



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3469

Introduced 2/14/2020, by Sen. Jason A. Barickman

SYNOPSIS AS INTRODUCED:

70 ILCS 200/245-12	
70 ILCS 750/25	
70 ILCS 1605/30	
70 ILCS 3610/5.01	from Ch. 111 2/3, par. 355.01
70 ILCS 3615/4.03	from Ch. 111 2/3, par. 704.03
70 ILCS 3720/4	from Ch. 111 2/3, par. 254
410 ILCS 705/1-10	
410 ILCS 705/20-50	
410 ILCS 705/60-10	
410 ILCS 705/65-10	

Amends the Civic Center Code, the Flood Prevention District Act, the Metro-East Park and Recreation District Act, the Local Mass Transit District Act, the Regional Transportation Authority Act, and the Cannabis Regulation and Tax Act. Provides that no special district may impose a tax on the cultivation, sale, or use of cannabis. Effective immediately.

LRB101 19661 HLH 69151 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 Civic Center Code is amended by changing
5 Section 245-12 as follows:

6 (70 ILCS 200/245-12)

7 Sec. 245-12. Use and occupation taxes.

8 (a) The Authority may adopt a resolution that authorizes a
9 referendum on the question of whether the Authority shall be
10 authorized to impose a retailers' occupation tax, a service
11 occupation tax, and a use tax in one-quarter percent increments
12 at a rate not to exceed 1%. The Authority shall certify the
13 question to the proper election authorities who shall submit
14 the question to the voters of the metropolitan area at the next
15 regularly scheduled election in accordance with the general
16 election law. The question shall be in substantially the
17 following form:

18 "Shall the Salem Civic Center Authority be authorized to
19 impose a retailers' occupation tax, a service occupation
20 tax, and a use tax at the rate of (rate) for the sole
21 purpose of obtaining funds for the support, construction,
22 maintenance, or financing of a facility of the Authority?"

23 Votes shall be recorded as "yes" or "no".

1 If a majority of all votes cast on the proposition are in
2 favor of the proposition, the Authority is authorized to impose
3 the tax.

4 (b) The Authority shall impose the retailers' occupation
5 tax upon all persons engaged in the business of selling
6 tangible personal property at retail in the metropolitan area,
7 at the rate approved by referendum, on the gross receipts from
8 the sales made in the course of such business within the
9 metropolitan area. Beginning December 1, 2019 and through
10 December 31, 2020, this tax is not imposed on sales of aviation
11 fuel unless the tax revenue is expended for airport-related
12 purposes. If the Authority does not have an airport-related
13 purpose to which it dedicates aviation fuel tax revenue, then
14 aviation fuel is excluded from the tax. The Authority must
15 comply with the certification requirements for airport-related
16 purposes under Section 2-22 of the Retailers' Occupation Tax
17 Act. For purposes of this Section, "airport-related purposes"
18 has the meaning ascribed in Section 6z-20.2 of the State
19 Finance Act. Beginning January 1, 2021, this tax is not imposed
20 on sales of aviation fuel for so long as the revenue use
21 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
22 binding on the Authority.

23 The tax imposed under this Section and all civil penalties
24 that may be assessed as an incident thereof shall be collected
25 and enforced by the Department of Revenue. The Department has
26 full power to administer and enforce this Section; to collect

1 all taxes and penalties so collected in the manner provided in
2 this Section; and to determine all rights to credit memoranda
3 arising on account of the erroneous payment of tax or penalty
4 hereunder. In the administration of, and compliance with, this
5 Section, the Department and persons who are subject to this
6 Section shall (i) have the same rights, remedies, privileges,
7 immunities, powers and duties, (ii) be subject to the same
8 conditions, restrictions, limitations, penalties, exclusions,
9 exemptions, and definitions of terms, and (iii) employ the same
10 modes of procedure as are prescribed in Sections 1, 1a, 1a-1,
11 1c, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in
12 respect to all provisions therein other than the State rate of
13 tax), 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except as to the
14 disposition of taxes and penalties collected and provisions
15 related to quarter monthly payments, and except that the
16 retailer's discount is not allowed for taxes paid on aviation
17 fuel that are subject to the revenue use requirements of 49
18 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e,
19 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12,
20 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of
21 the Uniform Penalty and Interest Act, as fully as if those
22 provisions were set forth in this subsection.

23 Persons subject to any tax imposed under this subsection
24 may reimburse themselves for their seller's tax liability by
25 separately stating the tax as an additional charge, which
26 charge may be stated in combination, in a single amount, with

1 State taxes that sellers are required to collect, in accordance
2 with such bracket schedules as the Department may prescribe.

3 Whenever the Department determines that a refund should be
4 made under this subsection to a claimant instead of issuing a
5 credit memorandum, the Department shall notify the State
6 Comptroller, who shall cause the warrant to be drawn for the
7 amount specified, and to the person named, in the notification
8 from the Department. The refund shall be paid by the State
9 Treasurer out of the tax fund referenced under paragraph (g) of
10 this Section or the Local Government Aviation Trust Fund, as
11 appropriate.

12 If a tax is imposed under this subsection (b), a tax shall
13 also be imposed at the same rate under subsections (c) and (d)
14 of this Section.

15 For the purpose of determining whether a tax authorized
16 under this Section is applicable, a retail sale, by a producer
17 of coal or other mineral mined in Illinois, is a sale at retail
18 at the place where the coal or other mineral mined in Illinois
19 is extracted from the earth. This paragraph does not apply to
20 coal or other mineral when it is delivered or shipped by the
21 seller to the purchaser at a point outside Illinois so that the
22 sale is exempt under the Federal Constitution as a sale in
23 interstate or foreign commerce.

24 Nothing in this Section shall be construed to authorize the
25 Authority to impose a tax upon the privilege of engaging in any
26 business which under the Constitution of the United States may

1 not be made the subject of taxation by this State.

2 (c) If a tax has been imposed under subsection (b), a
3 service occupation tax shall also be imposed at the same rate
4 upon all persons engaged, in the metropolitan area, in the
5 business of making sales of service, who, as an incident to
6 making those sales of service, transfer tangible personal
7 property within the metropolitan area as an incident to a sale
8 of service. The tax imposed under this subsection and all civil
9 penalties that may be assessed as an incident thereof shall be
10 collected and enforced by the Department of Revenue.

11 Beginning December 1, 2019 and through December 31, 2020,
12 this tax is not imposed on sales of aviation fuel unless the
13 tax revenue is expended for airport-related purposes. If the
14 Authority does not have an airport-related purpose to which it
15 dedicates aviation fuel tax revenue, then aviation fuel is
16 excluded from the tax. The Authority must comply with the
17 certification requirements for airport-related purposes under
18 Section 2-22 of the Retailers' Occupation Tax Act. Beginning
19 January 1, 2021, this tax is not imposed on sales of aviation
20 fuel for so long as the revenue use requirements of 49 U.S.C.
21 47107(b) and 49 U.S.C. 47133 are binding on the Authority.

22 The Department has full power to administer and enforce
23 this paragraph; to collect all taxes and penalties due
24 hereunder; to dispose of taxes and penalties so collected in
25 the manner hereinafter provided; and to determine all rights to
26 credit memoranda arising on account of the erroneous payment of

1 tax or penalty hereunder. In the administration of, and
2 compliance with this paragraph, the Department and persons who
3 are subject to this paragraph shall (i) have the same rights,
4 remedies, privileges, immunities, powers, and duties, (ii) be
5 subject to the same conditions, restrictions, limitations,
6 penalties, exclusions, exemptions, and definitions of terms,
7 and (iii) employ the same modes of procedure as are prescribed
8 in Sections 2 (except that the reference to State in the
9 definition of supplier maintaining a place of business in this
10 State shall mean the metropolitan area), 2a, 2b, 3 through 3-55
11 (in respect to all provisions therein other than the State rate
12 of tax), 4 (except that the reference to the State shall be to
13 the Authority), 5, 7, 8 (except that the jurisdiction to which
14 the tax shall be a debt to the extent indicated in that Section
15 8 shall be the Authority), 9 (except as to the disposition of
16 taxes and penalties collected, and except that the returned
17 merchandise credit for this tax may not be taken against any
18 State tax, and except that the retailer's discount is not
19 allowed for taxes paid on aviation fuel that are subject to the
20 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
21 47133), 11, 12 (except the reference therein to Section 2b of
22 the Retailers' Occupation Tax Act), 13 (except that any
23 reference to the State shall mean the Authority), 15, 16, 17,
24 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7
25 of the Uniform Penalty and Interest Act, as fully as if those
26 provisions were set forth herein.

1 Persons subject to any tax imposed under the authority
2 granted in this subsection may reimburse themselves for their
3 serviceman's tax liability by separately stating the tax as an
4 additional charge, which charge may be stated in combination,
5 in a single amount, with State tax that servicemen are
6 authorized to collect under the Service Use Tax Act, in
7 accordance with such bracket schedules as the Department may
8 prescribe.

9 Whenever the Department determines that a refund should be
10 made under this subsection to a claimant instead of issuing a
11 credit memorandum, the Department shall notify the State
12 Comptroller, who shall cause the warrant to be drawn for the
13 amount specified, and to the person named, in the notification
14 from the Department. The refund shall be paid by the State
15 Treasurer out of the tax fund referenced under paragraph (g) of
16 this Section or the Local Government Aviation Trust Fund, as
17 appropriate.

18 Nothing in this paragraph shall be construed to authorize
19 the Authority to impose a tax upon the privilege of engaging in
20 any business which under the Constitution of the United States
21 may not be made the subject of taxation by the State.

22 (d) If a tax has been imposed under subsection (b), a use
23 tax shall also be imposed at the same rate upon the privilege
24 of using, in the metropolitan area, any item of tangible
25 personal property that is purchased outside the metropolitan
26 area at retail from a retailer, and that is titled or

1 registered at a location within the metropolitan area with an
2 agency of this State's government. "Selling price" is defined
3 as in the Use Tax Act. The tax shall be collected from persons
4 whose Illinois address for titling or registration purposes is
5 given as being in the metropolitan area. The tax shall be
6 collected by the Department of Revenue for the Authority. The
7 tax must be paid to the State, or an exemption determination
8 must be obtained from the Department of Revenue, before the
9 title or certificate of registration for the property may be
10 issued. The tax or proof of exemption may be transmitted to the
11 Department by way of the State agency with which, or the State
12 officer with whom, the tangible personal property must be
13 titled or registered if the Department and the State agency or
14 State officer determine that this procedure will expedite the
15 processing of applications for title or registration.

16 The Department has full power to administer and enforce
17 this paragraph; to collect all taxes, penalties and interest
18 due hereunder; to dispose of taxes, penalties and interest so
19 collected in the manner hereinafter provided; and to determine
20 all rights to credit memoranda or refunds arising on account of
21 the erroneous payment of tax, penalty or interest hereunder. In
22 the administration of, and compliance with, this subsection,
23 the Department and persons who are subject to this paragraph
24 shall (i) have the same rights, remedies, privileges,
25 immunities, powers, and duties, (ii) be subject to the same
26 conditions, restrictions, limitations, penalties, exclusions,

1 exemptions, and definitions of terms, and (iii) employ the same
2 modes of procedure as are prescribed in Sections 2 (except the
3 definition of "retailer maintaining a place of business in this
4 State"), 3, 3-5, 3-10, 3-45, 3-55, 3-65, 3-70, 3-85, 3a, 4, 6,
5 7, 8 (except that the jurisdiction to which the tax shall be a
6 debt to the extent indicated in that Section 8 shall be the
7 Authority), 9 (except provisions relating to quarter monthly
8 payments), 10, 11, 12, 12a, 12b, 13, 14, 15, 19, 20, 21, and 22
9 of the Use Tax Act and Section 3-7 of the Uniform Penalty and
10 Interest Act, that are not inconsistent with this paragraph, as
11 fully as if those provisions were set forth herein.

12 Whenever the Department determines that a refund should be
13 made under this subsection to a claimant instead of issuing a
14 credit memorandum, the Department shall notify the State
15 Comptroller, who shall cause the order to be drawn for the
16 amount specified, and to the person named, in the notification
17 from the Department. The refund shall be paid by the State
18 Treasurer out of the tax fund referenced under paragraph (g) of
19 this Section.

20 (e) A certificate of registration issued by the State
21 Department of Revenue to a retailer under the Retailers'
22 Occupation Tax Act or under the Service Occupation Tax Act
23 shall permit the registrant to engage in a business that is
24 taxed under the tax imposed under paragraphs (b), (c), or (d)
25 of this Section and no additional registration shall be
26 required. A certificate issued under the Use Tax Act or the

1 Service Use Tax Act shall be applicable with regard to any tax
2 imposed under paragraph (c) of this Section.

3 (f) The results of any election authorizing a proposition
4 to impose a tax under this Section or effecting a change in the
5 rate of tax shall be certified by the proper election
6 authorities and filed with the Illinois Department on or before
7 the first day of April. In addition, an ordinance imposing,
8 discontinuing, or effecting a change in the rate of tax under
9 this Section shall be adopted and a certified copy thereof
10 filed with the Department on or before the first day of April.
11 After proper receipt of such certifications, the Department
12 shall proceed to administer and enforce this Section as of the
13 first day of July next following such adoption and filing.

14 (g) Except as otherwise provided, the Department of Revenue
15 shall, upon collecting any taxes and penalties as provided in
16 this Section, pay the taxes and penalties over to the State
17 Treasurer as trustee for the Authority. The taxes and penalties
18 shall be held in a trust fund outside the State Treasury. Taxes
19 and penalties collected on aviation fuel sold on or after
20 December 1, 2019 and through December 31, 2020, shall be
21 immediately paid over by the Department to the State Treasurer,
22 ex officio, as trustee, for deposit into the Local Government
23 Aviation Trust Fund. The Department shall only pay moneys into
24 the Local Government Aviation Trust Fund under this Section for
25 so long as the revenue use requirements of 49 U.S.C. 47107(b)
26 and 49 U.S.C. 47133 are binding on the District. On or before

1 the 25th day of each calendar month, the Department of Revenue
2 shall prepare and certify to the Comptroller of the State of
3 Illinois the amount to be paid to the Authority, which shall be
4 the balance in the fund, less any amount determined by the
5 Department to be necessary for the payment of refunds and not
6 including taxes and penalties collected on aviation fuel sold
7 on or after December 1, 2019. Within 10 days after receipt by
8 the Comptroller of the certification of the amount to be paid
9 to the Authority, the Comptroller shall cause an order to be
10 drawn for payment for the amount in accordance with the
11 directions contained in the certification. Amounts received
12 from the tax imposed under this Section shall be used only for
13 the support, construction, maintenance, or financing of a
14 facility of the Authority.

15 (h) When certifying the amount of a monthly disbursement to
16 the Authority under this Section, the Department shall increase
17 or decrease the amounts by an amount necessary to offset any
18 miscalculation of previous disbursements. The offset amount
19 shall be the amount erroneously disbursed within the previous 6
20 months from the time a miscalculation is discovered.

21 (i) Notwithstanding any other provision of law, no tax may
22 be imposed under this Section on the sale or use of cannabis,
23 as defined in Section 1-10 of the Cannabis Regulation and Tax
24 Act.

25 (i) This Section may be cited as the Salem Civic Center Use
26 and Occupation Tax Law.

1 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

2 Section 10. The Flood Prevention District Act is amended by
3 changing Section 25 as follows:

4 (70 ILCS 750/25)

5 Sec. 25. Flood prevention retailers' and service
6 occupation taxes.

7 (a) If the Board of Commissioners of a flood prevention
8 district determines that an emergency situation exists
9 regarding levee repair or flood prevention, and upon an
10 ordinance confirming the determination adopted by the
11 affirmative vote of a majority of the members of the county
12 board of the county in which the district is situated, the
13 county may impose a flood prevention retailers' occupation tax
14 upon all persons engaged in the business of selling tangible
15 personal property at retail within the territory of the
16 district to provide revenue to pay the costs of providing
17 emergency levee repair and flood prevention and to secure the
18 payment of bonds, notes, and other evidences of indebtedness
19 issued under this Act for a period not to exceed 25 years or as
20 required to repay the bonds, notes, and other evidences of
21 indebtedness issued under this Act. The tax rate shall be 0.25%
22 of the gross receipts from all taxable sales made in the course
23 of that business. Beginning December 1, 2019 and through
24 December 31, 2020, this tax is not imposed on sales of aviation

1 fuel unless the tax revenue is expended for airport-related
2 purposes. If the District does not have an airport-related
3 purpose to which it dedicates aviation fuel tax revenue, then
4 aviation fuel is excluded from the tax. The County must comply
5 with the certification requirements for airport-related
6 purposes under Section 2-22 of the Retailers' Occupation Tax
7 Act. The tax imposed under this Section and all civil penalties
8 that may be assessed as an incident thereof shall be collected
9 and enforced by the State Department of Revenue. The Department
10 shall have full power to administer and enforce this Section;
11 to collect all taxes and penalties so collected in the manner
12 hereinafter provided; and to determine all rights to credit
13 memoranda arising on account of the erroneous payment of tax or
14 penalty hereunder.

15 For purposes of this Act, "airport-related purposes" has
16 the meaning ascribed in Section 6z-20.2 of the State Finance
17 Act. Beginning January 1, 2021, this tax is not imposed on
18 sales of aviation fuel for so long as the revenue use
19 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
20 binding on the District.

21 In the administration of and compliance with this
22 subsection, the Department and persons who are subject to this
23 subsection (i) have the same rights, remedies, privileges,
24 immunities, powers, and duties, (ii) are subject to the same
25 conditions, restrictions, limitations, penalties, and
26 definitions of terms, and (iii) shall employ the same modes of

1 procedure as are set forth in Sections 1 through 1o, 2 through
2 2-70 (in respect to all provisions contained in those Sections
3 other than the State rate of tax), 2a through 2h, 3 (except as
4 to the disposition of taxes and penalties collected, and except
5 that the retailer's discount is not allowed for taxes paid on
6 aviation fuel that are subject to the revenue use requirements
7 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
8 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11,
9 11a, 12, and 13 of the Retailers' Occupation Tax Act and all
10 provisions of the Uniform Penalty and Interest Act as if those
11 provisions were set forth in this subsection.

12 Persons subject to any tax imposed under this Section may
13 reimburse themselves for their seller's tax liability
14 hereunder by separately stating the tax as an additional
15 charge, which charge may be stated in combination in a single
16 amount with State taxes that sellers are required to collect
17 under the Use Tax Act, under any bracket schedules the
18 Department may prescribe.

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

21 (b) If a tax has been imposed under subsection (a), a flood
22 prevention service occupation tax shall also be imposed upon
23 all persons engaged within the territory of the district in the
24 business of making sales of service, who, as an incident to
25 making the sales of service, transfer tangible personal
26 property, either in the form of tangible personal property or

1 in the form of real estate as an incident to a sale of service
2 to provide revenue to pay the costs of providing emergency
3 levee repair and flood prevention and to secure the payment of
4 bonds, notes, and other evidences of indebtedness issued under
5 this Act for a period not to exceed 25 years or as required to
6 repay the bonds, notes, and other evidences of indebtedness.
7 The tax rate shall be 0.25% of the selling price of all
8 tangible personal property transferred. Beginning December 1,
9 2019 and through December 31, 2020, this tax is not imposed on
10 sales of aviation fuel unless the tax revenue is expended for
11 airport-related purposes. If the District does not have an
12 airport-related purpose to which it dedicates aviation fuel tax
13 revenue, then aviation fuel is excluded from the tax. The
14 County must comply with the certification requirements for
15 airport-related purposes under Section 2-22 of the Retailers'
16 Occupation Tax Act. For purposes of this Act, "airport-related
17 purposes" has the meaning ascribed in Section 6z-20.2 of the
18 State Finance Act. Beginning January 1, 2021, this tax is not
19 imposed on sales of aviation fuel for so long as the revenue
20 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
21 binding on the District.

22 The tax imposed under this subsection and all civil
23 penalties that may be assessed as an incident thereof shall be
24 collected and enforced by the State Department of Revenue. The
25 Department shall have full power to administer and enforce this
26 subsection; to collect all taxes and penalties due hereunder;

1 to dispose of taxes and penalties collected in the manner
2 hereinafter provided; and to determine all rights to credit
3 memoranda arising on account of the erroneous payment of tax or
4 penalty hereunder.

5 In the administration of and compliance with this
6 subsection, the Department and persons who are subject to this
7 subsection shall (i) have the same rights, remedies,
8 privileges, immunities, powers, and duties, (ii) be subject to
9 the same conditions, restrictions, limitations, penalties, and
10 definitions of terms, and (iii) employ the same modes of
11 procedure as are set forth in Sections 2 (except that the
12 reference to State in the definition of supplier maintaining a
13 place of business in this State means the district), 2a through
14 2d, 3 through 3-50 (in respect to all provisions contained in
15 those Sections other than the State rate of tax), 4 (except
16 that the reference to the State shall be to the district), 5,
17 7, 8 (except that the jurisdiction to which the tax is a debt
18 to the extent indicated in that Section 8 is the district), 9
19 (except as to the disposition of taxes and penalties collected,
20 and except that the retailer's discount is not allowed for
21 taxes paid on aviation fuel that are subject to the revenue use
22 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
23 11, 12 (except the reference therein to Section 2b of the
24 Retailers' Occupation Tax Act), 13 (except that any reference
25 to the State means the district), Section 15, 16, 17, 18, 19,
26 and 20 of the Service Occupation Tax Act and all provisions of

1 the Uniform Penalty and Interest Act, as fully as if those
2 provisions were set forth herein.

3 Persons subject to any tax imposed under the authority
4 granted in this subsection may reimburse themselves for their
5 serviceman's tax liability hereunder by separately stating the
6 tax as an additional charge, that charge may be stated in
7 combination in a single amount with State tax that servicemen
8 are authorized to collect under the Service Use Tax Act, under
9 any bracket schedules the Department may prescribe.

10 (c) The taxes imposed in subsections (a) and (b) may not be
11 imposed on personal property titled or registered with an
12 agency of the State or on personal property taxed at the 1%
13 rate under the Retailers' Occupation Tax Act and the Service
14 Occupation Tax Act.

15 (d) Nothing in this Section shall be construed to authorize
16 the district to impose a tax upon the privilege of engaging in
17 any business that under the Constitution of the United States
18 may not be made the subject of taxation by the State.

19 (e) The certificate of registration that is issued by the
20 Department to a retailer under the Retailers' Occupation Tax
21 Act or a serviceman under the Service Occupation Tax Act
22 permits the retailer or serviceman to engage in a business that
23 is taxable without registering separately with the Department
24 under an ordinance or resolution under this Section.

25 (f) Except as otherwise provided, the Department shall
26 immediately pay over to the State Treasurer, ex officio, as

1 trustee, all taxes and penalties collected under this Section
2 to be deposited into the Flood Prevention Occupation Tax Fund,
3 which shall be an unappropriated trust fund held outside the
4 State treasury. Taxes and penalties collected on aviation fuel
5 sold on or after December 1, 2019 and through December 31,
6 2020, shall be immediately paid over by the Department to the
7 State Treasurer, ex officio, as trustee, for deposit into the
8 Local Government Aviation Trust Fund. The Department shall only
9 pay moneys into the Local Government Aviation Trust Fund under
10 this Act for so long as the revenue use requirements of 49
11 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
12 District.

13 On or before the 25th day of each calendar month, the
14 Department shall prepare and certify to the Comptroller the
15 disbursement of stated sums of money to the counties from which
16 retailers or servicemen have paid taxes or penalties to the
17 Department during the second preceding calendar month. The
18 amount to be paid to each county is equal to the amount (not
19 including credit memoranda and not including taxes and
20 penalties collected on aviation fuel sold on or after December
21 1, 2019 and through December 31, 2020) collected from the
22 county under this Section during the second preceding calendar
23 month by the Department, (i) less 2% of that amount (except the
24 amount collected on aviation fuel sold on or after December 1,
25 2019 and through December 31, 2020), which shall be deposited
26 into the Tax Compliance and Administration Fund and shall be

1 used by the Department in administering and enforcing the
2 provisions of this Section on behalf of the county, (ii) plus
3 an amount that the Department determines is necessary to offset
4 any amounts that were erroneously paid to a different taxing
5 body; (iii) less an amount equal to the amount of refunds made
6 during the second preceding calendar month by the Department on
7 behalf of the county; and (iv) less any amount that the
8 Department determines is necessary to offset any amounts that
9 were payable to a different taxing body but were erroneously
10 paid to the county. When certifying the amount of a monthly
11 disbursement to a county under this Section, the Department
12 shall increase or decrease the amounts by an amount necessary
13 to offset any miscalculation of previous disbursements within
14 the previous 6 months from the time a miscalculation is
15 discovered.

16 Within 10 days after receipt by the Comptroller from the
17 Department of the disbursement certification to the counties
18 provided for in this Section, the Comptroller shall cause the
19 orders to be drawn for the respective amounts in accordance
20 with directions contained in the certification.

21 If the Department determines that a refund should be made
22 under this Section to a claimant instead of issuing a credit
23 memorandum, then the Department shall notify the Comptroller,
24 who shall cause the order to be drawn for the amount specified
25 and to the person named in the notification from the
26 Department. The refund shall be paid by the Treasurer out of

1 the Flood Prevention Occupation Tax Fund or the Local
2 Government Aviation Trust Fund, as appropriate.

3 (g) If a county imposes a tax under this Section, then the
4 county board shall, by ordinance, discontinue the tax upon the
5 payment of all indebtedness of the flood prevention district.
6 The tax shall not be discontinued until all indebtedness of the
7 District has been paid.

8 (h) Any ordinance imposing the tax under this Section, or
9 any ordinance that discontinues the tax, must be certified by
10 the county clerk and filed with the Illinois Department of
11 Revenue either (i) on or before the first day of April,
12 whereupon the Department shall proceed to administer and
13 enforce the tax or change in the rate as of the first day of
14 July next following the filing; or (ii) on or before the first
15 day of October, whereupon the Department shall proceed to
16 administer and enforce the tax or change in the rate as of the
17 first day of January next following the filing.

18 (j) County Flood Prevention Occupation Tax Fund. All
19 proceeds received by a county from a tax distribution under
20 this Section must be maintained in a special fund known as the
21 [name of county] flood prevention occupation tax fund. The
22 county shall, at the direction of the flood prevention
23 district, use moneys in the fund to pay the costs of providing
24 emergency levee repair and flood prevention and to pay bonds,
25 notes, and other evidences of indebtedness issued under this
26 Act.

1 (k) Notwithstanding any other provision of law, no tax may
2 be imposed under this Section on the sale or use of cannabis,
3 as defined in Section 1-10 of the Cannabis Regulation and Tax
4 Act.

5 (k) This Section may be cited as the Flood Prevention
6 Occupation Tax Law.

7 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;
8 101-604, eff. 12-13-19.)

9 Section 20. The Metro-East Park and Recreation District Act
10 is amended by changing Section 30 as follows:

11 (70 ILCS 1605/30)

12 Sec. 30. Taxes.

13 (a) The board shall impose a tax upon all persons engaged
14 in the business of selling tangible personal property, other
15 than personal property titled or registered with an agency of
16 this State's government, at retail in the District on the gross
17 receipts from the sales made in the course of business. This
18 tax shall be imposed only at the rate of one-tenth of one per
19 cent.

20 This additional tax may not be imposed on tangible personal
21 property taxed at the 1% rate under the Retailers' Occupation
22 Tax Act. Beginning December 1, 2019 and through December 31,
23 2020, this tax is not imposed on sales of aviation fuel unless
24 the tax revenue is expended for airport-related purposes. If

1 the District does not have an airport-related purpose to which
2 it dedicates aviation fuel tax revenue, then aviation fuel
3 shall be excluded from tax. The board must comply with the
4 certification requirements for airport-related purposes under
5 Section 2-22 of the Retailers' Occupation Tax Act. For purposes
6 of this Act, "airport-related purposes" has the meaning
7 ascribed in Section 6z-20.2 of the State Finance Act. Beginning
8 January 1, 2021, this tax is not imposed on sales of aviation
9 fuel for so long as the revenue use requirements of 49 U.S.C.
10 47107(b) and 49 U.S.C. 47133 are binding on the District. The
11 tax imposed by the Board under this Section and all civil
12 penalties that may be assessed as an incident of the tax shall
13 be collected and enforced by the Department of Revenue. The
14 certificate of registration that is issued by the Department to
15 a retailer under the Retailers' Occupation Tax Act shall permit
16 the retailer to engage in a business that is taxable without
17 registering separately with the Department under an ordinance
18 or resolution under this Section. The Department has full power
19 to administer and enforce this Section, to collect all taxes
20 and penalties due under this Section, to dispose of taxes and
21 penalties so collected in the manner provided in this Section,
22 and to determine all rights to credit memoranda arising on
23 account of the erroneous payment of a tax or penalty under this
24 Section. In the administration of and compliance with this
25 Section, the Department and persons who are subject to this
26 Section shall (i) have the same rights, remedies, privileges,

1 immunities, powers, and duties, (ii) be subject to the same
2 conditions, restrictions, limitations, penalties, and
3 definitions of terms, and (iii) employ the same modes of
4 procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e,
5 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all
6 provisions contained in those Sections other than the State
7 rate of tax), 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except
8 provisions relating to transaction returns and quarter monthly
9 payments, and except that the retailer's discount is not
10 allowed for taxes paid on aviation fuel that are subject to the
11 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
12 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6,
13 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the
14 Retailers' Occupation Tax Act and the Uniform Penalty and
15 Interest Act as if those provisions were set forth in this
16 Section.

17 Persons subject to any tax imposed under the authority
18 granted in this Section may reimburse themselves for their
19 sellers' tax liability by separately stating the tax as an
20 additional charge, which charge may be stated in combination,
21 in a single amount, with State tax which sellers are required
22 to collect under the Use Tax Act, pursuant to such bracketed
23 schedules as the Department may prescribe.

24 Whenever the Department determines that a refund should be
25 made under this Section to a claimant instead of issuing a
26 credit memorandum, the Department shall notify the State

1 Comptroller, who shall cause the order to be drawn for the
2 amount specified and to the person named in the notification
3 from the Department. The refund shall be paid by the State
4 Treasurer out of the State Metro-East Park and Recreation
5 District Fund or the Local Government Aviation Trust Fund, as
6 appropriate.

7 (b) If a tax has been imposed under subsection (a), a
8 service occupation tax shall also be imposed at the same rate
9 upon all persons engaged, in the District, in the business of
10 making sales of service, who, as an incident to making those
11 sales of service, transfer tangible personal property within
12 the District as an incident to a sale of service. This tax may
13 not be imposed on tangible personal property taxed at the 1%
14 rate under the Service Occupation Tax Act. Beginning December
15 1, 2019 and through December 31, 2020, this tax may not be
16 imposed on sales of aviation fuel unless the tax revenue is
17 expended for airport-related purposes. If the District does not
18 have an airport-related purpose to which it dedicates aviation
19 fuel tax revenue, then aviation fuel shall be excluded from
20 tax. The board must comply with the certification requirements
21 for airport-related purposes under Section 2-22 of the
22 Retailers' Occupation Tax Act. For purposes of this Act,
23 "airport-related purposes" has the meaning ascribed in Section
24 6z-20.2 of the State Finance Act. Beginning January 1, 2021,
25 this tax is not imposed on sales of aviation fuel for so long
26 as the revenue use requirements of 49 U.S.C. 47107(b) and 49

1 U.S.C. 47133 are binding on the District. The tax imposed under
2 this subsection and all civil penalties that may be assessed as
3 an incident thereof shall be collected and enforced by the
4 Department of Revenue. The Department has full power to
5 administer and enforce this subsection; to collect all taxes
6 and penalties due hereunder; to dispose of taxes and penalties
7 so collected in the manner hereinafter provided; and to
8 determine all rights to credit memoranda arising on account of
9 the erroneous payment of tax or penalty hereunder. In the
10 administration of, and compliance with this subsection, the
11 Department and persons who are subject to this paragraph shall
12 (i) have the same rights, remedies, privileges, immunities,
13 powers, and duties, (ii) be subject to the same conditions,
14 restrictions, limitations, penalties, exclusions, exemptions,
15 and definitions of terms, and (iii) employ the same modes of
16 procedure as are prescribed in Sections 2 (except that the
17 reference to State in the definition of supplier maintaining a
18 place of business in this State shall mean the District), 2a,
19 2b, 2c, 3 through 3-50 (in respect to all provisions therein
20 other than the State rate of tax), 4 (except that the reference
21 to the State shall be to the District), 5, 7, 8 (except that
22 the jurisdiction to which the tax shall be a debt to the extent
23 indicated in that Section 8 shall be the District), 9 (except
24 as to the disposition of taxes and penalties collected, and
25 except that the retailer's discount is not allowed for taxes
26 paid on aviation fuel that are subject to the revenue use

1 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
2 11, 12 (except the reference therein to Section 2b of the
3 Retailers' Occupation Tax Act), 13 (except that any reference
4 to the State shall mean the District), Sections 15, 16, 17, 18,
5 19 and 20 of the Service Occupation Tax Act and the Uniform
6 Penalty and Interest Act, as fully as if those provisions were
7 set forth herein.

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

16 Whenever the Department determines that a refund should be
17 made under this subsection to a claimant instead of issuing a
18 credit memorandum, the Department shall notify the State
19 Comptroller, who shall cause the warrant to be drawn for the
20 amount specified, and to the person named, in the notification
21 from the Department. The refund shall be paid by the State
22 Treasurer out of the State Metro-East Park and Recreation
23 District Fund or the Local Government Aviation Trust Fund, as
24 appropriate.

25 Nothing in this subsection shall be construed to authorize
26 the board to impose a tax upon the privilege of engaging in any

1 business which under the Constitution of the United States may
2 not be made the subject of taxation by the State.

3 (c) Except as otherwise provided in this paragraph, the
4 Department shall immediately pay over to the State Treasurer,
5 ex officio, as trustee, all taxes and penalties collected under
6 this Section to be deposited into the State Metro-East Park and
7 Recreation District Fund, which shall be an unappropriated
8 trust fund held outside of the State treasury. Taxes and
9 penalties collected on aviation fuel sold on or after December
10 1, 2019 and through December 31, 2020, shall be immediately
11 paid over by the Department to the State Treasurer, ex officio,
12 as trustee, for deposit into the Local Government Aviation
13 Trust Fund. The Department shall only pay moneys into the Local
14 Government Aviation Trust Fund under this Act for so long as
15 the revenue use requirements of 49 U.S.C. 47107(b) and 49
16 U.S.C. 47133 are binding on the District.

17 As soon as possible after the first day of each month,
18 beginning January 1, 2011, upon certification of the Department
19 of Revenue, the Comptroller shall order transferred, and the
20 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
21 local sales tax increment, as defined in the Innovation
22 Development and Economy Act, collected under this Section
23 during the second preceding calendar month for sales within a
24 STAR bond district. The Department shall make this
25 certification only if the Metro East Park and Recreation
26 District imposes a tax on real property as provided in the

1 definition of "local sales taxes" under the Innovation
2 Development and Economy Act.

3 After the monthly transfer to the STAR Bonds Revenue Fund,
4 on or before the 25th day of each calendar month, the
5 Department shall prepare and certify to the Comptroller the
6 disbursement of stated sums of money pursuant to Section 35 of
7 this Act to the District from which retailers have paid taxes
8 or penalties to the Department during the second preceding
9 calendar month. The amount to be paid to the District shall be
10 the amount (not including credit memoranda and not including
11 taxes and penalties collected on aviation fuel sold on or after
12 December 1, 2019 and through December 31, 2020) collected under
13 this Section during the second preceding calendar month by the
14 Department plus an amount the Department determines is
15 necessary to offset any amounts that were erroneously paid to a
16 different taxing body, and not including (i) an amount equal to
17 the amount of refunds made during the second preceding calendar
18 month by the Department on behalf of the District, (ii) any
19 amount that the Department determines is necessary to offset
20 any amounts that were payable to a different taxing body but
21 were erroneously paid to the District, (iii) any amounts that
22 are transferred to the STAR Bonds Revenue Fund, and (iv) 1.5%
23 of the remainder, which the Department shall transfer into the
24 Tax Compliance and Administration Fund. The Department, at the
25 time of each monthly disbursement to the District, shall
26 prepare and certify to the State Comptroller the amount to be

1 transferred into the Tax Compliance and Administration Fund
2 under this subsection. Within 10 days after receipt by the
3 Comptroller of the disbursement certification to the District
4 and the Tax Compliance and Administration Fund provided for in
5 this Section to be given to the Comptroller by the Department,
6 the Comptroller shall cause the orders to be drawn for the
7 respective amounts in accordance with directions contained in
8 the certification.

9 (d) For the purpose of determining whether a tax authorized
10 under this Section is applicable, a retail sale by a producer
11 of coal or another mineral mined in Illinois is a sale at
12 retail at the place where the coal or other mineral mined in
13 Illinois is extracted from the earth. This paragraph does not
14 apply to coal or another mineral when it is delivered or
15 shipped by the seller to the purchaser at a point outside
16 Illinois so that the sale is exempt under the United States
17 Constitution as a sale in interstate or foreign commerce.

18 (e) Nothing in this Section shall be construed to authorize
19 the board to impose a tax upon the privilege of engaging in any
20 business that under the Constitution of the United States may
21 not be made the subject of taxation by this State.

22 (f) An ordinance imposing a tax under this Section or an
23 ordinance extending the imposition of a tax to an additional
24 county or counties shall be certified by the board and filed
25 with the Department of Revenue either (i) on or before the
26 first day of April, whereupon the Department shall proceed to

1 administer and enforce the tax as of the first day of July next
2 following the filing; or (ii) on or before the first day of
3 October, whereupon the Department shall proceed to administer
4 and enforce the tax as of the first day of January next
5 following the filing.

6 (g) When certifying the amount of a monthly disbursement to
7 the District under this Section, the Department shall increase
8 or decrease the amounts by an amount necessary to offset any
9 misallocation of previous disbursements. The offset amount
10 shall be the amount erroneously disbursed within the previous 6
11 months from the time a misallocation is discovered.

12 (h) Notwithstanding any other provision of law, no tax may
13 be imposed under this Section on the sale or use of cannabis,
14 as defined in Section 1-10 of the Cannabis Regulation and Tax
15 Act.

16 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
17 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
18 7-12-19; 101-604, eff. 12-13-19.)

19 Section 25. The Local Mass Transit District Act is amended
20 by changing Section 5.01 as follows:

21 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

22 Sec. 5.01. Metro East Mass Transit District; use and
23 occupation taxes.

24 (a) The Board of Trustees of any Metro East Mass Transit

1 District may, by ordinance adopted with the concurrence of
2 two-thirds of the then trustees, impose throughout the District
3 any or all of the taxes and fees provided in this Section.
4 Except as otherwise provided, all taxes and fees imposed under
5 this Section shall be used only for public mass transportation
6 systems, and the amount used to provide mass transit service to
7 unserved areas of the District shall be in the same proportion
8 to the total proceeds as the number of persons residing in the
9 unserved areas is to the total population of the District.
10 Except as otherwise provided in this Act, taxes imposed under
11 this Section and civil penalties imposed incident thereto shall
12 be collected and enforced by the State Department of Revenue.
13 The Department shall have the power to administer and enforce
14 the taxes and to determine all rights for refunds for erroneous
15 payments of the taxes.

16 (b) The Board may impose a Metro East Mass Transit District
17 Retailers' Occupation Tax upon all persons engaged in the
18 business of selling tangible personal property at retail in the
19 district at a rate of 1/4 of 1%, or as authorized under
20 subsection (d-5) of this Section, of the gross receipts from
21 the sales made in the course of such business within the
22 district, except that the rate of tax imposed under this
23 Section on sales of aviation fuel on or after December 1, 2019
24 shall be 0.25% in Madison County unless the Metro-East Mass
25 Transit District in Madison County has an "airport-related
26 purpose" and any additional amount authorized under subsection

1 (d-5) is expended for airport-related purposes. If there is no
2 airport-related purpose to which aviation fuel tax revenue is
3 dedicated, then aviation fuel is excluded from any additional
4 amount authorized under subsection (d-5). The rate in St. Clair
5 County shall be 0.25% unless the Metro-East Mass Transit
6 District in St. Clair County has an "airport-related purpose"
7 and the additional 0.50% of the 0.75% tax on aviation fuel
8 imposed in that County is expended for airport-related
9 purposes. If there is no airport-related purpose to which
10 aviation fuel tax revenue is dedicated, then aviation fuel is
11 excluded from the additional 0.50% of the 0.75% tax.

12 The Board must comply with the certification requirements
13 for airport-related purposes under Section 2-22 of the
14 Retailers' Occupation Tax Act. For purposes of this Section,
15 "airport-related purposes" has the meaning ascribed in Section
16 6z-20.2 of the State Finance Act. This exclusion for aviation
17 fuel only applies for so long as the revenue use requirements
18 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
19 District.

20 The tax imposed under this Section and all civil penalties
21 that may be assessed as an incident thereof shall be collected
22 and enforced by the State Department of Revenue. The Department
23 shall have full power to administer and enforce this Section;
24 to collect all taxes and penalties so collected in the manner
25 hereinafter provided; and to determine all rights to credit
26 memoranda arising on account of the erroneous payment of tax or

1 penalty hereunder. In the administration of, and compliance
2 with, this Section, the Department and persons who are subject
3 to this Section shall have the same rights, remedies,
4 privileges, immunities, powers and duties, and be subject to
5 the same conditions, restrictions, limitations, penalties,
6 exclusions, exemptions and definitions of terms and employ the
7 same modes of procedure, as are prescribed in Sections 1, 1a,
8 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all
9 provisions therein other than the State rate of tax), 2c, 3
10 (except as to the disposition of taxes and penalties collected,
11 and except that the retailer's discount is not allowed for
12 taxes paid on aviation fuel that are subject to the revenue use
13 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
14 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d,
15 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers' Occupation
16 Tax Act and Section 3-7 of the Uniform Penalty and Interest
17 Act, as fully as if those provisions were set forth herein.

18 Persons subject to any tax imposed under the Section may
19 reimburse themselves for their seller's tax liability
20 hereunder by separately stating the tax as an additional
21 charge, which charge may be stated in combination, in a single
22 amount, with State taxes that sellers are required to collect
23 under the Use Tax Act, in accordance with such bracket
24 schedules as the Department may prescribe.

25 Whenever the Department determines that a refund should be
26 made under this Section to a claimant instead of issuing a

1 credit memorandum, the Department shall notify the State
2 Comptroller, who shall cause the warrant to be drawn for the
3 amount specified, and to the person named, in the notification
4 from the Department. The refund shall be paid by the State
5 Treasurer out of the Metro East Mass Transit District tax fund
6 established under paragraph (h) of this Section or the Local
7 Government Aviation Trust Fund, as appropriate.

8 If a tax is imposed under this subsection (b), a tax shall
9 also be imposed under subsections (c) and (d) of this Section.

10 For the purpose of determining whether a tax authorized
11 under this Section is applicable, a retail sale, by a producer
12 of coal or other mineral mined in Illinois, is a sale at retail
13 at the place where the coal or other mineral mined in Illinois
14 is extracted from the earth. This paragraph does not apply to
15 coal or other mineral when it is delivered or shipped by the
16 seller to the purchaser at a point outside Illinois so that the
17 sale is exempt under the Federal Constitution as a sale in
18 interstate or foreign commerce.

19 No tax shall be imposed or collected under this subsection
20 on the sale of a motor vehicle in this State to a resident of
21 another state if that motor vehicle will not be titled in this
22 State.

23 Nothing in this Section shall be construed to authorize the
24 Metro East Mass Transit District to impose a tax upon the
25 privilege of engaging in any business which under the
26 Constitution of the United States may not be made the subject

1 of taxation by this State.

2 (c) If a tax has been imposed under subsection (b), a Metro
3 East Mass Transit District Service Occupation Tax shall also be
4 imposed upon all persons engaged, in the district, in the
5 business of making sales of service, who, as an incident to
6 making those sales of service, transfer tangible personal
7 property within the District, either in the form of tangible
8 personal property or in the form of real estate as an incident
9 to a sale of service. The tax rate shall be 1/4%, or as
10 authorized under subsection (d-5) of this Section, of the
11 selling price of tangible personal property so transferred
12 within the district, except that the rate of tax imposed in
13 these Counties under this Section on sales of aviation fuel on
14 or after December 1, 2019 shall be 0.25% in Madison County
15 unless the Metro-East Mass Transit District in Madison County
16 has an "airport-related purpose" and any additional amount
17 authorized under subsection (d-5) is expended for
18 airport-related purposes. If there is no airport-related
19 purpose to which aviation fuel tax revenue is dedicated, then
20 aviation fuel is excluded from any additional amount authorized
21 under subsection (d-5). The rate in St. Clair County shall be
22 0.25% unless the Metro-East Mass Transit District in St. Clair
23 County has an "airport-related purpose" and the additional
24 0.50% of the 0.75% tax on aviation fuel is expended for
25 airport-related purposes. If there is no airport-related
26 purpose to which aviation fuel tax revenue is dedicated, then

1 aviation fuel is excluded from the additional 0.50% of the
2 0.75% tax.

3 The Board must comply with the certification requirements
4 for airport-related purposes under Section 2-22 of the
5 Retailers' Occupation Tax Act. For purposes of this Section,
6 "airport-related purposes" has the meaning ascribed in Section
7 6z-20.2 of the State Finance Act. This exclusion for aviation
8 fuel only applies for so long as the revenue use requirements
9 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
10 District.

11 The tax imposed under this paragraph and all civil
12 penalties that may be assessed as an incident thereof shall be
13 collected and enforced by the State Department of Revenue. The
14 Department shall have full power to administer and enforce this
15 paragraph; to collect all taxes and penalties due hereunder; to
16 dispose of taxes and penalties so collected in the manner
17 hereinafter provided; and to determine all rights to credit
18 memoranda arising on account of the erroneous payment of tax or
19 penalty hereunder. In the administration of, and compliance
20 with this paragraph, the Department and persons who are subject
21 to this paragraph shall have the same rights, remedies,
22 privileges, immunities, powers and duties, and be subject to
23 the same conditions, restrictions, limitations, penalties,
24 exclusions, exemptions and definitions of terms and employ the
25 same modes of procedure as are prescribed in Sections 1a-1, 2
26 (except that the reference to State in the definition of

1 supplier maintaining a place of business in this State shall
2 mean the Authority), 2a, 3 through 3-50 (in respect to all
3 provisions therein other than the State rate of tax), 4 (except
4 that the reference to the State shall be to the Authority), 5,
5 7, 8 (except that the jurisdiction to which the tax shall be a
6 debt to the extent indicated in that Section 8 shall be the
7 District), 9 (except as to the disposition of taxes and
8 penalties collected, and except that the returned merchandise
9 credit for this tax may not be taken against any State tax, and
10 except that the retailer's discount is not allowed for taxes
11 paid on aviation fuel that are subject to the revenue use
12 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
13 11, 12 (except the reference therein to Section 2b of the
14 Retailers' Occupation Tax Act), 13 (except that any reference
15 to the State shall mean the District), the first paragraph of
16 Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax
17 Act and Section 3-7 of the Uniform Penalty and Interest Act, as
18 fully as if those provisions were set forth herein.

19 Persons subject to any tax imposed under the authority
20 granted in this paragraph may reimburse themselves for their
21 serviceman's tax liability hereunder by separately stating the
22 tax as an additional charge, which charge may be stated in
23 combination, in a single amount, with State tax that servicemen
24 are authorized to collect under the Service Use Tax Act, in
25 accordance with such bracket schedules as the Department may
26 prescribe.

1 Whenever the Department determines that a refund should be
2 made under this paragraph to a claimant instead of issuing a
3 credit memorandum, the Department shall notify the State
4 Comptroller, who shall cause the warrant to be drawn for the
5 amount specified, and to the person named, in the notification
6 from the Department. The refund shall be paid by the State
7 Treasurer out of the Metro East Mass Transit District tax fund
8 established under paragraph (h) of this Section or the Local
9 Government Aviation Trust Fund, as appropriate.

10 Nothing in this paragraph shall be construed to authorize
11 the District to impose a tax upon the privilege of engaging in
12 any business which under the Constitution of the United States
13 may not be made the subject of taxation by the State.

14 (d) If a tax has been imposed under subsection (b), a Metro
15 East Mass Transit District Use Tax shall also be imposed upon
16 the privilege of using, in the district, any item of tangible
17 personal property that is purchased outside the district at
18 retail from a retailer, and that is titled or registered with
19 an agency of this State's government, at a rate of 1/4%, or as
20 authorized under subsection (d-5) of this Section, of the
21 selling price of the tangible personal property within the
22 District, as "selling price" is defined in the Use Tax Act. The
23 tax shall be collected from persons whose Illinois address for
24 titling or registration purposes is given as being in the
25 District. The tax shall be collected by the Department of
26 Revenue for the Metro East Mass Transit District. The tax must

1 be paid to the State, or an exemption determination must be
2 obtained from the Department of Revenue, before the title or
3 certificate of registration for the property may be issued. The
4 tax or proof of exemption may be transmitted to the Department
5 by way of the State agency with which, or the State officer
6 with whom, the tangible personal property must be titled or
7 registered if the Department and the State agency or State
8 officer determine that this procedure will expedite the
9 processing of applications for title or registration.

10 The Department shall have full power to administer and
11 enforce this paragraph; to collect all taxes, penalties and
12 interest due hereunder; to dispose of taxes, penalties and
13 interest so collected in the manner hereinafter provided; and
14 to determine all rights to credit memoranda or refunds arising
15 on account of the erroneous payment of tax, penalty or interest
16 hereunder. In the administration of, and compliance with, this
17 paragraph, the Department and persons who are subject to this
18 paragraph shall have the same rights, remedies, privileges,
19 immunities, powers and duties, and be subject to the same
20 conditions, restrictions, limitations, penalties, exclusions,
21 exemptions and definitions of terms and employ the same modes
22 of procedure, as are prescribed in Sections 2 (except the
23 definition of "retailer maintaining a place of business in this
24 State"), 3 through 3-80 (except provisions pertaining to the
25 State rate of tax, and except provisions concerning collection
26 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,

1 19 (except the portions pertaining to claims by retailers and
2 except the last paragraph concerning refunds), 20, 21 and 22 of
3 the Use Tax Act and Section 3-7 of the Uniform Penalty and
4 Interest Act, that are not inconsistent with this paragraph, as
5 fully as if those provisions were set forth herein.

6 Whenever the Department determines that a refund should be
7 made under this paragraph to a claimant instead of issuing a
8 credit memorandum, the Department shall notify the State
9 Comptroller, who shall cause the order to be drawn for the
10 amount specified, and to the person named, in the notification
11 from the Department. The refund shall be paid by the State
12 Treasurer out of the Metro East Mass Transit District tax fund
13 established under paragraph (h) of this Section.

14 (d-5) (A) The county board of any county participating in
15 the Metro East Mass Transit District may authorize, by
16 ordinance, a referendum on the question of whether the tax
17 rates for the Metro East Mass Transit District Retailers'
18 Occupation Tax, the Metro East Mass Transit District Service
19 Occupation Tax, and the Metro East Mass Transit District Use
20 Tax for the District should be increased from 0.25% to 0.75%.
21 Upon adopting the ordinance, the county board shall certify the
22 proposition to the proper election officials who shall submit
23 the proposition to the voters of the District at the next
24 election, in accordance with the general election law.

25 The proposition shall be in substantially the following
26 form:

1 Shall the tax rates for the Metro East Mass Transit
2 District Retailers' Occupation Tax, the Metro East Mass
3 Transit District Service Occupation Tax, and the Metro East
4 Mass Transit District Use Tax be increased from 0.25% to
5 0.75%?

6 (B) Two thousand five hundred electors of any Metro East
7 Mass Transit District may petition the Chief Judge of the
8 Circuit Court, or any judge of that Circuit designated by the
9 Chief Judge, in which that District is located to cause to be
10 submitted to a vote of the electors the question whether the
11 tax rates for the Metro East Mass Transit District Retailers'
12 Occupation Tax, the Metro East Mass Transit District Service
13 Occupation Tax, and the Metro East Mass Transit District Use
14 Tax for the District should be increased from 0.25% to 0.75%.

15 Upon submission of such petition the court shall set a date
16 not less than 10 nor more than 30 days thereafter for a hearing
17 on the sufficiency thereof. Notice of the filing of such
18 petition and of such date shall be given in writing to the
19 District and the County Clerk at least 7 days before the date
20 of such hearing.

21 If such petition is found sufficient, the court shall enter
22 an order to submit that proposition at the next election, in
23 accordance with general election law.

24 The form of the petition shall be in substantially the
25 following form: To the Circuit Court of the County of (name of
26 county):

We, the undersigned electors of the (name of transit district), respectfully petition your honor to submit to a vote of the electors of (name of transit district) the following proposition:

Shall the tax rates for the Metro East Mass Transit District Retailers' Occupation Tax, the Metro East Mass Transit District Service Occupation Tax, and the Metro East Mass Transit District Use Tax be increased from 0.25% to 0.75%?

Name	Address, with Street and Number.
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.....

.....

(C) The votes shall be recorded as "YES" or "NO". If a majority of all votes cast on the proposition are for the increase in the tax rates, the Metro East Mass Transit District shall begin imposing the increased rates in the District, and the Department of Revenue shall begin collecting the increased amounts, as provided under this Section. An ordinance imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing, or on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July

1 next following the adoption and filing.

2 (D) If the voters have approved a referendum under this
3 subsection, before November 1, 1994, to increase the tax rate
4 under this subsection, the Metro East Mass Transit District
5 Board of Trustees may adopt by a majority vote an ordinance at
6 any time before January 1, 1995 that excludes from the rate
7 increase tangible personal property that is titled or
8 registered with an agency of this State's government. The
9 ordinance excluding titled or registered tangible personal
10 property from the rate increase must be filed with the
11 Department at least 15 days before its effective date. At any
12 time after adopting an ordinance excluding from the rate
13 increase tangible personal property that is titled or
14 registered with an agency of this State's government, the Metro
15 East Mass Transit District Board of Trustees may adopt an
16 ordinance applying the rate increase to that tangible personal
17 property. The ordinance shall be adopted, and a certified copy
18 of that ordinance shall be filed with the Department, on or
19 before October 1, whereupon the Department shall proceed to
20 administer and enforce the rate increase against tangible
21 personal property titled or registered with an agency of this
22 State's government as of the following January 1. After
23 December 31, 1995, any reimposed rate increase in effect under
24 this subsection shall no longer apply to tangible personal
25 property titled or registered with an agency of this State's
26 government. Beginning January 1, 1996, the Board of Trustees of

1 any Metro East Mass Transit District may never reimpose a
2 previously excluded tax rate increase on tangible personal
3 property titled or registered with an agency of this State's
4 government. After July 1, 2004, if the voters have approved a
5 referendum under this subsection to increase the tax rate under
6 this subsection, the Metro East Mass Transit District Board of
7 Trustees may adopt by a majority vote an ordinance that
8 excludes from the rate increase tangible personal property that
9 is titled or registered with an agency of this State's
10 government. The ordinance excluding titled or registered
11 tangible personal property from the rate increase shall be
12 adopted, and a certified copy of that ordinance shall be filed
13 with the Department on or before October 1, whereupon the
14 Department shall administer and enforce this exclusion from the
15 rate increase as of the following January 1, or on or before
16 April 1, whereupon the Department shall administer and enforce
17 this exclusion from the rate increase as of the following July
18 1. The Board of Trustees of any Metro East Mass Transit
19 District may never reimpose a previously excluded tax rate
20 increase on tangible personal property titled or registered
21 with an agency of this State's government.

22 (d-6) If the Board of Trustees of any Metro East Mass
23 Transit District has imposed a rate increase under subsection
24 (d-5) and filed an ordinance with the Department of Revenue
25 excluding titled property from the higher rate, then that Board
26 may, by ordinance adopted with the concurrence of two-thirds of

1 the then trustees, impose throughout the District a fee. The
2 fee on the excluded property shall not exceed \$20 per retail
3 transaction or an amount equal to the amount of tax excluded,
4 whichever is less, on tangible personal property that is titled
5 or registered with an agency of this State's government.
6 Beginning July 1, 2004, the fee shall apply only to titled
7 property that is subject to either the Metro East Mass Transit
8 District Retailers' Occupation Tax or the Metro East Mass
9 Transit District Service Occupation Tax. No fee shall be
10 imposed or collected under this subsection on the sale of a
11 motor vehicle in this State to a resident of another state if
12 that motor vehicle will not be titled in this State.

13 (d-7) Until June 30, 2004, if a fee has been imposed under
14 subsection (d-6), a fee shall also be imposed upon the
15 privilege of using, in the district, any item of tangible
16 personal property that is titled or registered with any agency
17 of this State's government, in an amount equal to the amount of
18 the fee imposed under subsection (d-6).

19 (d-7.1) Beginning July 1, 2004, any fee imposed by the
20 Board of Trustees of any Metro East Mass Transit District under
21 subsection (d-6) and all civil penalties that may be assessed
22 as an incident of the fees shall be collected and enforced by
23 the State Department of Revenue. Reference to "taxes" in this
24 Section shall be construed to apply to the administration,
25 payment, and remittance of all fees under this Section. For
26 purposes of any fee imposed under subsection (d-6), 4% of the

1 fee, penalty, and interest received by the Department in the
2 first 12 months that the fee is collected and enforced by the
3 Department and 2% of the fee, penalty, and interest following
4 the first 12 months (except the amount collected on aviation
5 fuel sold on or after December 1, 2019) shall be deposited into
6 the Tax Compliance and Administration Fund and shall be used by
7 the Department, subject to appropriation, to cover the costs of
8 the Department. No retailers' discount shall apply to any fee
9 imposed under subsection (d-6).

10 (d-8) No item of titled property shall be subject to both
11 the higher rate approved by referendum, as authorized under
12 subsection (d-5), and any fee imposed under subsection (d-6) or
13 (d-7).

14 (d-9) (Blank).

15 (d-10) (Blank).

16 (e) A certificate of registration issued by the State
17 Department of Revenue to a retailer under the Retailers'
18 Occupation Tax Act or under the Service Occupation Tax Act
19 shall permit the registrant to engage in a business that is
20 taxed under the tax imposed under paragraphs (b), (c) or (d) of
21 this Section and no additional registration shall be required
22 under the tax. A certificate issued under the Use Tax Act or
23 the Service Use Tax Act shall be applicable with regard to any
24 tax imposed under paragraph (c) of this Section.

25 (f) (Blank).

26 (g) Any ordinance imposing or discontinuing any tax under

1 this Section shall be adopted and a certified copy thereof
2 filed with the Department on or before June 1, whereupon the
3 Department of Revenue shall proceed to administer and enforce
4 this Section on behalf of the Metro East Mass Transit District
5 as of September 1 next following such adoption and filing.
6 Beginning January 1, 1992, an ordinance or resolution imposing
7 or discontinuing the tax hereunder shall be adopted and a
8 certified copy thereof filed with the Department on or before
9 the first day of July, whereupon the Department shall proceed
10 to administer and enforce this Section as of the first day of
11 October next following such adoption and filing. Beginning
12 January 1, 1993, except as provided in subsection (d-5) of this
13 Section, an ordinance or resolution imposing or discontinuing
14 the tax hereunder shall be adopted and a certified copy thereof
15 filed with the Department on or before the first day of
16 October, whereupon the Department shall proceed to administer
17 and enforce this Section as of the first day of January next
18 following such adoption and filing, or, beginning January 1,
19 2004, on or before the first day of April, whereupon the
20 Department shall proceed to administer and enforce this Section
21 as of the first day of July next following the adoption and
22 filing.

23 (h) Except as provided in subsection (d-7.1), the State
24 Department of Revenue shall, upon collecting any taxes as
25 provided in this Section, pay the taxes over to the State
26 Treasurer as trustee for the District. The taxes shall be held

1 in a trust fund outside the State Treasury. If an
2 airport-related purpose has been certified, taxes and
3 penalties collected in St. Clair County on aviation fuel sold
4 on or after December 1, 2019 from the 0.50% of the 0.75% rate
5 shall be immediately paid over by the Department to the State
6 Treasurer, ex officio, as trustee, for deposit into the Local
7 Government Aviation Trust Fund. The Department shall only pay
8 moneys into the Local Government Aviation Trust Fund under this
9 Act for so long as the revenue use requirements of 49 U.S.C.
10 47107(b) and 49 U.S.C. 47133 are binding on the District.

11 As soon as possible after the first day of each month,
12 beginning January 1, 2011, upon certification of the Department
13 of Revenue, the Comptroller shall order transferred, and the
14 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
15 local sales tax increment, as defined in the Innovation
16 Development and Economy Act, collected under this Section
17 during the second preceding calendar month for sales within a
18 STAR bond district. The Department shall make this
19 certification only if the local mass transit district imposes a
20 tax on real property as provided in the definition of "local
21 sales taxes" under the Innovation Development and Economy Act.

22 After the monthly transfer to the STAR Bonds Revenue Fund,
23 on or before the 25th day of each calendar month, the State
24 Department of Revenue shall prepare and certify to the
25 Comptroller of the State of Illinois the amount to be paid to
26 the District, which shall be the amount (not including credit

1 memoranda and not including taxes and penalties collected on
2 aviation fuel sold on or after December 1, 2019 that are
3 deposited into the Local Government Aviation Trust Fund)
4 collected under this Section during the second preceding
5 calendar month by the Department plus an amount the Department
6 determines is necessary to offset any amounts that were
7 erroneously paid to a different taxing body, and not including
8 any amount equal to the amount of refunds made during the
9 second preceding calendar month by the Department on behalf of
10 the District, and not including any amount that the Department
11 determines is necessary to offset any amounts that were payable
12 to a different taxing body but were erroneously paid to the
13 District, and less any amounts that are transferred to the STAR
14 Bonds Revenue Fund, less 1.5% of the remainder, which the
15 Department shall transfer into the Tax Compliance and
16 Administration Fund. The Department, at the time of each
17 monthly disbursement to the District, shall prepare and certify
18 to the State Comptroller the amount to be transferred into the
19 Tax Compliance and Administration Fund under this subsection.
20 Within 10 days after receipt by the Comptroller of the
21 certification of the amount to be paid to the District and the
22 Tax Compliance and Administration Fund, the Comptroller shall
23 cause an order to be drawn for payment for the amount in
24 accordance with the direction in the certification.

25 (i) Notwithstanding any other provision of law, no tax may
26 be imposed under this Section on the sale or use of cannabis,

1 as defined in Section 1-10 of the Cannabis Regulation and Tax
2 Act.

3 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
4 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

5 Section 30. The Regional Transportation Authority Act is
6 amended by changing Section 4.03 as follows:

7 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

8 Sec. 4.03. Taxes.

9 (a) In order to carry out any of the powers or purposes of
10 the Authority, the Board may by ordinance adopted with the
11 concurrence of 12 of the then Directors, impose throughout the
12 metropolitan region any or all of the taxes provided in this
13 Section. Except as otherwise provided in this Act, taxes
14 imposed under this Section and civil penalties imposed incident
15 thereto shall be collected and enforced by the State Department
16 of Revenue. The Department shall have the power to administer
17 and enforce the taxes and to determine all rights for refunds
18 for erroneous payments of the taxes. Nothing in Public Act
19 95-708 is intended to invalidate any taxes currently imposed by
20 the Authority. The increased vote requirements to impose a tax
21 shall only apply to actions taken after January 1, 2008 (the
22 effective date of Public Act 95-708).

23 (b) The Board may impose a public transportation tax upon
24 all persons engaged in the metropolitan region in the business

1 of selling at retail motor fuel for operation of motor vehicles
2 upon public highways. The tax shall be at a rate not to exceed
3 5% of the gross receipts from the sales of motor fuel in the
4 course of the business. As used in this Act, the term "motor
5 fuel" shall have the same meaning as in the Motor Fuel Tax Law.
6 The Board may provide for details of the tax. The provisions of
7 any tax shall conform, as closely as may be practicable, to the
8 provisions of the Municipal Retailers Occupation Tax Act,
9 including without limitation, conformity to penalties with
10 respect to the tax imposed and as to the powers of the State
11 Department of Revenue to promulgate and enforce rules and
12 regulations relating to the administration and enforcement of
13 the provisions of the tax imposed, except that reference in the
14 Act to any municipality shall refer to the Authority and the
15 tax shall be imposed only with regard to receipts from sales of
16 motor fuel in the metropolitan region, at rates as limited by
17 this Section.

18 (c) In connection with the tax imposed under paragraph (b)
19 of this Section, the Board may impose a tax upon the privilege
20 of using in the metropolitan region motor fuel for the
21 operation of a motor vehicle upon public highways, the tax to
22 be at a rate not in excess of the rate of tax imposed under
23 paragraph (b) of this Section. The Board may provide for
24 details of the tax.

25 (d) The Board may impose a motor vehicle parking tax upon
26 the privilege of parking motor vehicles at off-street parking

1 facilities in the metropolitan region at which a fee is
2 charged, and may provide for reasonable classifications in and
3 exemptions to the tax, for administration and enforcement
4 thereof and for civil penalties and refunds thereunder and may
5 provide criminal penalties thereunder, the maximum penalties
6 not to exceed the maximum criminal penalties provided in the
7 Retailers' Occupation Tax Act. The Authority may collect and
8 enforce the tax itself or by contract with any unit of local
9 government. The State Department of Revenue shall have no
10 responsibility for the collection and enforcement unless the
11 Department agrees with the Authority to undertake the
12 collection and enforcement. As used in this paragraph, the term
13 "parking facility" means a parking area or structure having
14 parking spaces for more than 2 vehicles at which motor vehicles
15 are permitted to park in return for an hourly, daily, or other
16 periodic fee, whether publicly or privately owned, but does not
17 include parking spaces on a public street, the use of which is
18 regulated by parking meters.

19 (e) The Board may impose a Regional Transportation
20 Authority Retailers' Occupation Tax upon all persons engaged in
21 the business of selling tangible personal property at retail in
22 the metropolitan region. In Cook County, the tax rate shall be
23 1.25% of the gross receipts from sales of tangible personal
24 property taxed at the 1% rate under the Retailers' Occupation
25 Tax Act, and 1% of the gross receipts from other taxable sales
26 made in the course of that business. In DuPage, Kane, Lake,

1 McHenry, and Will counties, the tax rate shall be 0.75% of the
2 gross receipts from all taxable sales made in the course of
3 that business. The rate of tax imposed in DuPage, Kane, Lake,
4 McHenry, and Will counties under this Section on sales of
5 aviation fuel on or after December 1, 2019 shall, however, be
6 0.25% unless the Regional Transportation Authority in DuPage,
7 Kane, Lake, McHenry, and Will counties has an "airport-related
8 purpose" and the additional 0.50% of the 0.75% tax on aviation
9 fuel is expended for airport-related purposes. If there is no
10 airport-related purpose to which aviation fuel tax revenue is
11 dedicated, then aviation fuel is excluded from the additional
12 0.50% of the 0.75% tax. The tax imposed under this Section and
13 all civil penalties that may be assessed as an incident thereof
14 shall be collected and enforced by the State Department of
15 Revenue. The Department shall have full power to administer and
16 enforce this Section; to collect all taxes and penalties so
17 collected in the manner hereinafter provided; and to determine
18 all rights to credit memoranda arising on account of the
19 erroneous payment of tax or penalty hereunder. In the
20 administration of, and compliance with this Section, the
21 Department and persons who are subject to this Section shall
22 have the same rights, remedies, privileges, immunities,
23 powers, and duties, and be subject to the same conditions,
24 restrictions, limitations, penalties, exclusions, exemptions,
25 and definitions of terms, and employ the same modes of
26 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,

1 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
2 therein other than the State rate of tax), 2c, 3 (except as to
3 the disposition of taxes and penalties collected, and except
4 that the retailer's discount is not allowed for taxes paid on
5 aviation fuel that are subject to the revenue use requirements
6 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
7 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
8 10, 11, 12, and 13 of the Retailers' Occupation Tax Act and
9 Section 3-7 of the Uniform Penalty and Interest Act, as fully
10 as if those provisions were set forth herein.

11 The Board and DuPage, Kane, Lake, McHenry, and Will
12 counties must comply with the certification requirements for
13 airport-related purposes under Section 2-22 of the Retailers'
14 Occupation Tax Act. For purposes of this Section,
15 "airport-related purposes" has the meaning ascribed in Section
16 6z-20.2 of the State Finance Act. This exclusion for aviation
17 fuel only applies for so long as the revenue use requirements
18 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
19 Authority.

20 Persons subject to any tax imposed under the authority
21 granted in this Section may reimburse themselves for their
22 seller's tax liability hereunder by separately stating the tax
23 as an additional charge, which charge may be stated in
24 combination in a single amount with State taxes that sellers
25 are required to collect under the Use Tax Act, under any
26 bracket schedules the Department may prescribe.

1 Whenever the Department determines that a refund should be
2 made under this Section to a claimant instead of issuing a
3 credit memorandum, the Department shall notify the State
4 Comptroller, who shall cause the warrant to be drawn for the
5 amount specified, and to the person named, in the notification
6 from the Department. The refund shall be paid by the State
7 Treasurer out of the Regional Transportation Authority tax fund
8 established under paragraph (n) of this Section or the Local
9 Government Aviation Trust Fund, as appropriate.

10 If a tax is imposed under this subsection (e), a tax shall
11 also be imposed under subsections (f) and (g) of this Section.

12 For the purpose of determining whether a tax authorized
13 under this Section is applicable, a retail sale by a producer
14 of coal or other mineral mined in Illinois, is a sale at retail
15 at the place where the coal or other mineral mined in Illinois
16 is extracted from the earth. This paragraph does not apply to
17 coal or other mineral when it is delivered or shipped by the
18 seller to the purchaser at a point outside Illinois so that the
19 sale is exempt under the Federal Constitution as a sale in
20 interstate or foreign commerce.

21 No tax shall be imposed or collected under this subsection
22 on the sale of a motor vehicle in this State to a resident of
23 another state if that motor vehicle will not be titled in this
24 State.

25 Nothing in this Section shall be construed to authorize the
26 Regional Transportation Authority to impose a tax upon the

1 privilege of engaging in any business that under the
2 Constitution of the United States may not be made the subject
3 of taxation by this State.

4 (f) If a tax has been imposed under paragraph (e), a
5 Regional Transportation Authority Service Occupation Tax shall
6 also be imposed upon all persons engaged, in the metropolitan
7 region in the business of making sales of service, who as an
8 incident to making the sales of service, transfer tangible
9 personal property within the metropolitan region, either in the
10 form of tangible personal property or in the form of real
11 estate as an incident to a sale of service. In Cook County, the
12 tax rate shall be: (1) 1.25% of the serviceman's cost price of
13 food prepared for immediate consumption and transferred
14 incident to a sale of service subject to the service occupation
15 tax by an entity licensed under the Hospital Licensing Act, the
16 Nursing Home Care Act, the Specialized Mental Health
17 Rehabilitation Act of 2013, the ID/DD Community Care Act, or
18 the MC/DD Act that is located in the metropolitan region; (2)
19 1.25% of the selling price of tangible personal property taxed
20 at the 1% rate under the Service Occupation Tax Act; and (3) 1%
21 of the selling price from other taxable sales of tangible
22 personal property transferred. In DuPage, Kane, Lake, McHenry,
23 and Will counties, the rate shall be 0.75% of the selling price
24 of all tangible personal property transferred. The rate of tax
25 imposed in DuPage, Kane, Lake, McHenry, and Will counties under
26 this Section on sales of aviation fuel on or after December 1,

1 2019 shall, however, be 0.25% unless the Regional
2 Transportation Authority in DuPage, Kane, Lake, McHenry, and
3 Will counties has an "airport-related purpose" and the
4 additional 0.50% of the 0.75% tax on aviation fuel is expended
5 for airport-related purposes. If there is no airport-related
6 purpose to which aviation fuel tax revenue is dedicated, then
7 aviation fuel is excluded from the additional 0.5% of the 0.75%
8 tax.

9 The Board and DuPage, Kane, Lake, McHenry, and Will
10 counties must comply with the certification requirements for
11 airport-related purposes under Section 2-22 of the Retailers'
12 Occupation Tax Act. For purposes of this Section,
13 "airport-related purposes" has the meaning ascribed in Section
14 6z-20.2 of the State Finance Act. This exclusion for aviation
15 fuel only applies for so long as the revenue use requirements
16 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
17 Authority.

18 The tax imposed under this paragraph and all civil
19 penalties that may be assessed as an incident thereof shall be
20 collected and enforced by the State Department of Revenue. The
21 Department shall have full power to administer and enforce this
22 paragraph; to collect all taxes and penalties due hereunder; to
23 dispose of taxes and penalties collected in the manner
24 hereinafter provided; and to determine all rights to credit
25 memoranda arising on account of the erroneous payment of tax or
26 penalty hereunder. In the administration of and compliance with

1 this paragraph, the Department and persons who are subject to
2 this paragraph shall have the same rights, remedies,
3 privileges, immunities, powers, and duties, and be subject to
4 the same conditions, restrictions, limitations, penalties,
5 exclusions, exemptions, and definitions of terms, and employ
6 the same modes of procedure, as are prescribed in Sections
7 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions
8 therein other than the State rate of tax), 4 (except that the
9 reference to the State shall be to the Authority), 5, 7, 8
10 (except that the jurisdiction to which the tax shall be a debt
11 to the extent indicated in that Section 8 shall be the
12 Authority), 9 (except as to the disposition of taxes and
13 penalties collected, and except that the returned merchandise
14 credit for this tax may not be taken against any State tax, and
15 except that the retailer's discount is not allowed for taxes
16 paid on aviation fuel that are subject to the revenue use
17 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
18 11, 12 (except the reference therein to Section 2b of the
19 Retailers' Occupation Tax Act), 13 (except that any reference
20 to the State shall mean the Authority), the first paragraph of
21 Section 15, 16, 17, 18, 19, and 20 of the Service Occupation
22 Tax Act and Section 3-7 of the Uniform Penalty and Interest
23 Act, as fully as if those provisions were set forth herein.

24 Persons subject to any tax imposed under the authority
25 granted in this paragraph may reimburse themselves for their
26 serviceman's tax liability hereunder by separately stating the

1 tax as an additional charge, that charge may be stated in
2 combination in a single amount with State tax that servicemen
3 are authorized to collect under the Service Use Tax Act, under
4 any bracket schedules the Department may prescribe.

5 Whenever the Department determines that a refund should be
6 made under this paragraph to a claimant instead of issuing a
7 credit memorandum, the Department shall notify the State
8 Comptroller, who shall cause the warrant to be drawn for the
9 amount specified, and to the person named in the notification
10 from the Department. The refund shall be paid by the State
11 Treasurer out of the Regional Transportation Authority tax fund
12 established under paragraph (n) of this Section or the Local
13 Government Aviation Trust Fund, as appropriate.

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

18 (g) If a tax has been imposed under paragraph (e), a tax
19 shall also be imposed upon the privilege of using in the
20 metropolitan region, any item of tangible personal property
21 that is purchased outside the metropolitan region at retail
22 from a retailer, and that is titled or registered with an
23 agency of this State's government. In Cook County, the tax rate
24 shall be 1% of the selling price of the tangible personal
25 property, as "selling price" is defined in the Use Tax Act. In
26 DuPage, Kane, Lake, McHenry, and Will counties, the tax rate

1 shall be 0.75% of the selling price of the tangible personal
2 property, as "selling price" is defined in the Use Tax Act. The
3 tax shall be collected from persons whose Illinois address for
4 titling or registration purposes is given as being in the
5 metropolitan region. The tax shall be collected by the
6 Department of Revenue for the Regional Transportation
7 Authority. The tax must be paid to the State, or an exemption
8 determination must be obtained from the Department of Revenue,
9 before the title or certificate of registration for the
10 property may be issued. The tax or proof of exemption may be
11 transmitted to the Department by way of the State agency with
12 which, or the State officer with whom, the tangible personal
13 property must be titled or registered if the Department and the
14 State agency or State officer determine that this procedure
15 will expedite the processing of applications for title or
16 registration.

17 The Department shall have full power to administer and
18 enforce this paragraph; to collect all taxes, penalties, and
19 interest due hereunder; to dispose of taxes, penalties, and
20 interest collected in the manner hereinafter provided; and to
21 determine all rights to credit memoranda or refunds arising on
22 account of the erroneous payment of tax, penalty, or interest
23 hereunder. In the administration of and compliance with this
24 paragraph, the Department and persons who are subject to this
25 paragraph shall have the same rights, remedies, privileges,
26 immunities, powers, and duties, and be subject to the same

1 conditions, restrictions, limitations, penalties, exclusions,
2 exemptions, and definitions of terms and employ the same modes
3 of procedure, as are prescribed in Sections 2 (except the
4 definition of "retailer maintaining a place of business in this
5 State"), 3 through 3-80 (except provisions pertaining to the
6 State rate of tax, and except provisions concerning collection
7 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,
8 19 (except the portions pertaining to claims by retailers and
9 except the last paragraph concerning refunds), 20, 21, and 22
10 of the Use Tax Act, and are not inconsistent with this
11 paragraph, as fully as if those provisions were set forth
12 herein.

13 Whenever the Department determines that a refund should be
14 made under this paragraph to a claimant instead of issuing a
15 credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause the order to be drawn for the
17 amount specified, and to the person named in the notification
18 from the Department. The refund shall be paid by the State
19 Treasurer out of the Regional Transportation Authority tax fund
20 established under paragraph (n) of this Section.

21 (h) The Authority may impose a replacement vehicle tax of
22 \$50 on any passenger car as defined in Section 1-157 of the
23 Illinois Vehicle Code purchased within the metropolitan region
24 by or on behalf of an insurance company to replace a passenger
25 car of an insured person in settlement of a total loss claim.
26 The tax imposed may not become effective before the first day

1 of the month following the passage of the ordinance imposing
2 the tax and receipt of a certified copy of the ordinance by the
3 Department of Revenue. The Department of Revenue shall collect
4 the tax for the Authority in accordance with Sections 3-2002
5 and 3-2003 of the Illinois Vehicle Code.

6 The Department shall immediately pay over to the State
7 Treasurer, ex officio, as trustee, all taxes collected
8 hereunder.

9 As soon as possible after the first day of each month,
10 beginning January 1, 2011, upon certification of the Department
11 of Revenue, the Comptroller shall order transferred, and the
12 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
13 local sales tax increment, as defined in the Innovation
14 Development and Economy Act, collected under this Section
15 during the second preceding calendar month for sales within a
16 STAR bond district.

17 After the monthly transfer to the STAR Bonds Revenue Fund,
18 on or before the 25th day of each calendar month, the
19 Department shall prepare and certify to the Comptroller the
20 disbursement of stated sums of money to the Authority. The
21 amount to be paid to the Authority shall be the amount
22 collected hereunder during the second preceding calendar month
23 by the Department, less any amount determined by the Department
24 to be necessary for the payment of refunds, and less any
25 amounts that are transferred to the STAR Bonds Revenue Fund.
26 Within 10 days after receipt by the Comptroller of the

1 disbursement certification to the Authority provided for in
2 this Section to be given to the Comptroller by the Department,
3 the Comptroller shall cause the orders to be drawn for that
4 amount in accordance with the directions contained in the
5 certification.

6 (i) The Board may not impose any other taxes except as it
7 may from time to time be authorized by law to impose.

8 (j) A certificate of registration issued by the State
9 Department of Revenue to a retailer under the Retailers'
10 Occupation Tax Act or under the Service Occupation Tax Act
11 shall permit the registrant to engage in a business that is
12 taxed under the tax imposed under paragraphs (b), (e), (f) or
13 (g) of this Section and no additional registration shall be
14 required under the tax. A certificate issued under the Use Tax
15 Act or the Service Use Tax Act shall be applicable with regard
16 to any tax imposed under paragraph (c) of this Section.

17 (k) The provisions of any tax imposed under paragraph (c)
18 of this Section shall conform as closely as may be practicable
19 to the provisions of the Use Tax Act, including without
20 limitation conformity as to penalties with respect to the tax
21 imposed and as to the powers of the State Department of Revenue
22 to promulgate and enforce rules and regulations relating to the
23 administration and enforcement of the provisions of the tax
24 imposed. The taxes shall be imposed only on use within the
25 metropolitan region and at rates as provided in the paragraph.

26 (l) The Board in imposing any tax as provided in paragraphs

1 (b) and (c) of this Section, shall, after seeking the advice of
2 the State Department of Revenue, provide means for retailers,
3 users or purchasers of motor fuel for purposes other than those
4 with regard to which the taxes may be imposed as provided in
5 those paragraphs to receive refunds of taxes improperly paid,
6 which provisions may be at variance with the refund provisions
7 as applicable under the Municipal Retailers Occupation Tax Act.
8 The State Department of Revenue may provide for certificates of
9 registration for users or purchasers of motor fuel for purposes
10 other than those with regard to which taxes may be imposed as
11 provided in paragraphs (b) and (c) of this Section to
12 facilitate the reporting and nontaxability of the exempt sales
13 or uses.

14 (m) Any ordinance imposing or discontinuing any tax under
15 this Section shall be adopted and a certified copy thereof
16 filed with the Department on or before June 1, whereupon the
17 Department of Revenue shall proceed to administer and enforce
18 this Section on behalf of the Regional Transportation Authority
19 as of September 1 next following such adoption and filing.
20 Beginning January 1, 1992, an ordinance or resolution imposing
21 or discontinuing the tax hereunder shall be adopted and a
22 certified copy thereof filed with the Department on or before
23 the first day of July, whereupon the Department shall proceed
24 to administer and enforce this Section as of the first day of
25 October next following such adoption and filing. Beginning
26 January 1, 1993, an ordinance or resolution imposing,

1 increasing, decreasing, or discontinuing the tax hereunder
2 shall be adopted and a certified copy thereof filed with the
3 Department, whereupon the Department shall proceed to
4 administer and enforce this Section as of the first day of the
5 first month to occur not less than 60 days following such
6 adoption and filing. Any ordinance or resolution of the
7 Authority imposing a tax under this Section and in effect on
8 August 1, 2007 shall remain in full force and effect and shall
9 be administered by the Department of Revenue under the terms
10 and conditions and rates of tax established by such ordinance
11 or resolution until the Department begins administering and
12 enforcing an increased tax under this Section as authorized by
13 Public Act 95-708. The tax rates authorized by Public Act
14 95-708 are effective only if imposed by ordinance of the
15 Authority.

16 (n) Except as otherwise provided in this subsection (n),
17 the State Department of Revenue shall, upon collecting any
18 taxes as provided in this Section, pay the taxes over to the
19 State Treasurer as trustee for the Authority. The taxes shall
20 be held in a trust fund outside the State Treasury. If an
21 airport-related purpose has been certified, taxes and
22 penalties collected in DuPage, Kane, Lake, McHenry and Will
23 counties on aviation fuel sold on or after December 1, 2019
24 from the 0.50% of the 0.75% rate shall be immediately paid over
25 by the Department to the State Treasurer, ex officio, as
26 trustee, for deposit into the Local Government Aviation Trust

1 Fund. The Department shall only pay moneys into the Local
2 Government Aviation Trust Fund under this Act for so long as
3 the revenue use requirements of 49 U.S.C. 47107(b) and 49
4 U.S.C. 47133 are binding on the Authority. On or before the
5 25th day of each calendar month, the State Department of
6 Revenue shall prepare and certify to the Comptroller of the
7 State of Illinois and to the Authority (i) the amount of taxes
8 collected in each county other than Cook County in the
9 metropolitan region, (not including, if an airport-related
10 purpose has been certified, the taxes and penalties collected
11 from the 0.50% of the 0.75% rate on aviation fuel sold on or
12 after December 1, 2019 that are deposited into the Local
13 Government Aviation Trust Fund) (ii) the amount of taxes
14 collected within the City of Chicago, and (iii) the amount
15 collected in that portion of Cook County outside of Chicago,
16 each amount less the amount necessary for the payment of
17 refunds to taxpayers located in those areas described in items
18 (i), (ii), and (iii), and less 1.5% of the remainder, which
19 shall be transferred from the trust fund into the Tax
20 Compliance and Administration Fund. The Department, at the time
21 of each monthly disbursement to the Authority, shall prepare
22 and certify to the State Comptroller the amount to be
23 transferred into the Tax Compliance and Administration Fund
24 under this subsection. Within 10 days after receipt by the
25 Comptroller of the certification of the amounts, the
26 Comptroller shall cause an order to be drawn for the transfer

1 of the amount certified into the Tax Compliance and
2 Administration Fund and the payment of two-thirds of the
3 amounts certified in item (i) of this subsection to the
4 Authority and one-third of the amounts certified in item (i) of
5 this subsection to the respective counties other than Cook
6 County and the amount certified in items (ii) and (iii) of this
7 subsection to the Authority.

8 In addition to the disbursement required by the preceding
9 paragraph, an allocation shall be made in July 1991 and each
10 year thereafter to the Regional Transportation Authority. The
11 allocation shall be made in an amount equal to the average
12 monthly distribution during the preceding calendar year
13 (excluding the 2 months of lowest receipts) and the allocation
14 shall include the amount of average monthly distribution from
15 the Regional Transportation Authority Occupation and Use Tax
16 Replacement Fund. The distribution made in July 1992 and each
17 year thereafter under this paragraph and the preceding
18 paragraph shall be reduced by the amount allocated and
19 disbursed under this paragraph in the preceding calendar year.
20 The Department of Revenue shall prepare and certify to the
21 Comptroller for disbursement the allocations made in
22 accordance with this paragraph.

23 (o) Failure to adopt a budget ordinance or otherwise to
24 comply with Section 4.01 of this Act or to adopt a Five-year
25 Capital Program or otherwise to comply with paragraph (b) of
26 Section 2.01 of this Act shall not affect the validity of any

1 tax imposed by the Authority otherwise in conformity with law.

2 (p) At no time shall a public transportation tax or motor
3 vehicle parking tax authorized under paragraphs (b), (c), and
4 (d) of this Section be in effect at the same time as any
5 retailers' occupation, use or service occupation tax
6 authorized under paragraphs (e), (f), and (g) of this Section
7 is in effect.

8 Any taxes imposed under the authority provided in
9 paragraphs (b), (c), and (d) shall remain in effect only until
10 the time as any tax authorized by paragraph (e), (f), or (g) of
11 this Section are imposed and becomes effective. Once any tax
12 authorized by paragraph (e), (f), or (g) is imposed the Board
13 may not reimpose taxes as authorized in paragraphs (b), (c),
14 and (d) of the Section unless any tax authorized by paragraph
15 (e), (f), or (g) of this Section becomes ineffective by means
16 other than an ordinance of the Board.

17 (q) Any existing rights, remedies and obligations
18 (including enforcement by the Regional Transportation
19 Authority) arising under any tax imposed under paragraph (b),
20 (c), or (d) of this Section shall not be affected by the
21 imposition of a tax under paragraph (e), (f), or (g) of this
22 Section.

23 (r) Notwithstanding any other provision of law, no tax may
24 be imposed under this Section on the sale or use of cannabis,
25 as defined in Section 1-10 of the Cannabis Regulation and Tax
26 Act.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
7-12-19; 101-604, eff. 12-13-19.)

Section 35. The Water Commission Act of 1985 is amended by
changing Section 4 as follows:

(70 ILCS 3720/4) (from Ch. 111 2/3, par. 254)

Sec. 4. Taxes.

(a) The board of commissioners of any county water
commission may, by ordinance, impose throughout the territory
of the commission any or all of the taxes provided in this
Section for its corporate purposes. However, no county water
commission may impose any such tax unless the commission
certifies the proposition of imposing the tax to the proper
election officials, who shall submit the proposition to the
voters residing in the territory at an election in accordance
with the general election law, and the proposition has been
approved by a majority of those voting on the proposition.

The proposition shall be in the form provided in Section 5
or shall be substantially in the following form:

Shall the (insert corporate
name of county water commission) YES
impose (state type of tax or -----
taxes to be imposed) at the NO

1 rate of 1/4%?

2 -----
3 Taxes imposed under this Section and civil penalties
4 imposed incident thereto shall be collected and enforced by the
5 State Department of Revenue. The Department shall have the
6 power to administer and enforce the taxes and to determine all
7 rights for refunds for erroneous payments of the taxes.

8 (b) The board of commissioners may impose a County Water
9 Commission Retailers' Occupation Tax upon all persons engaged
10 in the business of selling tangible personal property at retail
11 in the territory of the commission at a rate of 1/4% of the
12 gross receipts from the sales made in the course of such
13 business within the territory. Beginning January 1, 2021, this
14 tax is not imposed on sales of aviation fuel for so long as the
15 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
16 47133 are binding on the District.

17 The tax imposed under this paragraph and all civil
18 penalties that may be assessed as an incident thereof shall be
19 collected and enforced by the State Department of Revenue. The
20 Department shall have full power to administer and enforce this
21 paragraph; to collect all taxes and penalties due hereunder; to
22 dispose of taxes and penalties so collected in the manner
23 hereinafter provided; and to determine all rights to credit
24 memoranda arising on account of the erroneous payment of tax or
25 penalty hereunder. In the administration of, and compliance
26 with, this paragraph, the Department and persons who are

1 subject to this paragraph shall have the same rights, remedies,
2 privileges, immunities, powers and duties, and be subject to
3 the same conditions, restrictions, limitations, penalties,
4 exclusions, exemptions and definitions of terms, and employ the
5 same modes of procedure, as are prescribed in Sections 1, 1a,
6 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all
7 provisions therein other than the State rate of tax except that
8 tangible personal property taxed at the 1% rate under the
9 Retailers' Occupation Tax Act shall not be subject to tax
10 hereunder), 2c, 3 (except as to the disposition of taxes and
11 penalties collected, and except that the retailer's discount is
12 not allowed for taxes paid on aviation fuel sold on or after
13 December 1, 2019 and through December 31, 2020), 4, 5, 5a, 5b,
14 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8,
15 9, 10, 11, 12, and 13 of the Retailers' Occupation Tax Act and
16 Section 3-7 of the Uniform Penalty and Interest Act, as fully
17 as if those provisions were set forth herein.

18 Persons subject to any tax imposed under the authority
19 granted in this paragraph may reimburse themselves for their
20 seller's tax liability hereunder by separately stating the tax
21 as an additional charge, which charge may be stated in
22 combination, in a single amount, with State taxes that sellers
23 are required to collect under the Use Tax Act and under
24 subsection (e) of Section 4.03 of the Regional Transportation
25 Authority Act, in accordance with such bracket schedules as the
26 Department may prescribe.

1 Whenever the Department determines that a refund should be
2 made under this paragraph to a claimant instead of issuing a
3 credit memorandum, the Department shall notify the State
4 Comptroller, who shall cause the warrant to be drawn for the
5 amount specified, and to the person named, in the notification
6 from the Department. The refund shall be paid by the State
7 Treasurer out of a county water commission tax fund established
8 under subsection (g) of this Section.

9 For the purpose of determining whether a tax authorized
10 under this paragraph is applicable, a retail sale by a producer
11 of coal or other mineral mined in Illinois is a sale at retail
12 at the place where the coal or other mineral mined in Illinois
13 is extracted from the earth. This paragraph does not apply to
14 coal or other mineral when it is delivered or shipped by the
15 seller to the purchaser at a point outside Illinois so that the
16 sale is exempt under the Federal Constitution as a sale in
17 interstate or foreign commerce.

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

20 No tax shall be imposed or collected under this subsection
21 on the sale of a motor vehicle in this State to a resident of
22 another state if that motor vehicle will not be titled in this
23 State.

24 Nothing in this paragraph shall be construed to authorize a
25 county water commission to impose a tax upon the privilege of
26 engaging in any business which under the Constitution of the

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

3 (c) If a tax has been imposed under subsection (b), a
4 County Water Commission Service Occupation Tax shall also be
5 imposed upon all persons engaged, in the territory of the
6 commission, in the business of making sales of service, who, as
7 an incident to making the sales of service, transfer tangible
8 personal property within the territory. The tax rate shall be
9 1/4% of the selling price of tangible personal property so
10 transferred within the territory. Beginning January 1, 2021,
11 this tax is not imposed on sales of aviation fuel for so long
12 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
13 U.S.C. 47133 are binding on the District.

14 The tax imposed under this paragraph and all civil
15 penalties that may be assessed as an incident thereof shall be
16 collected and enforced by the State Department of Revenue. The
17 Department shall have full power to administer and enforce this
18 paragraph; to collect all taxes and penalties due hereunder; to
19 dispose of taxes and penalties so collected in the manner
20 hereinafter provided; and to determine all rights to credit
21 memoranda arising on account of the erroneous payment of tax or
22 penalty hereunder. In the administration of, and compliance
23 with, this paragraph, the Department and persons who are
24 subject to this paragraph shall have the same rights, remedies,
25 privileges, immunities, powers and duties, and be subject to
26 the same conditions, restrictions, limitations, penalties,

1 exclusions, exemptions and definitions of terms, and employ the
2 same modes of procedure, as are prescribed in Sections 1a-1, 2
3 (except that the reference to State in the definition of
4 supplier maintaining a place of business in this State shall
5 mean the territory of the commission), 2a, 3 through 3-50 (in
6 respect to all provisions therein other than the State rate of
7 tax except that tangible personal property taxed at the 1% rate
8 under the Service Occupation Tax Act shall not be subject to
9 tax hereunder), 4 (except that the reference to the State shall
10 be to the territory of the commission), 5, 7, 8 (except that
11 the jurisdiction to which the tax shall be a debt to the extent
12 indicated in that Section 8 shall be the commission), 9 (except
13 as to the disposition of taxes and penalties collected and
14 except that the returned merchandise credit for this tax may
15 not be taken against any State tax, and except that the
16 retailer's discount is not allowed for taxes paid on aviation
17 fuel sold on or after December 1, 2019 and through December 31,
18 2020), 10, 11, 12 (except the reference therein to Section 2b
19 of the Retailers' Occupation Tax Act), 13 (except that any
20 reference to the State shall mean the territory of the
21 commission), the first paragraph of Section 15, 15.5, 16, 17,
22 18, 19, and 20 of the Service Occupation Tax Act as fully as if
23 those provisions were set forth herein.

24 Persons subject to any tax imposed under the authority
25 granted in this paragraph may reimburse themselves for their
26 serviceman's tax liability hereunder by separately stating the

1 tax as an additional charge, which charge may be stated in
2 combination, in a single amount, with State tax that servicemen
3 are authorized to collect under the Service Use Tax Act, and
4 any tax for which servicemen may be liable under subsection (f)
5 of Section 4.03 of the Regional Transportation Authority Act,
6 in accordance with such bracket schedules as the Department may
7 prescribe.

8 Whenever the Department determines that a refund should be
9 made under this paragraph to a claimant instead of issuing a
10 credit memorandum, the Department shall notify the State
11 Comptroller, who shall cause the warrant to be drawn for the
12 amount specified, and to the person named, in the notification
13 from the Department. The refund shall be paid by the State
14 Treasurer out of a county water commission tax fund established
15 under subsection (g) of this Section.

16 Nothing in this paragraph shall be construed to authorize a
17 county water commission to impose a tax upon the privilege of
18 engaging in any business which under the Constitution of the
19 United States may not be made the subject of taxation by the
20 State.

21 (d) If a tax has been imposed under subsection (b), a tax
22 shall also be imposed upon the privilege of using, in the
23 territory of the commission, any item of tangible personal
24 property that is purchased outside the territory at retail from
25 a retailer, and that is titled or registered with an agency of
26 this State's government, at a rate of 1/4% of the selling price

1 of the tangible personal property within the territory, as
2 "selling price" is defined in the Use Tax Act. The tax shall be
3 collected from persons whose Illinois address for titling or
4 registration purposes is given as being in the territory. The
5 tax shall be collected by the Department of Revenue for a
6 county water commission. The tax must be paid to the State, or
7 an exemption determination must be obtained from the Department
8 of Revenue, before the title or certificate of registration for
9 the property may be issued. The tax or proof of exemption may
10 be transmitted to the Department by way of the State agency
11 with which, or the State officer with whom, the tangible
12 personal property must be titled or registered if the
13 Department and the State agency or State officer determine that
14 this procedure will expedite the processing of applications for
15 title or registration.

16 The Department shall have full power to administer and
17 enforce this paragraph; to collect all taxes, penalties, and
18 interest due hereunder; to dispose of taxes, penalties, and
19 interest so collected in the manner hereinafter provided; and
20 to determine all rights to credit memoranda or refunds arising
21 on account of the erroneous payment of tax, penalty, or
22 interest hereunder. In the administration of and compliance
23 with this paragraph, the Department and persons who are subject
24 to this paragraph shall have the same rights, remedies,
25 privileges, immunities, powers, and duties, and be subject to
26 the same conditions, restrictions, limitations, penalties,

1 exclusions, exemptions, and definitions of terms and employ the
2 same modes of procedure, as are prescribed in Sections 2
3 (except the definition of "retailer maintaining a place of
4 business in this State"), 3 through 3-80 (except provisions
5 pertaining to the State rate of tax, and except provisions
6 concerning collection or refunding of the tax by retailers), 4,
7 11, 12, 12a, 14, 15, 19 (except the portions pertaining to
8 claims by retailers and except the last paragraph concerning
9 refunds), 20, 21, and 22 of the Use Tax Act and Section 3-7 of
10 the Uniform Penalty and Interest Act that are not inconsistent
11 with this paragraph, as fully as if those provisions were set
12 forth herein.

13 Whenever the Department determines that a refund should be
14 made under this paragraph to a claimant instead of issuing a
15 credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause the order to be drawn for the
17 amount specified, and to the person named, in the notification
18 from the Department. The refund shall be paid by the State
19 Treasurer out of a county water commission tax fund established
20 under subsection (g) of this Section.

21 (e) A certificate of registration issued by the State
22 Department of Revenue to a retailer under the Retailers'
23 Occupation Tax Act or under the Service Occupation Tax Act
24 shall permit the registrant to engage in a business that is
25 taxed under the tax imposed under subsection (b), (c), or (d)
26 of this Section and no additional registration shall be

1 required under the tax. A certificate issued under the Use Tax
2 Act or the Service Use Tax Act shall be applicable with regard
3 to any tax imposed under subsection (c) of this Section.

4 (f) Any ordinance imposing or discontinuing any tax under
5 this Section shall be adopted and a certified copy thereof
6 filed with the Department on or before June 1, whereupon the
7 Department of Revenue shall proceed to administer and enforce
8 this Section on behalf of the county water commission as of
9 September 1 next following the adoption and filing. Beginning
10 January 1, 1992, an ordinance or resolution imposing or
11 discontinuing the tax hereunder shall be adopted and a
12 certified copy thereof filed with the Department on or before
13 the first day of July, whereupon the Department shall proceed
14 to administer and enforce this Section as of the first day of
15 October next following such adoption and filing. Beginning
16 January 1, 1993, an ordinance or resolution imposing or
17 discontinuing the tax hereunder shall be adopted and a
18 certified copy thereof filed with the Department on or before
19 the first day of October, whereupon the Department shall
20 proceed to administer and enforce this Section as of the first
21 day of January next following such adoption and filing.

22 (g) The State Department of Revenue shall, upon collecting
23 any taxes as provided in this Section, pay the taxes over to
24 the State Treasurer as trustee for the commission. The taxes
25 shall be held in a trust fund outside the State Treasury.

26 As soon as possible after the first day of each month,

1 beginning January 1, 2011, upon certification of the Department
2 of Revenue, the Comptroller shall order transferred, and the
3 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
4 local sales tax increment, as defined in the Innovation
5 Development and Economy Act, collected under this Section
6 during the second preceding calendar month for sales within a
7 STAR bond district.

8 After the monthly transfer to the STAR Bonds Revenue Fund,
9 on or before the 25th day of each calendar month, the State
10 Department of Revenue shall prepare and certify to the
11 Comptroller of the State of Illinois the amount to be paid to
12 the commission, which shall be the amount (not including credit
13 memoranda) collected under this Section during the second
14 preceding calendar month by the Department plus an amount the
15 Department determines is necessary to offset any amounts that
16 were erroneously paid to a different taxing body, and not
17 including any amount equal to the amount of refunds made during
18 the second preceding calendar month by the Department on behalf
19 of the commission, and not including any amount that the
20 Department determines is necessary to offset any amounts that
21 were payable to a different taxing body but were erroneously
22 paid to the commission, and less any amounts that are
23 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
24 remainder, which shall be transferred into the Tax Compliance
25 and Administration Fund. The Department, at the time of each
26 monthly disbursement to the commission, shall prepare and

1 certify to the State Comptroller the amount to be transferred
2 into the Tax Compliance and Administration Fund under this
3 subsection. Within 10 days after receipt by the Comptroller of
4 the certification of the amount to be paid to the commission
5 and the Tax Compliance and Administration Fund, the Comptroller
6 shall cause an order to be drawn for the payment for the amount
7 in accordance with the direction in the certification.

8 (h) Beginning June 1, 2016, any tax imposed pursuant to
9 this Section may no longer be imposed or collected, unless a
10 continuation of the tax is approved by the voters at a
11 referendum as set forth in this Section.

12 (i) Notwithstanding any other provision of law, no tax may
13 be imposed under this Section on the sale or use of cannabis,
14 as defined in Section 1-10 of the Cannabis Regulation and Tax
15 Act.

16 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
17 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff.
18 6-5-19; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

19 Section 40. The Cannabis Regulation and Tax Act is amended
20 by changing Sections 1-10, 20-50, 60-10, and 65-10 as follows:

21 (410 ILCS 705/1-10)

22 Sec. 1-10. Definitions. In this Act:

23 "Adult Use Cultivation Center License" means a license
24 issued by the Department of Agriculture that permits a person

1 to act as a cultivation center under this Act and any
2 administrative rule made in furtherance of this Act.

3 "Adult Use Dispensing Organization License" means a
4 license issued by the Department of Financial and Professional
5 Regulation that permits a person to act as a dispensing
6 organization under this Act and any administrative rule made in
7 furtherance of this Act.

8 "Advertise" means to engage in promotional activities
9 including, but not limited to: newspaper, radio, Internet and
10 electronic media, and television advertising; the distribution
11 of fliers and circulars; billboard advertising; and the display
12 of window and interior signs. "Advertise" does not mean
13 exterior signage displaying only the name of the licensed
14 cannabis business establishment.

15 "BLS Region" means a region in Illinois used by the United
16 States Bureau of Labor Statistics to gather and categorize
17 certain employment and wage data. The 17 such regions in
18 Illinois are: Bloomington, Cape Girardeau, Carbondale-Marion,
19 Champaign-Urbana, Chicago-Naperville-Elgin, Danville,
20 Davenport-Moline-Rock Island, Decatur, Kankakee, Peoria,
21 Rockford, St. Louis, Springfield, Northwest Illinois
22 nonmetropolitan area, West Central Illinois nonmetropolitan
23 area, East Central Illinois nonmetropolitan area, and South
24 Illinois nonmetropolitan area.

25 "Cannabis" means marijuana, hashish, and other substances
26 that are identified as including any parts of the plant

1 Cannabis sativa and including derivatives or subspecies, such
2 as indica, of all strains of cannabis, whether growing or not;
3 the seeds thereof, the resin extracted from any part of the
4 plant; and any compound, manufacture, salt, derivative,
5 mixture, or preparation of the plant, its seeds, or resin,
6 including tetrahydrocannabinol (THC) and all other naturally
7 produced cannabinol derivatives, whether produced directly or
8 indirectly by extraction; however, "cannabis" does not include
9 the mature stalks of the plant, fiber produced from the stalks,
10 oil or cake made from the seeds of the plant, any other
11 compound, manufacture, salt, derivative, mixture, or
12 preparation of the mature stalks (except the resin extracted
13 from it), fiber, oil or cake, or the sterilized seed of the
14 plant that is incapable of germination. "Cannabis" does not
15 include industrial hemp as defined and authorized under the
16 Industrial Hemp Act. "Cannabis" also means cannabis flower,
17 concentrate, and cannabis-infused products.

18 "Cannabis business establishment" means a cultivation
19 center, craft grower, processing organization, infuser
20 organization, dispensing organization, or transporting
21 organization.

22 "Cannabis concentrate" means a product derived from
23 cannabis that is produced by extracting cannabinoids,
24 including tetrahydrocannabinol (THC), from the plant through
25 the use of propylene glycol, glycerin, butter, olive oil or
26 other typical cooking fats; water, ice, or dry ice; or butane,

1 propane, CO₂, ethanol, or isopropanol and with the intended use
2 of smoking or making a cannabis-infused product. The use of any
3 other solvent is expressly prohibited unless and until it is
4 approved by the Department of Agriculture.

5 "Cannabis container" means a sealed, traceable, container,
6 or package used for the purpose of containment of cannabis or
7 cannabis-infused product during transportation.

8 "Cannabis flower" means marijuana, hashish, and other
9 substances that are identified as including any parts of the
10 plant Cannabis sativa and including derivatives or subspecies,
11 such as indica, of all strains of cannabis; including raw kief,
12 leaves, and buds, but not resin that has been extracted from
13 any part of such plant; nor any compound, manufacture, salt,
14 derivative, mixture, or preparation of such plant, its seeds,
15 or resin.

16 "Cannabis-infused product" means a beverage, food, oil,
17 ointment, tincture, topical formulation, or another product
18 containing cannabis or cannabis concentrate that is not
19 intended to be smoked.

20 "Cannabis paraphernalia" means equipment, products, or
21 materials intended to be used for planting, propagating,
22 cultivating, growing, harvesting, manufacturing, producing,
23 processing, preparing, testing, analyzing, packaging,
24 repackaging, storing, containing, concealing, ingesting, or
25 otherwise introducing cannabis into the human body.

26 "Cannabis plant monitoring system" or "plant monitoring

1 system" means a system that includes, but is not limited to,
2 testing and data collection established and maintained by the
3 cultivation center, craft grower, or processing organization
4 and that is available to the Department of Revenue, the
5 Department of Agriculture, the Department of Financial and
6 Professional Regulation, and the Department of State Police for
7 the purposes of documenting each cannabis plant and monitoring
8 plant development throughout the life cycle of a cannabis plant
9 cultivated for the intended use by a customer from seed
10 planting to final packaging.

11 "Cannabis testing facility" means an entity registered by
12 the Department of Agriculture to test cannabis for potency and
13 contaminants.

14 "Clone" means a plant section from a female cannabis plant
15 not yet rootbound, growing in a water solution or other
16 propagation matrix, that is capable of developing into a new
17 plant.

18 "Community College Cannabis Vocational Training Pilot
19 Program faculty participant" means a person who is 21 years of
20 age or older, licensed by the Department of Agriculture, and is
21 employed or contracted by an Illinois community college to
22 provide student instruction using cannabis plants at an
23 Illinois Community College.

24 "Community College Cannabis Vocational Training Pilot
25 Program faculty participant Agent Identification Card" means a
26 document issued by the Department of Agriculture that

1 identifies a person as Community College Cannabis Vocational
2 Training Pilot Program faculty participant.

3 "Conditional Adult Use Dispensing Organization License"
4 means a license awarded to top-scoring applicants for an Adult
5 Use Dispensing Organization License that reserves the right to
6 an Adult Use Dispensing Organization License if the applicant
7 meets certain conditions described in this Act, but does not
8 entitle the recipient to begin purchasing or selling cannabis
9 or cannabis-infused products.

10 "Conditional Adult Use Cultivation Center License" means a
11 license awarded to top-scoring applicants for an Adult Use
12 Cultivation Center License that reserves the right to an Adult
13 Use Cultivation Center License if the applicant meets certain
14 conditions as determined by the Department of Agriculture by
15 rule, but does not entitle the recipient to begin growing,
16 processing, or selling cannabis or cannabis-infused products.

17 "Craft grower" means a facility operated by an organization
18 or business that is licensed by the Department of Agriculture
19 to cultivate, dry, cure, and package cannabis and perform other
20 necessary activities to make cannabis available for sale at a
21 dispensing organization or use at a processing organization. A
22 craft grower may contain up to 5,000 square feet of canopy
23 space on its premises for plants in the flowering state. The
24 Department of Agriculture may authorize an increase or decrease
25 of flowering stage cultivation space in increments of 3,000
26 square feet by rule based on market need, craft grower

1 capacity, and the licensee's history of compliance or
2 noncompliance, with a maximum space of 14,000 square feet for
3 cultivating plants in the flowering stage, which must be
4 cultivated in all stages of growth in an enclosed and secure
5 area. A craft grower may share premises with a processing
6 organization or a dispensing organization, or both, provided
7 each licensee stores currency and cannabis or cannabis-infused
8 products in a separate secured vault to which the other
9 licensee does not have access or all licensees sharing a vault
10 share more than 50% of the same ownership.

11 "Craft grower agent" means a principal officer, board
12 member, employee, or other agent of a craft grower who is 21
13 years of age or older.

14 "Craft Grower Agent Identification Card" means a document
15 issued by the Department of Agriculture that identifies a
16 person as a craft grower agent.

17 "Cultivation center" means a facility operated by an
18 organization or business that is licensed by the Department of
19 Agriculture to cultivate, process, transport (unless otherwise
20 limited by this Act), and perform other necessary activities to
21 provide cannabis and cannabis-infused products to cannabis
22 business establishments.

23 "Cultivation center agent" means a principal officer,
24 board member, employee, or other agent of a cultivation center
25 who is 21 years of age or older.

26 "Cultivation Center Agent Identification Card" means a

1 document issued by the Department of Agriculture that
2 identifies a person as a cultivation center agent.

3 "Currency" means currency and coin of the United States.

4 "Dispensary" means a facility operated by a dispensing
5 organization at which activities licensed by this Act may
6 occur.

7 "Dispensing organization" means a facility operated by an
8 organization or business that is licensed by the Department of
9 Financial and Professional Regulation to acquire cannabis from
10 a cultivation center, craft grower, processing organization,
11 or another dispensary for the purpose of selling or dispensing
12 cannabis, cannabis-infused products, cannabis seeds,
13 paraphernalia, or related supplies under this Act to purchasers
14 or to qualified registered medical cannabis patients and
15 caregivers. As used in this Act, "dispensing organization"
16 includes a registered medical cannabis organization as defined
17 in the Compassionate Use of Medical Cannabis Program Act or its
18 successor Act that has obtained an Early Approval Adult Use
19 Dispensing Organization License.

20 "Dispensing organization agent" means a principal officer,
21 employee, or agent of a dispensing organization who is 21 years
22 of age or older.

23 "Dispensing organization agent identification card" means
24 a document issued by the Department of Financial and
25 Professional Regulation that identifies a person as a
26 dispensing organization agent.

1 "Disproportionately Impacted Area" means a census tract or
2 comparable geographic area that satisfies the following
3 criteria as determined by the Department of Commerce and
4 Economic Opportunity, that:

5 (1) meets at least one of the following criteria:

6 (A) the area has a poverty rate of at least 20%
7 according to the latest federal decennial census; or

8 (B) 75% or more of the children in the area
9 participate in the federal free lunch program
10 according to reported statistics from the State Board
11 of Education; or

12 (C) at least 20% of the households in the area
13 receive assistance under the Supplemental Nutrition
14 Assistance Program; or

15 (D) the area has an average unemployment rate, as
16 determined by the Illinois Department of Employment
17 Security, that is more than 120% of the national
18 unemployment average, as determined by the United
19 States Department of Labor, for a period of at least 2
20 consecutive calendar years preceding the date of the
21 application; and

22 (2) has high rates of arrest, conviction, and
23 incarceration related to the sale, possession, use,
24 cultivation, manufacture, or transport of cannabis.

25 "Early Approval Adult Use Cultivation Center License"
26 means a license that permits a medical cannabis cultivation

1 center licensed under the Compassionate Use of Medical Cannabis
2 Program Act as of the effective date of this Act to begin
3 cultivating, infusing, packaging, transporting (unless
4 otherwise provided in this Act), processing and selling
5 cannabis or cannabis-infused product to cannabis business
6 establishments for resale to purchasers as permitted by this
7 Act as of January 1, 2020.

8 "Early Approval Adult Use Dispensing Organization License"
9 means a license that permits a medical cannabis dispensing
10 organization licensed under the Compassionate Use of Medical
11 Cannabis Program Act as of the effective date of this Act to
12 begin selling cannabis or cannabis-infused product to
13 purchasers as permitted by this Act as of January 1, 2020.

14 "Early Approval Adult Use Dispensing Organization at a
15 secondary site" means a license that permits a medical cannabis
16 dispensing organization licensed under the Compassionate Use
17 of Medical Cannabis Program Act as of the effective date of
18 this Act to begin selling cannabis or cannabis-infused product
19 to purchasers as permitted by this Act on January 1, 2020 at a
20 different dispensary location from its existing registered
21 medical dispensary location.

22 "Enclosed, locked facility" means a room, greenhouse,
23 building, or other enclosed area equipped with locks or other
24 security devices that permit access only by cannabis business
25 establishment agents working for the licensed cannabis
26 business establishment or acting pursuant to this Act to

1 cultivate, process, store, or distribute cannabis.

2 "Enclosed, locked space" means a closet, room, greenhouse,
3 building or other enclosed area equipped with locks or other
4 security devices that permit access only by authorized
5 individuals under this Act. "Enclosed, locked space" may
6 include:

7 (1) a space within a residential building that (i) is
8 the primary residence of the individual cultivating 5 or
9 fewer cannabis plants that are more than 5 inches tall and
10 (ii) includes sleeping quarters and indoor plumbing. The
11 space must only be accessible by a key or code that is
12 different from any key or code that can be used to access
13 the residential building from the exterior; or

14 (2) a structure, such as a shed or greenhouse, that
15 lies on the same plot of land as a residential building
16 that (i) includes sleeping quarters and indoor plumbing and
17 (ii) is used as a primary residence by the person
18 cultivating 5 or fewer cannabis plants that are more than 5
19 inches tall, such as a shed or greenhouse. The structure
20 must remain locked when it is unoccupied by people.

21 "Financial institution" has the same meaning as "financial
22 organization" as defined in Section 1501 of the Illinois Income
23 Tax Act, and also includes the holding companies, subsidiaries,
24 and affiliates of such financial organizations.

25 "Flowering stage" means the stage of cultivation where and
26 when a cannabis plant is cultivated to produce plant material

1 for cannabis products. This includes mature plants as follows:

2 (1) if greater than 2 stigmas are visible at each
3 internode of the plant; or

4 (2) if the cannabis plant is in an area that has been
5 intentionally deprived of light for a period of time
6 intended to produce flower buds and induce maturation, from
7 the moment the light deprivation began through the
8 remainder of the marijuana plant growth cycle.

9 "Individual" means a natural person.

10 "Infuser organization" or "infuser" means a facility
11 operated by an organization or business that is licensed by the
12 Department of Agriculture to directly incorporate cannabis or
13 cannabis concentrate into a product formulation to produce a
14 cannabis-infused product.

15 "Kief" means the resinous crystal-like trichomes that are
16 found on cannabis and that are accumulated, resulting in a
17 higher concentration of cannabinoids, untreated by heat or
18 pressure, or extracted using a solvent.

19 "Labor peace agreement" means an agreement between a
20 cannabis business establishment and any labor organization
21 recognized under the National Labor Relations Act, referred to
22 in this Act as a bona fide labor organization, that prohibits
23 labor organizations and members from engaging in picketing,
24 work stoppages, boycotts, and any other economic interference
25 with the cannabis business establishment. This agreement means
26 that the cannabis business establishment has agreed not to

1 disrupt efforts by the bona fide labor organization to
2 communicate with, and attempt to organize and represent, the
3 cannabis business establishment's employees. The agreement
4 shall provide a bona fide labor organization access at
5 reasonable times to areas in which the cannabis business
6 establishment's employees work, for the purpose of meeting with
7 employees to discuss their right to representation, employment
8 rights under State law, and terms and conditions of employment.
9 This type of agreement shall not mandate a particular method of
10 election or certification of the bona fide labor organization.

11 "Limited access area" means a room or other area under the
12 control of a cannabis dispensing organization licensed under
13 this Act and upon the licensed premises where cannabis sales
14 occur with access limited to purchasers, dispensing
15 organization owners and other dispensing organization agents,
16 or service professionals conducting business with the
17 dispensing organization, or, if sales to registered qualifying
18 patients, caregivers, provisional patients, and Opioid
19 Alternative Pilot Program participants licensed pursuant to
20 the Compassionate Use of Medical Cannabis Program Act are also
21 permitted at the dispensary, registered qualifying patients,
22 caregivers, provisional patients, and Opioid Alternative Pilot
23 Program participants.

24 "Member of an impacted family" means an individual who has
25 a parent, legal guardian, child, spouse, or dependent, or was a
26 dependent of an individual who, prior to the effective date of

1 this Act, was arrested for, convicted of, or adjudicated
2 delinquent for any offense that is eligible for expungement
3 under this Act.

4 "Mother plant" means a cannabis plant that is cultivated or
5 maintained for the purpose of generating clones, and that will
6 not be used to produce plant material for sale to an infuser or
7 dispensing organization.

8 "Ordinary public view" means within the sight line with
9 normal visual range of a person, unassisted by visual aids,
10 from a public street or sidewalk adjacent to real property, or
11 from within an adjacent property.

12 "Ownership and control" means ownership of at least 51% of
13 the business, including corporate stock if a corporation, and
14 control over the management and day-to-day operations of the
15 business and an interest in the capital, assets, and profits
16 and losses of the business proportionate to percentage of
17 ownership.

18 "Person" means a natural individual, firm, partnership,
19 association, joint stock company, joint venture, public or
20 private corporation, limited liability company, or a receiver,
21 executor, trustee, guardian, or other representative appointed
22 by order of any court.

23 "Possession limit" means the amount of cannabis under
24 Section 10-10 that may be possessed at any one time by a person
25 21 years of age or older or who is a registered qualifying
26 medical cannabis patient or caregiver under the Compassionate

1 Use of Medical Cannabis Program Act.

2 "Principal officer" includes a cannabis business
3 establishment applicant or licensed cannabis business
4 establishment's board member, owner with more than 1% interest
5 of the total cannabis business establishment or more than 5%
6 interest of the total cannabis business establishment of a
7 publicly traded company, president, vice president, secretary,
8 treasurer, partner, officer, member, manager member, or person
9 with a profit sharing, financial interest, or revenue sharing
10 arrangement. The definition includes a person with authority to
11 control the cannabis business establishment, a person who
12 assumes responsibility for the debts of the cannabis business
13 establishment and who is further defined in this Act.

14 "Primary residence" means a dwelling where a person usually
15 stays or stays more often than other locations. It may be
16 determined by, without limitation, presence, tax filings;
17 address on an Illinois driver's license, an Illinois
18 Identification Card, or an Illinois Person with a Disability
19 Identification Card; or voter registration. No person may have
20 more than one primary residence.

21 "Processing organization" or "processor" means a facility
22 operated by an organization or business that is licensed by the
23 Department of Agriculture to either extract constituent
24 chemicals or compounds to produce cannabis concentrate or
25 incorporate cannabis or cannabis concentrate into a product
26 formulation to produce a cannabis product.

1 "Processing organization agent" means a principal officer,
2 board member, employee, or agent of a processing organization.

3 "Processing organization agent identification card" means
4 a document issued by the Department of Agriculture that
5 identifies a person as a processing organization agent.

6 "Purchaser" means a person 21 years of age or older who
7 acquires cannabis for a valuable consideration. "Purchaser"
8 does not include a cardholder under the Compassionate Use of
9 Medical Cannabis Program Act.

10 "Qualified Social Equity Applicant" means a Social Equity
11 Applicant who has been awarded a conditional license under this
12 Act to operate a cannabis business establishment.

13 "Resided" means an individual's primary residence was
14 located within the relevant geographic area as established by 2
15 of the following:

16 (1) a signed lease agreement that includes the
17 applicant's name;

18 (2) a property deed that includes the applicant's name;

19 (3) school records;

20 (4) a voter registration card;

21 (5) an Illinois driver's license, an Illinois
22 Identification Card, or an Illinois Person with a
23 Disability Identification Card;

24 (6) a paycheck stub;

25 (7) a utility bill;

26 (8) tax records; or

1 (9) any other proof of residency or other information
2 necessary to establish residence as provided by rule.

3 "Smoking" means the inhalation of smoke caused by the
4 combustion of cannabis.

5 "Social Equity Applicant" means an applicant that is an
6 Illinois resident that meets one of the following criteria:

7 (1) an applicant with at least 51% ownership and
8 control by one or more individuals who have resided for at
9 least 5 of the preceding 10 years in a Disproportionately
10 Impacted Area;

11 (2) an applicant with at least 51% ownership and
12 control by one or more individuals who:

13 (i) have been arrested for, convicted of, or
14 adjudicated delinquent for any offense that is
15 eligible for expungement under this Act; or

16 (ii) is a member of an impacted family;

17 (3) for applicants with a minimum of 10 full-time
18 employees, an applicant with at least 51% of current
19 employees who:

20 (i) currently reside in a Disproportionately
21 Impacted Area; or

22 (ii) have been arrested for, convicted of, or
23 adjudicated delinquent for any offense that is
24 eligible for expungement under this Act or member of an
25 impacted family.

26 Nothing in this Act shall be construed to preempt or limit

1 the duties of any employer under the Job Opportunities for
2 Qualified Applicants Act. Nothing in this Act shall permit an
3 employer to require an employee to disclose sealed or expunged
4 offenses, unless otherwise required by law.

5 "Special district" means a unit of local government, other
6 than a county, municipality, or school district.

7 "Tincture" means a cannabis-infused solution, typically
8 comprised of alcohol, glycerin, or vegetable oils, derived
9 either directly from the cannabis plant or from a processed
10 cannabis extract. A tincture is not an alcoholic liquor as
11 defined in the Liquor Control Act of 1934. A tincture shall
12 include a calibrated dropper or other similar device capable of
13 accurately measuring servings.

14 "Transporting organization" or "transporter" means an
15 organization or business that is licensed by the Department of
16 Agriculture to transport cannabis or cannabis-infused product
17 on behalf of a cannabis business establishment or a community
18 college licensed under the Community College Cannabis
19 Vocational Training Pilot Program.

20 "Transporting organization agent" means a principal
21 officer, board member, employee, or agent of a transporting
22 organization.

23 "Transporting organization agent identification card"
24 means a document issued by the Department of Agriculture that
25 identifies a person as a transporting organization agent.

26 "Unit of local government" means any county, city, village,

1 or incorporated town.

2 "Vegetative stage" means the stage of cultivation in which
3 a cannabis plant is propagated to produce additional cannabis
4 plants or reach a sufficient size for production. This includes
5 seedlings, clones, mothers, and other immature cannabis plants
6 as follows:

7 (1) if the cannabis plant is in an area that has not
8 been intentionally deprived of light for a period of time
9 intended to produce flower buds and induce maturation, it
10 has no more than 2 stigmas visible at each internode of the
11 cannabis plant; or

12 (2) any cannabis plant that is cultivated solely for
13 the purpose of propagating clones and is never used to
14 produce cannabis.

15 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

16 (410 ILCS 705/20-50)

17 Sec. 20-50. Cultivator taxes; returns.

18 (a) A tax is imposed upon the privilege of cultivating and
19 processing adult use cannabis at the rate of 7% of the gross
20 receipts from the sale of cannabis by a cultivator to a
21 dispensing organization. The sale of any adult use product that
22 contains any amount of cannabis or any derivative thereof is
23 subject to the tax under this Section on the full selling price
24 of the product. The proceeds from this tax shall be deposited
25 into the Cannabis Regulation Fund. This tax shall be paid by

1 the cultivator who makes the first sale and is not the
2 responsibility of a dispensing organization, qualifying
3 patient, or purchaser.

4 (b) In the administration of and compliance with this
5 Section, the Department of Revenue and persons who are subject
6 to this Section: (i) have the same rights, remedies,
7 privileges, immunities, powers, and duties, (ii) are subject to
8 the same conditions, restrictions, limitations, penalties, and
9 definitions of terms, and (iii) shall employ the same modes of
10 procedure as are set forth in the Cannabis Cultivation
11 Privilege Tax Law and the Uniform Penalty and Interest Act as
12 if those provisions were set forth in this Section.

13 (c) The tax imposed under this Act shall be in addition to
14 all other occupation or privilege taxes imposed by the State of
15 Illinois or by any municipal corporation or political
16 subdivision thereof.

17 (d) Notwithstanding any other provision of law, no special
18 district may levy a tax upon the privilege of cultivating and
19 processing adult use cannabis.

20 (Source: P.A. 101-27, eff. 6-25-19.)

21 (410 ILCS 705/60-10)

22 Sec. 60-10. Tax imposed.

23 (a) Beginning September 1, 2019, a tax is imposed upon the
24 privilege of cultivating cannabis at the rate of 7% of the
25 gross receipts from the first sale of cannabis by a cultivator.

1 The sale of any product that contains any amount of cannabis or
2 any derivative thereof is subject to the tax under this Section
3 on the full selling price of the product. The Department may
4 determine the selling price of the cannabis when the seller and
5 purchaser are affiliated persons, when the sale and purchase of
6 cannabis is not an arm's length transaction, or when cannabis
7 is transferred by a craft grower to the craft grower's
8 dispensing organization or infuser or processing organization
9 and a value is not established for the cannabis. The value
10 determined by the Department shall be commensurate with the
11 actual price received for products of like quality, character,
12 and use in the area. If there are no sales of cannabis of like
13 quality, character, and use in the same area, then the
14 Department shall establish a reasonable value based on sales of
15 products of like quality, character, and use in other areas of
16 the State, taking into consideration any other relevant
17 factors.

18 (b) The Cannabis Cultivation Privilege Tax imposed under
19 this Article is solely the responsibility of the cultivator who
20 makes the first sale and is not the responsibility of a
21 subsequent purchaser, a dispensing organization, or an
22 infuser. Persons subject to the tax imposed under this Article
23 may, however, reimburse themselves for their tax liability
24 hereunder by separately stating reimbursement for their tax
25 liability as an additional charge.

26 (c) The tax imposed under this Article shall be in addition

1 to all other occupation, privilege, or excise taxes imposed by
2 the State of Illinois or by any unit of local government.

3 (d) Notwithstanding any other provision of law, no special
4 district may levy a tax upon the privilege of cultivating
5 cannabis.

6 (Source: P.A. 101-27, eff. 6-25-19.)

7 (410 ILCS 705/65-10)

8 Sec. 65-10. Tax imposed.

9 (a) Beginning January 1, 2020, a tax is imposed upon
10 purchasers for the privilege of using cannabis at the following
11 rates:

12 (1) Any cannabis, other than a cannabis-infused
13 product, with an adjusted delta-9-tetrahydrocannabinol
14 level at or below 35% shall be taxed at a rate of 10% of the
15 purchase price;

16 (2) Any cannabis, other than a cannabis-infused
17 product, with an adjusted delta-9-tetrahydrocannabinol
18 level above 35% shall be taxed at a rate of 25% of the
19 purchase price; and

20 (3) A cannabis-infused product shall be taxed at a rate
21 of 20% of the purchase price.

22 (b) The purchase of any product that contains any amount of
23 cannabis or any derivative thereof is subject to the tax under
24 subsection (a) of this Section on the full purchase price of
25 the product.

1 (c) The tax imposed under this Section is not imposed on
2 cannabis that is subject to tax under the Compassionate Use of
3 Medical Cannabis Program Act. The tax imposed by this Section
4 is not imposed with respect to any transaction in interstate
5 commerce, to the extent the transaction may not, under the
6 Constitution and statutes of the United States, be made the
7 subject of taxation by this State.

8 (d) The tax imposed under this Article shall be in addition
9 to all other occupation, privilege, or excise taxes imposed by
10 the State of Illinois or by any municipal corporation or
11 political subdivision thereof.

12 (e) The tax imposed under this Article shall not be imposed
13 on any purchase by a purchaser if the cannabis retailer is
14 prohibited by federal or State Constitution, treaty,
15 convention, statute, or court decision from collecting the tax
16 from the purchaser.

17 (f) Notwithstanding any other provision of law, no special
18 district may levy a tax upon purchasers for the privilege of
19 using cannabis.

20 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.