



Rep. Arthur L. Turner

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1 AMENDMENT TO HOUSE BILL 4929

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 4929 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Municipal Code is amended by  
5 changing Sections 8-11-6a and 11-74.3-3 and by adding Sections  
6 11-74.3-5 and 11-74.3-6 as follows:

7 (65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

8 Sec. 8-11-6a. Home rule municipalities; preemption of  
9 certain taxes. Except as provided in Sections 8-11-1, 8-11-5,  
10 8-11-6, ~~and~~ 8-11-6b, and 11-74.3-6 on and after September 1,  
11 1990, no home rule municipality has the authority to impose,  
12 pursuant to its home rule authority, a retailer's occupation  
13 tax, service occupation tax, use tax, sales tax or other tax on  
14 the use, sale or purchase of tangible personal property based  
15 on the gross receipts from such sales or the selling or  
16 purchase price of said tangible personal property.  
17 Notwithstanding the foregoing, this Section does not preempt  
18 any home rule imposed tax such as the following: (1) a tax on  
19 alcoholic beverages, whether based on gross receipts, volume  
20 sold or any other measurement; (2) a tax based on the number of  
21 units of cigarettes or tobacco products (provided, however,  
22 that a home rule municipality that has not imposed a tax based  
23 on the number of units of cigarettes or tobacco products before  
24 July 1, 1993, shall not impose such a tax after that date); (3)

1 a tax, however measured, based on the use of a hotel or motel  
2 room or similar facility; (4) a tax, however measured, on the  
3 sale or transfer of real property; (5) a tax, however measured,  
4 on lease receipts; (6) a tax on food prepared for immediate  
5 consumption and on alcoholic beverages sold by a business which  
6 provides for on premise consumption of said food or alcoholic  
7 beverages; or (7) other taxes not based on the selling or  
8 purchase price or gross receipts from the use, sale or purchase  
9 of tangible personal property. This Section is not intended to  
10 affect any existing tax on food and beverages prepared for  
11 immediate consumption on the premises where the sale occurs, or  
12 any existing tax on alcoholic beverages, or any existing tax  
13 imposed on the charge for renting a hotel or motel room, which  
14 was in effect January 15, 1988, or any extension of the  
15 effective date of such an existing tax by ordinance of the  
16 municipality imposing the tax, which extension is hereby  
17 authorized, in any non-home rule municipality in which the  
18 imposition of such a tax has been upheld by judicial  
19 determination, nor is this Section intended to preempt the  
20 authority granted by Public Act 85-1006. This Section is a  
21 limitation, pursuant to subsection (g) of Section 6 of Article  
22 VII of the Illinois Constitution, on the power of home rule  
23 units to tax.

24 (Source: P.A. 91-51, eff. 6-30-99.)

25 (65 ILCS 5/11-74.3-3) (from Ch. 24, par. 11-74.3-3)

26 Sec. 11-74.3-3. In carrying out a business district  
27 development or redevelopment plan, the corporate authorities  
28 of each municipality shall have the following powers:

29 (1) To approve all development and redevelopment  
30 proposals for a business district.

31 (2) To exercise the use of eminent domain for the  
32 acquisition of real and personal property for the purpose  
33 of a development or redevelopment project.

1           (3) To acquire, manage, convey or otherwise dispose of  
2 real and personal property according to the provisions of a  
3 development or redevelopment plan.

4           (4) To apply for and accept capital grants and loans  
5 from the United States and the State of Illinois, or any  
6 instrumentality of the United States or the State, for  
7 business district development and redevelopment.

8           (5) To borrow funds as it may be deemed necessary for  
9 the purpose of business district development and  
10 redevelopment, and in this connection issue such  
11 obligation or revenue bonds as it shall be deemed  
12 necessary, subject to applicable statutory limitations.

13           (6) To enter into contracts with any public or private  
14 agency or person.

15           (7) To sell, lease, trade or improve real property in  
16 connection with business district development and  
17 redevelopment plans.

18           (8) To employ all such persons as may be necessary for  
19 the planning, administration and implementation of  
20 business district plans.

21           (9) To expend such public funds as may be necessary for  
22 the planning, execution and implementation of the business  
23 district plans.

24           (10) To establish by ordinance or resolution  
25 procedures for the planning, execution and implementation  
26 of business district plans.

27           (11) To create a Business District Development and  
28 Redevelopment Commission to act as agent for the  
29 municipality for the purposes of business district  
30 development and redevelopment.

31           (12) To impose a retailers' occupation tax and a  
32 service occupation tax in the business district for the  
33 planning, execution, and implementation of business  
34 district plans and to pay for business district project

1 costs as set forth in the business district plan approved  
2 by the municipality.

3 (13) To impose a hotel operators' occupation tax in the  
4 business district for the planning, execution, and  
5 implementation of business district plans and to pay for  
6 the business district project costs as set forth in the  
7 business district plan approved by the municipality.

8 (14) To issue obligations in one or more series bearing  
9 interest at rates determined by the corporate authorities  
10 of the municipality by ordinance and secured by the  
11 business district tax allocation fund set forth in Section  
12 11-74.3-6 for the business district to provide for the  
13 payment of business district project costs.

14 This amendatory Act of the 91st General Assembly is  
15 declarative of existing law and is not a new enactment.

16 (Source: P.A. 91-418, eff. 1-1-00.)

17 (65 ILCS 5/11-74.3-5 new)

18 Sec. 11-74.3-5. Business district; additional procedures  
19 for designation of district and approval of development or  
20 redevelopment plan. If the corporate authorities of a  
21 municipality desire to impose a tax by ordinance pursuant to  
22 subsection (12) or (13) of Section 11-74.3-3, the following  
23 additional procedures shall apply to the designation of the  
24 business district and the approval of the business district  
25 development or redevelopment plan:

26 (1) The corporate authorities of the municipality  
27 shall hold public hearings at least one week prior to  
28 designation of the business district and approval of the  
29 business district development or redevelopment plan.

30 (2) The area proposed to be designated as a business  
31 district must be contiguous and must include only parcels  
32 of real property directly and substantially benefited by  
33 the proposed business district development or

1        redevelopment plan.

2        (3) The corporate authorities of the municipality  
3        shall make a formal finding of the following: (i) the  
4        business district is a blighted area that, by reason of the  
5        predominance of defective or inadequate street layout,  
6        unsanitary or unsafe conditions, deterioration of site  
7        improvements, improper subdivision or obsolete platting,  
8        or the existence of conditions which endanger life or  
9        property by fire or other causes, or any combination of  
10       those factors, retards the provision of housing  
11       accommodations or constitutes an economic or social  
12       liability or a menace to the public health, safety, morals,  
13       or welfare in its present condition and use; and (ii) the  
14       business district on the whole has not been subject to  
15       growth and development through investment by private  
16       enterprises or would not reasonably be anticipated to be  
17       developed or redeveloped without the adoption of the  
18       business district development or redevelopment plan.

19       (4) The proposed business district development or  
20       redevelopment plan shall set forth in writing: (i) a  
21       specific description of the proposed boundaries of the  
22       district, including a map illustrating the boundaries;  
23       (ii) a general description of each project proposed to be  
24       undertaken within the business district, including a  
25       description of the approximate location of each project;  
26       (iii) the name of the proposed business district; (iv) the  
27       estimated business district project costs; (v) the  
28       anticipated source of funds to pay business district  
29       project costs; (vi) the anticipated type and terms of any  
30       obligations to be issued; and (vii) the rate of any tax to  
31       be imposed pursuant to subsection (12) or (13) of Section  
32       11-74.3-3 and the period of time for which the tax shall be  
33       imposed.

1 (65 ILCS 5/11-74.3-6 new)

2 Sec. 11-74.3-6. Business district revenue and obligations.

3 (a) If the corporate authorities of a municipality have  
4 approved a business district development or redevelopment plan  
5 and have elected to impose a tax by ordinance pursuant to  
6 subsections (b), (c), or (d) of this Section, each year after  
7 the date of the approval of the ordinance and until all  
8 business district project costs and all municipal obligations  
9 financing the business district project costs, if any, have  
10 been paid in accordance with the business district development  
11 or redevelopment plan, but in no event longer than 23 years  
12 after the date of adoption of the ordinance approving the  
13 business district development or redevelopment plan, all  
14 amounts generated by the retailers' occupation tax and service  
15 occupation tax shall be collected and the tax shall be enforced  
16 by the Department of Revenue in the same manner as all  
17 retailers' occupation taxes and service occupation taxes  
18 imposed in the municipality imposing the tax and all amounts  
19 generated by the hotel operators' occupation tax shall be  
20 collected and the tax shall be enforced by the municipality in  
21 the same manner as all hotel operators' occupation taxes  
22 imposed in the municipality imposing the tax. The corporate  
23 authorities of the municipality shall deposit the proceeds of  
24 the taxes imposed under subsections (b), (c), and (d) into a  
25 special fund held by the corporate authorities of the  
26 municipality called the Business District Tax Allocation Fund  
27 for the purpose of paying business district project costs and  
28 obligations incurred in the payment of those costs.

29 (b) The corporate authorities of a municipality that has  
30 established a business district under this Division 74.3 may,  
31 by ordinance or resolution, impose a Business District  
32 Retailers' Occupation Tax upon all persons engaged in the  
33 business of selling tangible personal property, other than an  
34 item of tangible personal property titled or registered with an

1 agency of this State's government, at retail in the business  
2 district at a rate not to exceed 1% of the gross receipts from  
3 the sales made in the course of such business, to be imposed  
4 only in 0.25% increments. The tax may not be imposed on food  
5 for human consumption that is to be consumed off the premises  
6 where it is sold (other than alcoholic beverages, soft drinks,  
7 and food that has been prepared for immediate consumption) and  
8 prescription and nonprescription medicines, drugs, medical  
9 appliances, modifications to a motor vehicle for the purpose of  
10 rendering it usable by a disabled person, and insulin, urine  
11 testing materials, syringes, and needles used by diabetics, for  
12 human use.

13 The tax imposed under this subsection and all civil  
14 penalties that may be assessed as an incident thereof shall be  
15 collected and enforced by the Department of Revenue. The  
16 certificate of registration that is issued by the Department to  
17 a retailer under the Retailers' Occupation Tax Act shall permit  
18 the retailer to engage in a business that is taxable under any  
19 ordinance or resolution enacted pursuant to this subsection  
20 without registering separately with the Department under such  
21 ordinance or resolution or under this subsection. The  
22 Department of Revenue shall have full power to administer and  
23 enforce this subsection; to collect all taxes and penalties due  
24 under this subsection in the manner hereinafter provided; and  
25 to determine all rights to credit memoranda arising on account  
26 of the erroneous payment of tax or penalty under this  
27 subsection. In the administration of, and compliance with, this  
28 subsection, the Department and persons who are subject to this  
29 subsection shall have the same rights, remedies, privileges,  
30 immunities, powers and duties, and be subject to the same  
31 conditions, restrictions, limitations, penalties, exclusions,  
32 exemptions, and definitions of terms and employ the same modes  
33 of procedure, as are prescribed in Sections 1, 1a through 1o, 2  
34 through 2-65 (in respect to all provisions therein other than

1 the State rate of tax), 2c through 2h, 3 (except as to the  
2 disposition of taxes and penalties collected), 4, 5, 5a, 5c,  
3 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11,  
4 12, 13, and 14 of the Retailers' Occupation Tax Act and all  
5 provisions of the Uniform Penalty and Interest Act, as fully as  
6 if those provisions were set forth herein.

7 Persons subject to any tax imposed under this subsection  
8 may reimburse themselves for their seller's tax liability under  
9 this subsection by separately stating the tax as an additional  
10 charge, which charge may be stated in combination, in a single  
11 amount, with State taxes that sellers are required to collect  
12 under the Use Tax Act, in accordance with such bracket  
13 schedules as the Department may prescribe.

14 Whenever the Department determines that a refund should be  
15 made under this subsection to a claimant instead of issuing a  
16 credit memorandum, the Department shall notify the State  
17 Comptroller, who shall cause the order to be drawn for the  
18 amount specified and to the person named in the notification  
19 from the Department. The refund shall be paid by the State  
20 Treasurer out of the business district retailers' occupation  
21 tax fund.

22 The Department shall immediately pay over to the State  
23 Treasurer, ex officio, as trustee, all taxes, penalties, and  
24 interest collected under this subsection for deposit into the  
25 business district retailers' occupation tax fund. On or before  
26 the 25th day of each calendar month, the Department shall  
27 prepare and certify to the Comptroller the disbursement of  
28 stated sums of money to named municipalities from the business  
29 district retailers' occupation tax fund, the municipalities to  
30 be those from which retailers have paid taxes or penalties  
31 under this subsection to the Department during the second  
32 preceding calendar month. The amount to be paid to each  
33 municipality shall be the amount (not including credit  
34 memoranda) collected under this subsection during the second



1 preceding calendar month by the Department plus an amount the  
2 Department determines is necessary to offset any amounts that  
3 were erroneously paid to a different taxing body, and not  
4 including an amount equal to the amount of refunds made during  
5 the second preceding calendar month by the Department, less 2%  
6 of that amount, which shall be deposited into the Tax  
7 Compliance and Administration Fund and shall be used by the  
8 Department, subject to appropriation, to cover the costs of the  
9 Department in administering and enforcing the provisions of  
10 this subsection, on behalf of such municipality, and not  
11 including any amount that the Department determines is  
12 necessary to offset any amounts that were payable to a  
13 different taxing body but were erroneously paid to the  
14 municipality. Within 10 days after receipt by the Comptroller  
15 of the disbursement certification to the municipalities  
16 provided for in this subsection to be given to the Comptroller  
17 by the Department, the Comptroller shall cause the orders to be  
18 drawn for the respective amounts in accordance with the  
19 directions contained in the certification. The proceeds of the  
20 tax paid to municipalities under this subsection shall be  
21 deposited into the Business District Tax Allocation Fund by the  
22 municipality.

23 An ordinance or resolution imposing or discontinuing the  
24 tax under this subsection or effecting a change in the rate  
25 thereof shall either (i) be adopted and a certified copy  
26 thereof filed with the Department on or before the first day of  
27 April, whereupon the Department, if all other requirements of  
28 this subsection are met, shall proceed to administer and  
29 enforce this subsection as of the first day of July next  
30 following the adoption and filing; or (ii) be adopted and a  
31 certified copy thereof filed with the Department on or before  
32 the first day of October, whereupon, if all other requirements  
33 of this subsection are met, the Department shall proceed to  
34 administer and enforce this subsection as of the first day of

1 January next following the adoption and filing.

2 The Department of Revenue shall not administer or enforce  
3 an ordinance imposing, discontinuing, or changing the rate of  
4 the tax under this subsection, until the municipality also  
5 provides, in the manner prescribed by the Department, the  
6 boundaries of the business district in such a way that the  
7 Department can determine by its address whether a business is  
8 located in the business district. The municipality must provide  
9 this boundary information to the Department on or before April  
10 1 for administration and enforcement of the tax under this  
11 subsection by the Department beginning on the following July 1  
12 and on or before October 1 for administration and enforcement  
13 of the tax under this subsection by the Department beginning on  
14 the following January 1. The Department of Revenue shall not  
15 administer or enforce any change made to the boundaries of a  
16 business district until the municipality reports the boundary  
17 change to the Department in the manner prescribed by the  
18 Department. The municipality must provide this boundary change  
19 information to the Department on or before April 1 for  
20 administration and enforcement by the Department of the change  
21 beginning on the following July 1 and on or before October 1  
22 for administration and enforcement by the Department of the  
23 change beginning on the following January 1. The retailers in  
24 the business district shall be responsible for charging the tax  
25 imposed under this subsection. If a retailer is incorrectly  
26 included or excluded from the list of those required to collect  
27 the tax under this subsection, both the Department of Revenue  
28 and the retailer shall be held harmless if they reasonably  
29 relied on information provided by the municipality.

30 A municipality that imposes the tax under this subsection  
31 must submit to the Department of Revenue any other information  
32 as the Department may require for the administration and  
33 enforcement of the tax.

34 When certifying the amount of a monthly disbursement to a

1 municipality under this subsection, the Department shall  
2 increase or decrease the amount by an amount necessary to  
3 offset any misallocation of previous disbursements. The offset  
4 amount shall be the amount erroneously disbursed within the  
5 previous 6 months from the time a misallocation is discovered.

6 Nothing in this subsection shall be construed to authorize  
7 the municipality to impose a tax upon the privilege of engaging  
8 in any business which under the Constitution of the United  
9 States may not be made the subject of taxation by this State.

10 If the General Assembly fails to appropriate sufficient  
11 funds for the Department of Revenue to implement the  
12 administration of the tax imposed under this subsection, then  
13 all provisions of this subsection requiring the Department to  
14 administer and enforce the tax imposed under this subsection  
15 are null and void and the tax imposed under this subsection  
16 shall instead be administered and enforced exclusively by each  
17 municipality imposing the tax with respect to that  
18 municipality's business district.

19 If a tax is imposed under this subsection (b), a tax shall  
20 also be imposed under subsection (c) of this Section.

21 (c) If a tax has been imposed under subsection (b), a  
22 Business District Service Occupation Tax shall also be imposed  
23 upon all persons engaged, in the business district, in the  
24 business of making sales of service, who, as an incident to  
25 making those sales of service, transfer tangible personal  
26 property within the business district, either in the form of  
27 tangible personal property or in the form of real estate as an  
28 incident to a sale of service. The tax shall be imposed at the  
29 same rate as the tax imposed in subsection (b) and shall not  
30 exceed 1% of the selling price of tangible personal property so  
31 transferred within the business district, to be imposed only in  
32 0.25% increments. The tax may not be imposed on food for human  
33 consumption that is to be consumed off the premises where it is  
34 sold (other than alcoholic beverages, soft drinks, and food

1 that has been prepared for immediate consumption) and  
2 prescription and nonprescription medicines, drugs, medical  
3 appliances, modifications to a motor vehicle for the purpose of  
4 rendering it usable by a disabled person, and insulin, urine  
5 testing materials, syringes, and needles used by diabetics, for  
6 human use.

7 The tax imposed under this subsection and all civil  
8 penalties that may be assessed as an incident thereof shall be  
9 collected and enforced by the Department of Revenue. The  
10 certificate of registration which is issued by the Department  
11 to a retailer under the Retailers' Occupation Tax Act or under  
12 the Service Occupation Tax Act shall permit such registrant to  
13 engage in a business which is taxable under any ordinance or  
14 resolution enacted pursuant to this subsection without  
15 registering separately with the Department under such  
16 ordinance or resolution or under this subsection. The  
17 Department of Revenue shall have full power to administer and  
18 enforce this subsection; to collect all taxes and penalties due  
19 under this subsection; to dispose of taxes and penalties so  
20 collected in the manner hereinafter provided; and to determine  
21 all rights to credit memoranda arising on account of the  
22 erroneous payment of tax or penalty under this subsection. In  
23 the administration of, and compliance with this subsection, the  
24 Department and persons who are subject to this subsection shall  
25 have the same rights, remedies, privileges, immunities, powers  
26 and duties, and be subject to the same conditions,  
27 restrictions, limitations, penalties, exclusions, exemptions,  
28 and definitions of terms and employ the same modes of procedure  
29 as are prescribed in Sections 2, 2a through 2d, 3 through 3-50  
30 (in respect to all provisions therein other than the State rate  
31 of tax), 4 (except that the reference to the State shall be to  
32 the business district), 5, 7, 8 (except that the jurisdiction  
33 to which the tax shall be a debt to the extent indicated in  
34 that Section 8 shall be the municipality), 9 (except as to the

1 disposition of taxes and penalties collected, and except that  
2 the returned merchandise credit for this tax may not be taken  
3 against any State tax), 10, 11, 12 (except the reference  
4 therein to Section 2b of the Retailers' Occupation Tax Act), 13  
5 (except that any reference to the State shall mean the  
6 municipality), the first paragraph of Section 15, and Sections  
7 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all  
8 provisions of the Uniform Penalty and Interest Act, as fully as  
9 if those provisions were set forth herein.

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

18 Whenever the Department determines that a refund should be  
19 made under this subsection to a claimant instead of issuing  
20 credit memorandum, the Department shall notify the State  
21 Comptroller, who shall cause the order to be drawn for the  
22 amount specified, and to the person named, in such notification  
23 from the Department. Such refund shall be paid by the State  
24 Treasurer out of the business district retailers' occupation  
25 tax fund.

26 The Department shall forthwith pay over to the State  
27 Treasurer, ex-officio, as trustee, all taxes, penalties, and  
28 interest collected under this subsection for deposit into the  
29 business district retailers' occupation tax fund. On or before  
30 the 25th day of each calendar month, the Department shall  
31 prepare and certify to the Comptroller the disbursement of  
32 stated sums of money to named municipalities from the business  
33 district retailers' occupation tax fund, the municipalities to  
34 be those from which suppliers and servicemen have paid taxes or

1 penalties under this subsection to the Department during the  
2 second preceding calendar month. The amount to be paid to each  
3 municipality shall be the amount (not including credit  
4 memoranda) collected under this subsection during the second  
5 preceding calendar month by the Department, less 2% of that  
6 amount, which shall be deposited into the Tax Compliance and  
7 Administration Fund and shall be used by the Department,  
8 subject to appropriation, to cover the costs of the Department  
9 in administering and enforcing the provisions of this  
10 subsection, and not including an amount equal to the amount of  
11 refunds made during the second preceding calendar month by the  
12 Department on behalf of such municipality. Within 10 days after  
13 receipt, by the Comptroller, of the disbursement certification  
14 to the municipalities, provided for in this subsection to be  
15 given to the Comptroller by the Department, the Comptroller  
16 shall cause the orders to be drawn for the respective amounts  
17 in accordance with the directions contained in such  
18 certification. The proceeds of the tax paid to municipalities  
19 under this subsection shall be deposited into the Business  
20 District Tax Allocation Fund by the municipality.

21 An ordinance or resolution imposing or discontinuing the  
22 tax under this subsection or effecting a change in the rate  
23 thereof shall either (i) be adopted and a certified copy  
24 thereof filed with the Department on or before the first day of  
25 April, whereupon the Department, if all other requirements of  
26 this subsection are met, shall proceed to administer and  
27 enforce this subsection as of the first day of July next  
28 following the adoption and filing; or (ii) be adopted and a  
29 certified copy thereof filed with the Department on or before  
30 the first day of October, whereupon, if all other conditions of  
31 this subsection are met, the Department shall proceed to  
32 administer and enforce this subsection as of the first day of  
33 January next following the adoption and filing.

34 The Department of Revenue shall not administer or enforce

1 an ordinance imposing, discontinuing, or changing the rate of  
2 the tax under this subsection, until the municipality also  
3 provides, in the manner prescribed by the Department, the  
4 boundaries of the business district in such a way that the  
5 Department can determine by its address whether a business is  
6 located in the business district. The municipality must provide  
7 this boundary information to the Department on or before April  
8 1 for administration and enforcement of the tax under this  
9 subsection by the Department beginning on the following July 1  
10 and on or before October 1 for administration and enforcement  
11 of the tax under this subsection by the Department beginning on  
12 the following January 1. The Department of Revenue shall not  
13 administer or enforce any change made to the boundaries of a  
14 business district until the municipality reports the boundary  
15 change to the Department in the manner prescribed by the  
16 Department. The municipality must provide this boundary change  
17 information to the Department on or before April 1 for  
18 administration and enforcement by the Department of the change  
19 beginning on the following July 1 and on or before October 1  
20 for administration and enforcement by the Department of the  
21 change beginning on the following January 1. The retailers in  
22 the business district shall be responsible for charging the tax  
23 imposed under this subsection. If a retailer is incorrectly  
24 included or excluded from the list of those required to collect  
25 the tax under this subsection, both the Department of Revenue  
26 and the retailer shall be held harmless if they reasonably  
27 relied on information provided by the municipality.

28 A municipality that imposes the tax under this subsection  
29 must submit to the Department of Revenue any other information  
30 as the Department may require for the administration and  
31 enforcement of the tax.

32 Nothing in this subsection shall be construed to authorize  
33 the municipality to impose a tax upon the privilege of engaging  
34 in any business which under the Constitution of the United

1 States may not be made the subject of taxation by the State.

2 If the General Assembly fails to appropriate sufficient  
3 funds for the Department of Revenue to implement the  
4 administration of the tax imposed under this subsection, then  
5 all provisions of this subsection requiring the Department to  
6 administer and enforce the tax imposed under this subsection  
7 are null and void and the tax imposed under this subsection  
8 shall instead be administered and enforced exclusively by each  
9 municipality imposing the tax with respect to that  
10 municipality's business district.

11 If a tax is imposed under this subsection (c), a tax shall  
12 also be imposed under subsection (b) of this Section.

13 (d) By ordinance, a municipality that has established a  
14 business district under this Division 74.3 may impose an  
15 occupation tax upon all persons engaged in the business  
16 district in the business of renting, leasing, or letting rooms  
17 in a hotel, as defined in the Hotel Operators' Occupation Tax  
18 Act, at a rate not to exceed 1% of the gross rental receipts  
19 from the renting, leasing, or letting of hotel rooms within the  
20 business district, to be imposed only in 0.25% increments,  
21 excluding, however, from gross rental receipts the proceeds of  
22 renting, leasing, or letting to permanent residents of a hotel,  
23 as defined in the Hotel Operators' Occupation Tax Act, and  
24 proceeds from the tax imposed under subsection (c) of Section  
25 13 of the Metropolitan Pier and Exposition Authority Act.

26 The tax imposed by the municipality under this subsection  
27 and all civil penalties that may be assessed as an incident to  
28 that tax shall be collected and enforced by the municipality  
29 imposing the tax. The municipality shall have full power to  
30 administer and enforce this subsection, to collect all taxes  
31 and penalties due under this subsection, to dispose of taxes  
32 and penalties so collected in the manner provided in this  
33 subsection, and to determine all rights to credit memoranda  
34 arising on account of the erroneous payment of tax or penalty



1 under this subsection. In the administration of and compliance  
2 with this subsection, the municipality and persons who are  
3 subject to this subsection shall have the same rights,  
4 remedies, privileges, immunities, powers, and duties, shall be  
5 subject to the same conditions, restrictions, limitations,  
6 penalties, and definitions of terms, and shall employ the same  
7 modes of procedure as are employed with respect to a tax  
8 adopted by the municipality under Section 8-3-14 of this Code.

9 Persons subject to any tax imposed under the authority  
10 granted in this subsection may reimburse themselves for their  
11 tax liability for that tax by separately stating that tax as an  
12 additional charge, which charge may be stated in combination,  
13 in a single amount, with State taxes imposed under the Hotel  
14 Operators' Occupation Tax Act, and with any other tax.

15 Nothing in this subsection shall be construed to authorize  
16 a municipality to impose a tax upon the privilege of engaging  
17 in any business which under the Constitution of the United  
18 States may not be made the subject of taxation by this State.

19 The proceeds of the tax imposed under this subsection shall  
20 be deposited into the Business District Tax Allocation Fund.

21 (e) Obligations issued pursuant to subsection (14) of  
22 Section 11-74.3-3 shall be retired in the manner provided in  
23 the ordinance authorizing the issuance of those obligations by  
24 the receipts of taxes levied as authorized in subsections (12)  
25 and (13) of Section 11-74.3-3. The ordinance shall pledge all  
26 of the amounts in and to be deposited in the Business District  
27 Tax Allocation Fund to the payment of business district project  
28 costs and obligations. Obligations issued pursuant to  
29 subsection (14) Section 11-74.3-3 may be sold at public or  
30 private sale at a price determined by the corporate authorities  
31 of the municipality and no referendum approval of the electors  
32 shall be required as a condition to the issuance of those  
33 obligations. The ordinance authorizing the obligations may  
34 require that the obligations contain a recital that they are

1 issued pursuant to subsection (14) of Section 11-74.3-3 and  
2 this recital shall be conclusive evidence of their validity and  
3 of the regularity of their issuance. The corporate authorities  
4 of the municipality may also issue its obligations to refund,  
5 in whole or in part, obligations previously issued by the  
6 municipality under the authority of this Code, whether at or  
7 prior to maturity. All obligations issued pursuant to  
8 subsection (14) of Section 11-74.3-3 shall not be regarded as  
9 indebtedness of the municipality issuing the obligations for  
10 the purpose of any limitation imposed by law.

11 (f) When business district costs, including, without  
12 limitation, all municipal obligations financing business  
13 district project costs incurred under Section 11-74.3-3 have  
14 been paid, any surplus funds then remaining in the Business  
15 District Tax Allocation Fund shall be distributed to the  
16 municipal treasurer for deposit into the municipal general  
17 corporate fund. Upon payment of all business district project  
18 costs and retirement of obligations, but in no event more than  
19 23 years after the date of adoption of the ordinance approving  
20 the business district development or redevelopment plan, the  
21 municipality shall adopt an ordinance immediately rescinding  
22 the taxes imposed pursuant to subsections (12) and (13) of  
23 Section 11-74.3-3.

24 Section 99. Effective date. This Act takes effect on  
25 January 1, 2005."