

1 AN ACT concerning taxes.

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 adding Section 8-11-21 as follows:

6 (65 ILCS 5/8-11-21 new)

7 Sec. 8-11-21. Municipal gas use tax.

8 (a) The corporate authorities of any municipality in
9 this State may impose a use tax on the act or privilege of
10 using or consuming gas within the corporate limits of that
11 municipality that is purchased in a sale at retail. The
12 ultimate incidence of and liability for payment of the tax is
13 on the retail purchaser and nothing in this Section shall be
14 construed to impose a tax on the occupation of distributing,
15 supplying, furnishing, selling, or transporting gas. The
16 rate of the use tax on gas imposed on a retail purchaser by a
17 municipality under this Section shall not exceed \$0.02 per
18 therm of gas used or consumed.

19 (b) The use tax authorized by subsection (a) of this
20 Section may be levied only if the municipality does not then
21 have in effect an occupation tax imposed on persons engaged
22 in the business of distributing, supplying, furnishing, or
23 selling gas, as authorized by Section 8-11-2.

24 (c) The retail purchaser shall pay the use tax
25 authorized by this Section, measured by the amount of therms
26 of all gas delivered to the retail purchaser's premises, and
27 the use tax shall be collected by the public utility
28 maintaining a place of business in this State and making or
29 effectuating the final delivery of the gas subject to the use
30 tax to the retail purchaser. Any use tax required to be
31 collected pursuant to an ordinance authorized by this Section

1 and any such tax collected by a public utility shall
2 constitute a debt owed by the public utility to the
3 municipality. Public utilities shall collect the tax from the
4 retail purchaser by adding the tax to the gross charge for
5 the act or privilege of delivering the gas, in the manner
6 prescribed by the municipality. The tax authorized by this
7 Section shall constitute a debt of the retail purchaser to
8 the public utility that delivers the gas until paid and, if
9 unpaid, is recoverable at law in the same manner as the
10 original charge for the delivery services. If the public
11 utility fails to collect the use tax from the taxpayer, then
12 the taxpayer is required to pay the use tax directly to the
13 municipality in the manner provided by the municipality. The
14 municipality imposing the use tax shall provide for its
15 administration and enforcement.

16 (d) For purposes of the use tax described by this
17 Section:

18 "Person" means any individual, firm, trust, estate,
19 partnership, association, joint stock company, joint
20 venture, corporation, limited liability company,
21 municipal corporation, or political subdivision of this
22 State or a receiver, trustee, conservator, or other
23 representative appointed by order of any court.

24 "Public utility" means a public utility as defined
25 in Section 3-105 of the Public Utilities Act.

26 "Retail purchaser" means any person who purchases
27 gas in a sale at retail.

28 "Sale at retail" means any sale of gas by a retailer
29 to a person for use or consumption, and not for resale.
30 For this purpose, the term "retailer" means any person
31 engaged in the business of distributing, supplying,
32 furnishing, or selling gas.

33 (e) Public utilities filing tax returns with a
34 municipality under this Section shall, at the time of filing

1 the return, pay to the municipality the amount of the tax
2 collected under this Section, less a commission of 3%, which
3 is allowed to reimburse the public utility for the expenses
4 incurred in keeping records, billing the customer, preparing
5 and filing returns, remitting the tax, and supplying data to
6 the municipality upon request. No commission may be claimed
7 by a public utility for tax not timely remitted to the
8 municipality.

9 (f) If a person who receives gas in a municipality that
10 imposes a use tax on gas under this Section claims to be a
11 reseller of the gas and not a retail purchaser, that person
12 shall apply to the municipality for a resale number. The
13 applicant shall state facts that show the municipality why
14 the applicant is not liable for tax under any ordinance
15 authorized by this Section on the use of gas and shall
16 furnish such additional information as the municipality may
17 reasonably require. Upon approval of the application, the
18 municipality shall assign a resale number to the applicant
19 and shall certify that number to the applicant. The
20 municipality may cancel any number that is obtained through
21 misrepresentation, that is used to use or consume gas which
22 in fact is not for resale, or that no longer applies because
23 of the person's having discontinued the making of resales.
24 Except as otherwise provided in this Section, the act or
25 privilege of using or consuming gas in this State shall not
26 be made tax-free on the ground of being delivered for resale
27 unless the person has an active resale number from the
28 municipality and furnishes that number to the public utility
29 in connection with certifying to the public utility that any
30 delivery to that person is non-taxable because of being a
31 delivery for resale.

32 (g) A municipality that imposes a use tax upon gas under
33 this Section and whose territory includes all or part of
34 another unit of local government or a school district may, by

1 ordinance, exempt the other unit of local government or
2 school district from those taxes.

3 (h) A municipality that imposes a use tax upon gas under
4 this Section may, by ordinance, (i) reduce the rate of the
5 tax for persons 65 years of age or older or (ii) exempt
6 persons 65 years of age or older from the tax. Taxes related
7 to such rate reductions or exemptions shall be rebated from
8 the municipality directly to persons qualified for the rate
9 reduction or exemption as determined by the municipality's
10 ordinance.