

SB0091



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB0091

Introduced 1/31/2007, by Sen. Pamela J. Althoff

SYNOPSIS AS INTRODUCED:

35 ILCS 145/6

from Ch. 120, par. 481b.36

Amends the Hotel Operators' Occupation Tax Act. Provides that, beginning on the effective date of this amendatory Act, the amount equal to 1% of the amount of total net revenue realized from a tax on hotel operators gross receipts during the preceding month shall be deposited in the Local Planning Fund. Effective immediately.

LRB095 03958 BDD 23991 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 Hotel Operators' Occupation Tax Act is
5 amended by changing Section 6 as follows:

6 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

7 Sec. 6. Except as provided hereinafter in this Section, on
8 or before the last day of each calendar month, every person
9 engaged in the business of renting, leasing or letting rooms in
10 a hotel in this State during the preceding calendar month shall
11 file a return with the Department, stating:

12 1. The name of the operator;

13 2. His residence address and the address of his
14 principal place of business and the address of the
15 principal place of business (if that is a different
16 address) from which he engages in the business of renting,
17 leasing or letting rooms in a hotel in this State;

18 3. Total amount of rental receipts received by him
19 during the preceding calendar month from renting, leasing
20 or letting rooms during such preceding calendar month;

21 4. Total amount of rental receipts received by him
22 during the preceding calendar month from renting, leasing
23 or letting rooms to permanent residents during such

1 preceding calendar month;

2 5. Total amount of other exclusions from gross rental
3 receipts allowed by this Act;

4 6. Gross rental receipts which were received by him
5 during the preceding calendar month and upon the basis of
6 which the tax is imposed;

7 7. The amount of tax due;

8 8. Such other reasonable information as the Department
9 may require.

10 If the operator's average monthly tax liability to the
11 Department does not exceed \$200, the Department may authorize
12 his returns to be filed on a quarter annual basis, with the
13 return for January, February and March of a given year being
14 due by April 30 of such year; with the return for April, May
15 and June of a given year being due by July 31 of such year; with
16 the return for July, August and September of a given year being
17 due by October 31 of such year, and with the return for
18 October, November and December of a given year being due by
19 January 31 of the following year.

20 If the operator's average monthly tax liability to the
21 Department does not exceed \$50, the Department may authorize
22 his returns to be filed on an annual basis, with the return for
23 a given year being due by January 31 of the following year.

24 Such quarter annual and annual returns, as to form and
25 substance, shall be subject to the same requirements as monthly
26 returns.

1 Notwithstanding any other provision in this Act concerning
2 the time within which an operator may file his return, in the
3 case of any operator who ceases to engage in a kind of business
4 which makes him responsible for filing returns under this Act,
5 such operator shall file a final return under this Act with the
6 Department not more than 1 month after discontinuing such
7 business.

8 Where the same person has more than 1 business registered
9 with the Department under separate registrations under this
10 Act, such person shall not file each return that is due as a
11 single return covering all such registered businesses, but
12 shall file separate returns for each such registered business.

13 In his return, the operator shall determine the value of
14 any consideration other than money received by him in
15 connection with the renting, leasing or letting of rooms in the
16 course of his business and he shall include such value in his
17 return. Such determination shall be subject to review and
18 revision by the Department in the manner hereinafter provided
19 for the correction of returns.

20 Where the operator is a corporation, the return filed on
21 behalf of such corporation shall be signed by the president,
22 vice-president, secretary or treasurer or by the properly
23 accredited agent of such corporation.

24 The person filing the return herein provided for shall, at
25 the time of filing such return, pay to the Department the
26 amount of tax herein imposed. The operator filing the return

1 under this Section shall, at the time of filing such return,
2 pay to the Department the amount of tax imposed by this Act
3 less a discount of 2.1% or \$25 per calendar year, whichever is
4 greater, which is allowed to reimburse the operator for the
5 expenses incurred in keeping records, preparing and filing
6 returns, remitting the tax and supplying data to the Department
7 on request.

8 There shall be deposited in the Build Illinois Fund in the
9 State Treasury for each State fiscal year 40% of the amount of
10 total net proceeds from the tax imposed by subsection (a) of
11 Section 3. Of the remaining 60%, \$5,000,000 shall be deposited
12 in the Illinois Sports Facilities Fund and credited to the
13 Subsidy Account each fiscal year by making monthly deposits in
14 the amount of 1/8 of \$5,000,000 plus cumulative deficiencies in
15 such deposits for prior months, and an additional \$8,000,000
16 shall be deposited in the Illinois Sports Facilities Fund and
17 credited to the Advance Account each fiscal year by making
18 monthly deposits in the amount of 1/8 of \$8,000,000 plus any
19 cumulative deficiencies in such deposits for prior months;
20 provided, that for fiscal years ending after June 30, 2001, the
21 amount to be so deposited into the Illinois Sports Facilities
22 Fund and credited to the Advance Account each fiscal year shall
23 be increased from \$8,000,000 to the then applicable Advance
24 Amount and the required monthly deposits beginning with July
25 2001 shall be in the amount of 1/8 of the then applicable
26 Advance Amount plus any cumulative deficiencies in those

1 deposits for prior months. (The deposits of the additional
2 \$8,000,000 or the then applicable Advance Amount, as
3 applicable, during each fiscal year shall be treated as
4 advances of funds to the Illinois Sports Facilities Authority
5 for its corporate purposes to the extent paid to the Authority
6 or its trustee and shall be repaid into the General Revenue
7 Fund in the State Treasury by the State Treasurer on behalf of
8 the Authority pursuant to Section 19 of the Illinois Sports
9 Facilities Authority Act, as amended. If in any fiscal year the
10 full amount of the then applicable Advance Amount is not repaid
11 into the General Revenue Fund, then the deficiency shall be
12 paid from the amount in the Local Government Distributive Fund
13 that would otherwise be allocated to the City of Chicago under
14 the State Revenue Sharing Act.)

15 For purposes of the foregoing paragraph, the term "Advance
16 Amount" means, for fiscal year 2002, \$22,179,000, and for
17 subsequent fiscal years through fiscal year 2032, 105.615% of
18 the Advance Amount for the immediately preceding fiscal year,
19 rounded up to the nearest \$1,000.

20 Of the remaining 60% of the amount of total net proceeds
21 from the tax imposed by subsection (a) of Section 3 after all
22 required deposits in the Illinois Sports Facilities Fund, the
23 amount equal to 8% of the net revenue realized from the Hotel
24 Operators' Occupation Tax Act plus an amount equal to 8% of the
25 net revenue realized from any tax imposed under Section 4.05 of
26 the Chicago World's Fair-1992 Authority Act during the

1 preceding month shall be deposited in the Local Tourism Fund
2 each month for purposes authorized by Section 605-705 of the
3 Department of Commerce and Economic Opportunity Community
4 ~~Affairs~~ Law (20 ILCS 605/605-705) ~~in the Local Tourism Fund,~~
5 and beginning August 1, 1999, the amount equal to 4.5% of the
6 net revenue realized from the Hotel Operators' Occupation Tax
7 Act during the preceding month shall be deposited into the
8 International Tourism Fund for the purposes authorized in
9 Section 605-707 ~~605-725~~ of the Department of Commerce and
10 Economic Opportunity Community Affairs Law, and beginning on
11 the effective date of this amendatory Act of the 95th General
12 Assembly, the amount equal to 1% of the amount of total net
13 revenue realized from the tax imposed by subsection (a) of
14 Section 3 during the preceding month shall be deposited in the
15 Local Planning Fund in the State treasury. "Net revenue
16 realized for a month" means the revenue collected by the State
17 under that Act during the previous month less the amount paid
18 out during that same month as refunds to taxpayers for
19 overpayment of liability under that Act.

20 After making all these deposits, all other proceeds of the
21 tax imposed under subsection (a) of Section 3 shall be
22 deposited in the General Revenue Fund in the State Treasury.
23 All moneys received by the Department from the additional tax
24 imposed under subsection (b) of Section 3 shall be deposited
25 into the Build Illinois Fund in the State Treasury.

26 The Department may, upon separate written notice to a

1 taxpayer, require the taxpayer to prepare and file with the
2 Department on a form prescribed by the Department within not
3 less than 60 days after receipt of the notice an annual
4 information return for the tax year specified in the notice.
5 Such annual return to the Department shall include a statement
6 of gross receipts as shown by the operator's last State income
7 tax return. If the total receipts of the business as reported
8 in the State income tax return do not agree with the gross
9 receipts reported to the Department for the same period, the
10 operator shall attach to his annual information return a
11 schedule showing a reconciliation of the 2 amounts and the
12 reasons for the difference. The operator's annual information
13 return to the Department shall also disclose pay roll
14 information of the operator's business during the year covered
15 by such return and any additional reasonable information which
16 the Department deems would be helpful in determining the
17 accuracy of the monthly, quarterly or annual tax returns by
18 such operator as hereinbefore provided for in this Section.

19 If the annual information return required by this Section
20 is not filed when and as required the taxpayer shall be liable
21 for a penalty in an amount determined in accordance with
22 Section 3-4 of the Uniform Penalty and Interest Act until such
23 return is filed as required, the penalty to be assessed and
24 collected in the same manner as any other penalty provided for
25 in this Act.

26 The chief executive officer, proprietor, owner or highest

1 ranking manager shall sign the annual return to certify the
2 accuracy of the information contained therein. Any person who
3 willfully signs the annual return containing false or
4 inaccurate information shall be guilty of perjury and punished
5 accordingly. The annual return form prescribed by the
6 Department shall include a warning that the person signing the
7 return may be liable for perjury.

8 The foregoing portion of this Section concerning the filing
9 of an annual information return shall not apply to an operator
10 who is not required to file an income tax return with the
11 United States Government.

12 (Source: P.A. 92-16, eff. 6-28-01; 92-600, eff. 6-28-02;
13 revised 10-15-03.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.