

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 Counties Code is amended by adding Section
5 5-1014.3 as follows:

6 (55 ILCS 5/5-1014.3 new)

7 Sec. 5-1014.3. Agreements to share or rebate occupation
8 taxes.

9 (a) On and after June 1, 2004, a county board shall not
10 enter into any agreement to share or rebate any portion of
11 retailers' occupation taxes generated by retail sales of
12 tangible personal property if: (1) the tax on those retail
13 sales, absent the agreement, would have been paid to another
14 unit of local government; and (2) the retailer maintains,
15 within that other unit of local government, a retail location
16 from which the tangible personal property is delivered to
17 purchasers, or a warehouse from which the tangible personal
18 property is delivered to purchasers. Any unit of local
19 government denied retailers' occupation tax revenue because of
20 an agreement that violates this Section may file an action in
21 circuit court against only the county. Any agreement entered
22 into prior to June 1, 2004 is not affected by this amendatory
23 Act of the 93rd General Assembly. Any unit of local government
24 that prevails in the circuit court action is entitled to
25 damages against the county in the amount of the tax revenue it
26 was denied as a result of the agreement, statutory interest,
27 costs, reasonable attorney's fees, and an amount equal to 50%
28 of the tax.

29 (b) On and after the effective date of this amendatory Act
30 of the 93rd General Assembly, a home rule unit shall not enter
31 into any agreement prohibited by this Section. This Section is
32 a denial and limitation of home rule powers and functions under

1 subsection (g) of Section 6 of Article VII of the Illinois
2 Constitution.

3 Section 10. The Illinois Municipal Code is amended by
4 adding Section 8-11-21 as follows:

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

6 Sec. 8-11-21. Agreements to share or rebate occupation
7 taxes.

8 (a) On and after June 1, 2004, the corporate authorities of
9 a municipality shall not enter into any agreement to share or
10 rebate any portion of retailers' occupation taxes generated by
11 retail sales of tangible personal property if: (1) the tax on
12 those retail sales, absent the agreement, would have been paid
13 to another unit of local government; and (2) the retailer
14 maintains, within that other unit of local government, a retail
15 location from which the tangible personal property is delivered
16 to purchasers, or a warehouse from which the tangible personal
17 property is delivered to purchasers. Any unit of local
18 government denied retailers' occupation tax revenue because of
19 an agreement that violates this Section may file an action in
20 circuit court against only the municipality. Any agreement
21 entered into prior to June 1, 2004 is not affected by this
22 amendatory Act of the 93rd General Assembly. Any unit of local
23 government that prevails in the circuit court action is
24 entitled to damages against the municipality in the amount of
25 the tax revenue it was denied as a result of the agreement,
26 statutory interest, costs, reasonable attorney's fees, and an
27 amount equal to 50% of the tax.

28 (b) On and after the effective date of this amendatory Act
29 of the 93rd General Assembly, a home rule unit shall not enter
30 into any agreement prohibited by this Section. This Section is
31 a denial and limitation of home rule powers and functions under
32 subsection (g) of Section 6 of Article VII of the Illinois
33 Constitution.

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