

HB0472



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB0472

Introduced 01/31/11, by Rep. Michael J. Madigan

SYNOPSIS AS INTRODUCED:

30 ILCS 115/12

from Ch. 85, par. 616

Amends the State Revenue Sharing Act. Makes a technical change in a Section concerning the Personal Property Tax Replacement Fund.

LRB097 03299 PJG 43336 b

A BILL FOR

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Revenue Sharing Act is amended by
5 changing Section 12 as follows:

6 (30 ILCS 115/12) (from Ch. 85, par. 616)

7 Sec. 12. Personal Property Tax Replacement Fund. There is
8 hereby created the ~~the~~ Personal Property Tax Replacement Fund,
9 a special fund in the State Treasury into which shall be paid
10 all revenue realized:

11 (a) all amounts realized from the additional personal
12 property tax replacement income tax imposed by subsections (c)
13 and (d) of Section 201 of the Illinois Income Tax Act, except
14 for those amounts deposited into the Income Tax Refund Fund
15 pursuant to subsection (c) of Section 901 of the Illinois
16 Income Tax Act; and

17 (b) all amounts realized from the additional personal
18 property replacement invested capital taxes imposed by Section
19 2a.1 of the Messages Tax Act, Section 2a.1 of the Gas Revenue
20 Tax Act, Section 2a.1 of the Public Utilities Revenue Act, and
21 Section 3 of the Water Company Invested Capital Tax Act, and
22 amounts payable to the Department of Revenue under the
23 Telecommunications Infrastructure Maintenance Fee Act.

1 As soon as may be after the end of each month, the
2 Department of Revenue shall certify to the Treasurer and the
3 Comptroller the amount of all refunds paid out of the General
4 Revenue Fund through the preceding month on account of
5 overpayment of liability on taxes paid into the Personal
6 Property Tax Replacement Fund. Upon receipt of such
7 certification, the Treasurer and the Comptroller shall
8 transfer the amount so certified from the Personal Property Tax
9 Replacement Fund into the General Revenue Fund.

10 The payments of revenue into the Personal Property Tax
11 Replacement Fund shall be used exclusively for distribution to
12 taxing districts as provided in this Section, payment of the
13 ordinary and contingent expenses of the Property Tax Appeal
14 Board, payment of the expenses of the Department of Revenue
15 incurred in administering the collection and distribution of
16 monies paid into the Personal Property Tax Replacement Fund and
17 transfers due to refunds to taxpayers for overpayment of
18 liability for taxes paid into the Personal Property Tax
19 Replacement Fund.

20 As soon as may be after the effective date of this
21 amendatory Act of 1980, the Department of Revenue shall certify
22 to the Treasurer the amount of net replacement revenue paid
23 into the General Revenue Fund prior to that effective date from
24 the additional tax imposed by Section 2a.1 of the Messages Tax
25 Act; Section 2a.1 of the Gas Revenue Tax Act; Section 2a.1 of
26 the Public Utilities Revenue Act; Section 3 of the Water

1 Company Invested Capital Tax Act; amounts collected by the
2 Department of Revenue under the Telecommunications
3 Infrastructure Maintenance Fee Act; and the additional
4 personal property tax replacement income tax imposed by the
5 Illinois Income Tax Act, as amended by Public Act 81-1st
6 Special Session-1. Net replacement revenue shall be defined as
7 the total amount paid into and remaining in the General Revenue
8 Fund as a result of those Acts minus the amount outstanding and
9 obligated from the General Revenue Fund in state vouchers or
10 warrants prior to the effective date of this amendatory Act of
11 1980 as refunds to taxpayers for overpayment of liability under
12 those Acts.

13 All interest earned by monies accumulated in the Personal
14 Property Tax Replacement Fund shall be deposited in such Fund.
15 All amounts allocated pursuant to this Section are appropriated
16 on a continuing basis.

17 Prior to December 31, 1980, as soon as may be after the end
18 of each quarter beginning with the quarter ending December 31,
19 1979, and on and after December 31, 1980, as soon as may be
20 after January 1, March 1, April 1, May 1, July 1, August 1,
21 October 1 and December 1 of each year, the Department of
22 Revenue shall allocate to each taxing district as defined in
23 Section 1-150 of the Property Tax Code, in accordance with the
24 provisions of paragraph (2) of this Section the portion of the
25 funds held in the Personal Property Tax Replacement Fund which
26 is required to be distributed, as provided in paragraph (1),

1 for each quarter. Provided, however, under no circumstances
2 shall any taxing district during each of the first two years of
3 distribution of the taxes imposed by this amendatory Act of
4 1979 be entitled to an annual allocation which is less than the
5 funds such taxing district collected from the 1978 personal
6 property tax. Provided further that under no circumstances
7 shall any taxing district during the third year of distribution
8 of the taxes imposed by this amendatory Act of 1979 receive
9 less than 60% of the funds such taxing district collected from
10 the 1978 personal property tax. In the event that the total of
11 the allocations made as above provided for all taxing
12 districts, during either of such 3 years, exceeds the amount
13 available for distribution the allocation of each taxing
14 district shall be proportionately reduced. Except as provided
15 in Section 13 of this Act, the Department shall then certify,
16 pursuant to appropriation, such allocations to the State
17 Comptroller who shall pay over to the several taxing districts
18 the respective amounts allocated to them.

19 Any township which receives an allocation based in whole or
20 in part upon personal property taxes which it levied pursuant
21 to Section 6-507 or 6-512 of the Illinois Highway Code and
22 which was previously required to be paid over to a municipality
23 shall immediately pay over to that municipality a proportionate
24 share of the personal property replacement funds which such
25 township receives.

26 Any municipality or township, other than a municipality

1 with a population in excess of 500,000, which receives an
2 allocation based in whole or in part on personal property taxes
3 which it levied pursuant to Sections 3-1, 3-4 and 3-6 of the
4 Illinois Local Library Act and which was previously required to
5 be paid over to a public library shall immediately pay over to
6 that library a proportionate share of the personal property tax
7 replacement funds which such municipality or township
8 receives; provided that if such a public library has converted
9 to a library organized under The Illinois Public Library
10 District Act, regardless of whether such conversion has
11 occurred on, after or before January 1, 1988, such
12 proportionate share shall be immediately paid over to the
13 library district which maintains and operates the library.
14 However, any library that has converted prior to January 1,
15 1988, and which hitherto has not received the personal property
16 tax replacement funds, shall receive such funds commencing on
17 January 1, 1988.

18 Any township which receives an allocation based in whole or
19 in part on personal property taxes which it levied pursuant to
20 Section 1c of the Public Graveyards Act and which taxes were
21 previously required to be paid over to or used for such public
22 cemetery or cemeteries shall immediately pay over to or use for
23 such public cemetery or cemeteries a proportionate share of the
24 personal property tax replacement funds which the township
25 receives.

26 Any taxing district which receives an allocation based in

1 whole or in part upon personal property taxes which it levied
2 for another governmental body or school district in Cook County
3 in 1976 or for another governmental body or school district in
4 the remainder of the State in 1977 shall immediately pay over
5 to that governmental body or school district the amount of
6 personal property replacement funds which such governmental
7 body or school district would receive directly under the
8 provisions of paragraph (2) of this Section, had it levied its
9 own taxes.

10 (1) The portion of the Personal Property Tax
11 Replacement Fund required to be distributed as of the time
12 allocation is required to be made shall be the amount
13 available in such Fund as of the time allocation is
14 required to be made.

15 The amount available for distribution shall be the
16 total amount in the fund at such time minus the necessary
17 administrative expenses as limited by the appropriation
18 and the amount determined by: (a) \$2.8 million for fiscal
19 year 1981; (b) for fiscal year 1982, .54% of the funds
20 distributed from the fund during the preceding fiscal year;
21 (c) for fiscal year 1983 through fiscal year 1988, .54% of
22 the funds distributed from the fund during the preceding
23 fiscal year less .02% of such fund for fiscal year 1983 and
24 less .02% of such funds for each fiscal year thereafter, or
25 (d) for fiscal year 1989 and beyond no more than 105% of
26 the actual administrative expenses of the prior fiscal

1 year. Such portion of the fund shall be determined after
2 the transfer into the General Revenue Fund due to refunds,
3 if any, paid from the General Revenue Fund during the
4 preceding quarter. If at any time, for any reason, there is
5 insufficient amount in the Personal Property Tax
6 Replacement Fund for payment of costs of administration or
7 for transfers due to refunds at the end of any particular
8 month, the amount of such insufficiency shall be carried
9 over for the purposes of transfers into the General Revenue
10 Fund and for purposes of costs of administration to the
11 following month or months. Net replacement revenue held,
12 and defined above, shall be transferred by the Treasurer
13 and Comptroller to the Personal Property Tax Replacement
14 Fund within 10 days of such certification.

15 (2) Each quarterly allocation shall first be
16 apportioned in the following manner: 51.65% for taxing
17 districts in Cook County and 48.35% for taxing districts in
18 the remainder of the State.

19 The Personal Property Replacement Ratio of each taxing
20 district outside Cook County shall be the ratio which the Tax
21 Base of that taxing district bears to the Downstate Tax Base.
22 The Tax Base of each taxing district outside of Cook County is
23 the personal property tax collections for that taxing district
24 for the 1977 tax year. The Downstate Tax Base is the personal
25 property tax collections for all taxing districts in the State
26 outside of Cook County for the 1977 tax year. The Department of

1 Revenue shall have authority to review for accuracy and
2 completeness the personal property tax collections for each
3 taxing district outside Cook County for the 1977 tax year.

4 The Personal Property Replacement Ratio of each Cook County
5 taxing district shall be the ratio which the Tax Base of that
6 taxing district bears to the Cook County Tax Base. The Tax Base
7 of each Cook County taxing district is the personal property
8 tax collections for that taxing district for the 1976 tax year.
9 The Cook County Tax Base is the personal property tax
10 collections for all taxing districts in Cook County for the
11 1976 tax year. The Department of Revenue shall have authority
12 to review for accuracy and completeness the personal property
13 tax collections for each taxing district within Cook County for
14 the 1976 tax year.

15 For all purposes of this Section 12, amounts paid to a
16 taxing district for such tax years as may be applicable by a
17 foreign corporation under the provisions of Section 7-202 of
18 the Public Utilities Act, as amended, shall be deemed to be
19 personal property taxes collected by such taxing district for
20 such tax years as may be applicable. The Director shall
21 determine from the Illinois Commerce Commission, for any tax
22 year as may be applicable, the amounts so paid by any such
23 foreign corporation to any and all taxing districts. The
24 Illinois Commerce Commission shall furnish such information to
25 the Director. For all purposes of this Section 12, the Director
26 shall deem such amounts to be collected personal property taxes

1 of each such taxing district for the applicable tax year or
2 years.

3 Taxing districts located both in Cook County and in one or
4 more other counties shall receive both a Cook County allocation
5 and a Downstate allocation determined in the same way as all
6 other taxing districts.

7 If any taxing district in existence on July 1, 1979 ceases
8 to exist, or discontinues its operations, its Tax Base shall
9 thereafter be deemed to be zero. If the powers, duties and
10 obligations of the discontinued taxing district are assumed by
11 another taxing district, the Tax Base of the discontinued
12 taxing district shall be added to the Tax Base of the taxing
13 district assuming such powers, duties and obligations.

14 If two or more taxing districts in existence on July 1,
15 1979, or a successor or successors thereto shall consolidate
16 into one taxing district, the Tax Base of such consolidated
17 taxing district shall be the sum of the Tax Bases of each of
18 the taxing districts which have consolidated.

19 If a single taxing district in existence on July 1, 1979,
20 or a successor or successors thereto shall be divided into two
21 or more separate taxing districts, the tax base of the taxing
22 district so divided shall be allocated to each of the resulting
23 taxing districts in proportion to the then current equalized
24 assessed value of each resulting taxing district.

25 If a portion of the territory of a taxing district is
26 disconnected and annexed to another taxing district of the same

1 type, the Tax Base of the taxing district from which
2 disconnection was made shall be reduced in proportion to the
3 then current equalized assessed value of the disconnected
4 territory as compared with the then current equalized assessed
5 value within the entire territory of the taxing district prior
6 to disconnection, and the amount of such reduction shall be
7 added to the Tax Base of the taxing district to which
8 annexation is made.

9 If a community college district is created after July 1,
10 1979, beginning on the effective date of this amendatory Act of
11 1995, its Tax Base shall be 3.5% of the sum of the personal
12 property tax collected for the 1977 tax year within the
13 territorial jurisdiction of the district.

14 The amounts allocated and paid to taxing districts pursuant
15 to the provisions of this amendatory Act of 1979 shall be
16 deemed to be substitute revenues for the revenues derived from
17 taxes imposed on personal property pursuant to the provisions
18 of the "Revenue Act of 1939" or "An Act for the assessment and
19 taxation of private car line companies", approved July 22,
20 1943, as amended, or Section 414 of the Illinois Insurance
21 Code, prior to the abolition of such taxes and shall be used
22 for the same purposes as the revenues derived from ad valorem
23 taxes on real estate.

24 Monies received by any taxing districts from the Personal
25 Property Tax Replacement Fund shall be first applied toward
26 payment of the proportionate amount of debt service which was

1 previously levied and collected from extensions against
2 personal property on bonds outstanding as of December 31, 1978
3 and next applied toward payment of the proportionate share of
4 the pension or retirement obligations of the taxing district
5 which were previously levied and collected from extensions
6 against personal property. For each such outstanding bond
7 issue, the County Clerk shall determine the percentage of the
8 debt service which was collected from extensions against real
9 estate in the taxing district for 1978 taxes payable in 1979,
10 as related to the total amount of such levies and collections
11 from extensions against both real and personal property. For
12 1979 and subsequent years' taxes, the County Clerk shall levy
13 and extend taxes against the real estate of each taxing
14 district which will yield the said percentage or percentages of
15 the debt service on such outstanding bonds. The balance of the
16 amount necessary to fully pay such debt service shall
17 constitute a first and prior lien upon the monies received by
18 each such taxing district through the Personal Property Tax
19 Replacement Fund and shall be first applied or set aside for
20 such purpose. In counties having fewer than 3,000,000
21 inhabitants, the amendments to this paragraph as made by this
22 amendatory Act of 1980 shall be first applicable to 1980 taxes
23 to be collected in 1981.

24 (Source: P.A. 96-45, eff. 7-15-09.)