



## DUPAGE MAYORS AND MANAGERS CONFERENCE

an association of municipalities representing 1,000,000 people

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www.dmmc-cog.org

Founded June 19, 1962

### MEMBER MUNICIPALITIES

Addison  
Aurora  
Bartlett  
Bensenville  
Bloomingdale  
Bolingbrook  
Burr Ridge  
Carol Stream  
Clarendon Hills  
Downers Grove  
Elmhurst  
Glen Ellyn  
Glendale Heights  
Hanover Park  
Hinsdale  
Itasca  
Lisle  
Lombard  
Naperville  
Oak Brook  
Oakbrook Terrace  
Roselle  
Schaumburg  
St. Charles  
Villa Park  
Warrenville  
Wayne  
West Chicago  
Westmont  
Wheaton  
Willowbrook  
Winfield  
Wood Dale  
Woodridge

March 12, 2014

Mr. Paul Berks  
Deputy General Counsel  
Illinois Department of Revenue  
100 West Randolph Street, 7<sup>th</sup> Floor  
Chicago, Illinois 60601

Dear Mr. Berks:

Enclosed, please find a *Resolution to Prevent Sales Tax Avoidance*, passed and approved by the Board of Directors of the DuPage Mayors and Managers Conference on March 6, 2014.

The DuPage Mayors and Managers Conference is an association of 34 municipalities representing over 1,000,000 people. Our membership is comprised of both elected and appointed officials. The Conference is a not-for-profit organization supported by membership dues and grants, dedicated to addressing municipal public policy issues.

We are committed to working with all who serve the DuPage area and the State of Illinois. Should you have any questions, please feel free to contact Mark Baloga, Executive Director, at (630) 571-0480, ext. 223 or [mbaloga@dmmc-cog.org](mailto:mbaloga@dmmc-cog.org).

Sincerely,

Jeffery J. Pruyn  
President, DuPage Mayors and Managers Conference  
President, Village of Itasca

cc: Members of the Joint Committee on Administrative Rules  
DuPage Area Legislators

DuPage Mayors and Managers Conference

2013-14-07

***A RESOLUTION TO PREVENT SALES TAX AVOIDANCE***

WHEREAS, on November 27, 2013, the Illinois Supreme Court ruled in *Hartney Fuel Oil Co. v. Hamer* and invalidated the Illinois Department of Revenue's ("Department") rules governing retailers' occupation taxes imposed by local jurisdictions; and

WHEREAS, the Department has issued an emergency rulemaking, which is currently in effect for up to 150 days, to provide a legal framework to enable Illinois retailers to collect and remit the correct retailers' occupation taxes for the jurisdictions in which they are engaged in the business of selling; and

WHEREAS, the Department has also filed permanent rules which are to be reviewed by the Joint Committee on Administrative Rules ("JCAR"); and

WHEREAS, numerous instances have been identified in which retailers have avoided paying sales tax in the community or jurisdiction where they operate by establishing a lone sales office in another lower-tax community or jurisdiction; and

WHEREAS, in many of the aforementioned instances the retailers, which artificially sourced sales to a municipality where the business of selling was not occurring in any meaningful way, received in return from the municipality a rebate of up to 85 percent of the sales taxes paid; and

WHEREAS, these schemes diverted millions of dollars in revenues from the local governments where these businesses operate in a meaningful way; and

WHEREAS, these local governments are actually responsible for providing these retail companies with essential basic services such as police and fire protection, transportation infrastructure, and public transportation, and;

WHEREAS, these tax avoidance schemes have hampered budgets, delayed infrastructure repairs, and kept new projects on hold because the businesses have under-collected taxes and denied municipalities and counties the revenue they are due; and

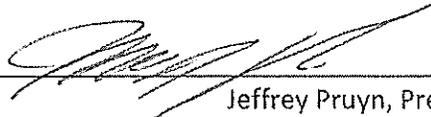
WHEREAS, these revenues, when properly collected and remitted, would assist local governments and their taxpayers who are ultimately responsible for paying for the services that benefit these retail companies;

NOW, THEREFORE, BE IT RESOLVED that the DuPage Mayors and Managers Conference urges the Illinois General Assembly and Illinois Department of Revenue to:

1. Establish clear legislation and regulations that provide guidance for retailers across the state; and
2. Ensure the correct amount of local sales tax is collected and properly distributed to the communities and jurisdictions where the bulk of the business activities occur; and
3. Prohibit sales tax avoidance schemes, in order to protect local taxpayers and governments.

PASSED AND APPROVED by the DuPage Mayors and Managers Conference Board of Directors on this 6<sup>th</sup> day of March, 2014.

  
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Evan Teich, Secretary/Treasurer

  
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Jeffrey Pruyn, President