of the  
14 Department of Revenue, the Comptroller shall order  
15 transferred, and the Treasurer shall transfer, to the STAR  
16 Bonds Revenue Fund the local sales tax increment, as defined  
17 in the Innovation Development and Economy Act, collected under  
18 this Section during the second preceding calendar month for  
19 sales within a STAR bond district.

20 After the monthly transfer to the STAR Bonds Revenue Fund,  
21 on or before the 25th day of each calendar month, the  
22 Department shall prepare and certify to the Comptroller the  
23 disbursement of stated sums of money to named municipalities,  
24 the municipalities to be those from which retailers have paid  
25 taxes or penalties hereunder to the Department during the  
26 second preceding calendar month. The amount to be paid to each

1 municipality shall be the amount (not including credit  
2 memoranda and not including taxes and penalties collected on  
3 aviation fuel sold on or after December 1, 2019) collected  
4 hereunder during the second preceding calendar month by the  
5 Department plus an amount the Department determines is  
6 necessary to offset any amounts which were erroneously paid to  
7 a different taxing body, and not including an amount equal to  
8 the amount of refunds made during the second preceding  
9 calendar month by the Department on behalf of such  
10 municipality, and not including any amount which the  
11 Department determines is necessary to offset any amounts which  
12 were payable to a different taxing body but were erroneously  
13 paid to the municipality, and not including any amounts that  
14 are transferred to the STAR Bonds Revenue Fund, less 1.5% of  
15 the remainder, which the Department shall transfer into the  
16 Tax Compliance and Administration Fund. The Department, at the  
17 time of each monthly disbursement to the municipalities, shall  
18 prepare and certify to the State Comptroller the amount to be  
19 transferred into the Tax Compliance and Administration Fund  
20 under this Section. Within 10 days after receipt, by the  
21 Comptroller, of the disbursement certification to the  
22 municipalities and the Tax Compliance and Administration Fund  
23 provided for in this Section to be given to the Comptroller by  
24 the Department, the Comptroller shall cause the orders to be  
25 drawn for the respective amounts in accordance with the  
26 directions contained in such certification.

1 For the purpose of determining the local governmental unit  
2 whose tax is applicable, a retail sale, by a producer of coal  
3 or other mineral mined in Illinois, is a sale at retail at the  
4 place where the coal or other mineral mined in Illinois is  
5 extracted from the earth. This paragraph does not apply to  
6 coal or other mineral when it is delivered or shipped by the  
7 seller to the purchaser at a point outside Illinois so that the  
8 sale is exempt under the Federal Constitution as a sale in  
9 interstate or foreign commerce.

10 Nothing in this Section shall be construed to authorize a  
11 municipality to impose a tax upon the privilege of engaging in  
12 any business which under the constitution of the United States  
13 may not be made the subject of taxation by this State.

14 When certifying the amount of a monthly disbursement to a  
15 municipality under this Section, the Department shall increase  
16 or decrease such amount by an amount necessary to offset any  
17 misallocation of previous disbursements. The offset amount  
18 shall be the amount erroneously disbursed within the previous  
19 6 months from the time a misallocation is discovered.

20 The Department of Revenue shall implement Public Act  
21 91-649 so as to collect the tax on and after January 1, 2002.

22 As used in this Section, "municipal" and "municipality"  
23 mean a city, village, or incorporated town, including an  
24 incorporated town which has superseded a civil township.

25 This Section shall be known and may be cited as the  
26 Non-Home Rule Municipal Retailers' Occupation Tax Act.

1 (Source: P.A. 101-10, eff. 6-5-19; 101-47, eff. 1-1-20;  
2 101-81, eff. 7-12-19; 101-604, eff. 12-13-19; 102-700, eff.  
3 4-19-22.)

4 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

5 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation  
6 Tax Act. The corporate authorities of a non-home rule  
7 municipality may impose a tax upon all persons engaged, in  
8 such municipality, in the business of making sales of service  
9 for expenditure on public infrastructure or for property tax  
10 relief or both as defined in Section 8-11-1.2 if approved by  
11 referendum as provided in Section 8-11-1.1, of the selling  
12 price of all tangible personal property transferred by such  
13 servicemen either in the form of tangible personal property or  
14 in the form of real estate as an incident to a sale of service.  
15 If the tax is approved by referendum on or after July 14, 2010  
16 (the effective date of Public Act 96-1057), the corporate  
17 authorities of a non-home rule municipality may, until  
18 December 31, 2020, use the proceeds of the tax for expenditure  
19 on municipal operations, in addition to or in lieu of any  
20 expenditure on public infrastructure or for property tax  
21 relief. The tax imposed may not be more than 2% ~~4%~~ and may be  
22 imposed only in 1/4% increments. The rate of this tax that may  
23 be imposed for municipal operations may not exceed 1%;  
24 therefore, notwithstanding any other provision of law, if the  
25 tax under this Section is imposed at a rate of more than 1%,

1 then, beginning with the first disbursement to occur on or  
2 after the effective date of the increase, the total amount  
3 that may be used for municipal operations may not exceed the  
4 total amount of the proceeds disbursed to the municipality  
5 under this Section, Section 8-11-1.3, and Section 8-11-1.5,  
6 multiplied by a fraction having a numerator of 1 and a  
7 denominator of the rate of tax. The tax may not be imposed on  
8 tangible personal property taxed at the 1% rate under the  
9 Service Occupation Tax Act (or at the 0% rate imposed under  
10 this amendatory Act of the 102nd General Assembly). Beginning  
11 December 1, 2019, this tax is not imposed on sales of aviation  
12 fuel unless the tax revenue is expended for airport-related  
13 purposes. If a municipality does not have an airport-related  
14 purpose to which it dedicates aviation fuel tax revenue, then  
15 aviation fuel is excluded from the tax. Each municipality must  
16 comply with the certification requirements for airport-related  
17 purposes under Section 2-22 of the Retailers' Occupation Tax  
18 Act. For purposes of this Section, "airport-related purposes"  
19 has the meaning ascribed in Section 6z-20.2 of the State  
20 Finance Act. This exclusion for aviation fuel only applies for  
21 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
22 and 49 U.S.C. 47133 are binding on the municipality. The tax  
23 imposed by a municipality pursuant to this Section and all  
24 civil penalties that may be assessed as an incident thereof  
25 shall be collected and enforced by the State Department of  
26 Revenue. The certificate of registration which is issued by



1 the Department to a retailer under the Retailers' Occupation  
2 Tax Act or under the Service Occupation Tax Act shall permit  
3 such registrant to engage in a business which is taxable under  
4 any ordinance or resolution enacted pursuant to this Section  
5 without registering separately with the Department under such  
6 ordinance or resolution or under this Section. The Department  
7 shall have full power to administer and enforce this Section;  
8 to collect all taxes and penalties due hereunder; to dispose  
9 of taxes and penalties so collected in the manner hereinafter  
10 provided, and to determine all rights to credit memoranda  
11 arising on account of the erroneous payment of tax or penalty  
12 hereunder. In the administration of, and compliance with, this  
13 Section the Department and persons who are subject to this  
14 Section shall have the same rights, remedies, privileges,  
15 immunities, powers and duties, and be subject to the same  
16 conditions, restrictions, limitations, penalties and  
17 definitions of terms, and employ the same modes of procedure,  
18 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
19 respect to all provisions therein other than the State rate of  
20 tax), 4 (except that the reference to the State shall be to the  
21 taxing municipality), 5, 7, 8 (except that the jurisdiction to  
22 which the tax shall be a debt to the extent indicated in that  
23 Section 8 shall be the taxing municipality), 9 (except as to  
24 the disposition of taxes and penalties collected, and except  
25 that the returned merchandise credit for this municipal tax  
26 may not be taken against any State tax, and except that the

1 retailer's discount is not allowed for taxes paid on aviation  
2 fuel that are subject to the revenue use requirements of 49  
3 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the  
4 reference therein to Section 2b of the Retailers' Occupation  
5 Tax Act), 13 (except that any reference to the State shall mean  
6 the taxing municipality), the first paragraph of Section 15,  
7 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and  
8 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
9 as if those provisions were set forth herein.

10 No municipality may impose a tax under this Section unless  
11 the municipality also imposes a tax at the same rate under  
12 Section 8-11-1.3 of this Code.

13 Persons subject to any tax imposed pursuant to the  
14 authority granted in this Section may reimburse themselves for  
15 their serviceman's tax liability hereunder by separately  
16 stating such tax as an additional charge, which charge may be  
17 stated in combination, in a single amount, with State tax  
18 which servicemen are authorized to collect under the Service  
19 Use Tax Act, pursuant to such bracket schedules as the  
20 Department may prescribe.

21 Whenever the Department determines that a refund should be  
22 made under this Section to a claimant instead of issuing  
23 credit memorandum, the Department shall notify the State  
24 Comptroller, who shall cause the order to be drawn for the  
25 amount specified, and to the person named, in such  
26 notification from the Department. Such refund shall be paid by

1 the State Treasurer out of the municipal retailers' occupation  
2 tax fund or the Local Government Aviation Trust Fund, as  
3 appropriate.

4 Except as otherwise provided in this paragraph, the  
5 Department shall forthwith pay over to the State Treasurer, ex  
6 officio, as trustee, all taxes and penalties collected  
7 hereunder for deposit into the municipal retailers' occupation  
8 tax fund. Taxes and penalties collected on aviation fuel sold  
9 on or after December 1, 2019, shall be immediately paid over by  
10 the Department to the State Treasurer, ex officio, as trustee,  
11 for deposit into the Local Government Aviation Trust Fund. The  
12 Department shall only pay moneys into the Local Government  
13 Aviation Trust Fund under this Section for so long as the  
14 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
15 47133 are binding on the municipality.

16 As soon as possible after the first day of each month,  
17 beginning January 1, 2011, upon certification of the  
18 Department of Revenue, the Comptroller shall order  
19 transferred, and the Treasurer shall transfer, to the STAR  
20 Bonds Revenue Fund the local sales tax increment, as defined  
21 in the Innovation Development and Economy Act, collected under  
22 this Section during the second preceding calendar month for  
23 sales within a STAR bond district.

24 After the monthly transfer to the STAR Bonds Revenue Fund,  
25 on or before the 25th day of each calendar month, the  
26 Department shall prepare and certify to the Comptroller the

1 disbursement of stated sums of money to named municipalities,  
2 the municipalities to be those from which suppliers and  
3 servicemen have paid taxes or penalties hereunder to the  
4 Department during the second preceding calendar month. The  
5 amount to be paid to each municipality shall be the amount (not  
6 including credit memoranda and not including taxes and  
7 penalties collected on aviation fuel sold on or after December  
8 1, 2019) collected hereunder during the second preceding  
9 calendar month by the Department, and not including an amount  
10 equal to the amount of refunds made during the second  
11 preceding calendar month by the Department on behalf of such  
12 municipality, and not including any amounts that are  
13 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
14 remainder, which the Department shall transfer into the Tax  
15 Compliance and Administration Fund. The Department, at the  
16 time of each monthly disbursement to the municipalities, shall  
17 prepare and certify to the State Comptroller the amount to be  
18 transferred into the Tax Compliance and Administration Fund  
19 under this Section. Within 10 days after receipt, by the  
20 Comptroller, of the disbursement certification to the  
21 municipalities, the General Revenue Fund, and the Tax  
22 Compliance and Administration Fund provided for in this  
23 Section to be given to the Comptroller by the Department, the  
24 Comptroller shall cause the orders to be drawn for the  
25 respective amounts in accordance with the directions contained  
26 in such certification.

1           The Department of Revenue shall implement Public Act  
2 91-649 so as to collect the tax on and after January 1, 2002.

3           Nothing in this Section shall be construed to authorize a  
4 municipality to impose a tax upon the privilege of engaging in  
5 any business which under the constitution of the United States  
6 may not be made the subject of taxation by this State.

7           As used in this Section, "municipal" or "municipality"  
8 means or refers to a city, village or incorporated town,  
9 including an incorporated town which has superseded a civil  
10 township.

11           This Section shall be known and may be cited as the  
12 "Non-Home Rule Municipal Service Occupation Tax Act".

13 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
14 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

15           (65 ILCS 5/8-11-1.5) (from Ch. 24, par. 8-11-1.5)

16           Sec. 8-11-1.5. Non-Home Rule Municipal Use Tax Act. The  
17 corporate authorities of a non-home rule municipality may  
18 impose a tax upon the privilege of using, in such  
19 municipality, any item of tangible personal property which is  
20 purchased at retail from a retailer, and which is titled or  
21 registered with an agency of this State's government, based on  
22 the selling price of such tangible personal property, as  
23 "selling price" is defined in the Use Tax Act, for expenditure  
24 on public infrastructure or for property tax relief or both as  
25 defined in Section 8-11-1.2, if approved by referendum as

1 provided in Section 8-11-1.1. If the tax is approved by  
2 referendum on or after the effective date of this amendatory  
3 Act of the 96th General Assembly, the corporate authorities of  
4 a non-home rule municipality may, until December 31, 2020, use  
5 the proceeds of the tax for expenditure on municipal  
6 operations, in addition to or in lieu of any expenditure on  
7 public infrastructure or for property tax relief. The tax  
8 imposed may not be more than 2% ~~1%~~ and may be imposed only in  
9 1/4% increments. The rate of this tax that may be imposed for  
10 municipal operations may not exceed 1%; therefore,  
11 notwithstanding any other provision of law, if the tax under  
12 this Section is imposed at a rate of more than 1%, then,  
13 beginning with the first disbursement to occur on or after the  
14 effective date of the increase, the total amount that may be  
15 used for municipal operations may not exceed the total amount  
16 of the proceeds disbursed to the municipality under this  
17 Section, Section 8-11-1.3, and Section 8-11-1.4, multiplied by  
18 a fraction having a numerator of 1 and a denominator of the  
19 rate of tax. Such tax shall be collected from persons whose  
20 Illinois address for title or registration purposes is given  
21 as being in such municipality. Such tax shall be collected by  
22 the municipality imposing such tax. A non-home rule  
23 municipality may not impose and collect the tax prior to  
24 January 1, 2002.

25 This Section shall be known and may be cited as the  
26 "Non-Home Rule Municipal Use Tax Act".

1 (Source: P.A. 96-1057, eff. 7-14-10; 97-837, eff. 7-20-12.)

2 Section 99. Effective date. This Act takes effect upon  
3 becoming law.