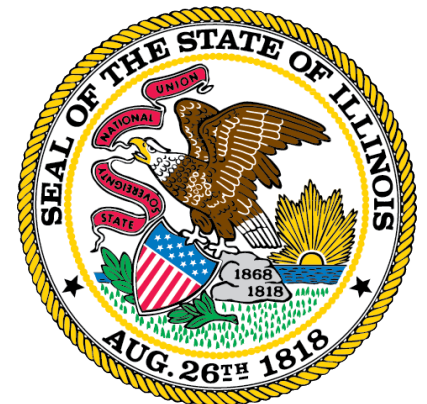


BUSINESS DISTRICTS 101

BUSINESS DEVELOPMENT & REDEVELOPMENT TAX



Disclaimer: *This PowerPoint presentation is provided for general informational purposes only. The information contained in this presentation should not be construed as legal advice from the Illinois Department of Revenue or the presenter for any purpose, including but not limited to the Taxpayers' Bill of Rights, nor is it intended to be a substitute for legal counsel on any subject matter. IDOR advises that audience members pursue appropriate legal or other professional advice when seeking guidance, based upon their particular facts and circumstances.*

Business District Development and Redevelopment Tax (BDST)

- The tax is designed to fund the development or redevelopment of designated areas within a municipality.
- The proposed business district must be:
 - Contiguous
 - Blighted, as defined in the Illinois Municipal Code, 65 ILCS 5/11-74.3-5
- The tax may be imposed in quarter percent increments with a maximum rate of 1.00%.
- There can be more than one district in a municipality, you don't have to include the whole municipality in one district.
- Filing Deadlines:
 - April 1 to become effective July 1 of the same year, or
 - October 1 to become effective January 1 of the following year.

Business District Development and Redevelopment Tax

- The tax is NOT imposed on:
 - Items that are titled or registered with an Illinois state agency
 - Qualifying food, drugs, and medical appliances
- Businesses that will NOT charge the BDST:
 - Dealerships selling vehicles, trailers, RVs, mobile homes, aircraft, or watercraft, etc.
 - Service businesses that do not sell or transfer merchandise

Business District Development and Redevelopment Tax

- Documents that must be sent to the Local Tax Allocation Division (LTAD) by the filing deadline:
 - Certified ordinance imposing the Business District Retailers' and Service Occupation Taxes (sample ordinance is available on our website),
 - Detailed map of the business district boundaries,
 - Copy of the development or redevelopment plan for the business district, and
 - Detailed list of each address, registered with the United States Postal Service, that is located within the business district's boundaries. ALL addresses within the boundaries MUST be included.

Business District Development and Redevelopment Tax

- How are business districts processed?
 - LTAD will verify the receipt of the ordinance, detailed map, development/redevelopment plan, and the list of addresses.
 - A copy of the ordinance is sent to our Legal Division for review and approval.
- What does the Legal Division look for when reviewing these ordinances?
 - Was there a finding of blight?
 - Is the tax properly imposed?
 - Are all of the required elements in the ordinance?

(65 ILCS 5/11-74.3-6(b) and (c))

Business District Development and Redevelopment Tax

- What does the Legal Division look for when reviewing these ordinances? (Continued from the previous page)
 - Does it impose both a Retailers' Occupation Tax and a Service Occupation Tax?
 - Are both taxes imposed at the same rate?
 - Does it provide for the Department's administration of the Business District Sales Tax?
 - Does it clearly state the Department does not administer the Business District Hotel Tax, if a hotel tax is imposed?

Business District Development and Redevelopment Tax

- What does the Legal Division look for when reviewing these ordinances? (Continued from the previous page)
 - Does it require the Clerk to file it on time?
 - Does it have a proper effective date?
 - Was the effective date clearly stated?
 - Was the effective date generic?
 - Was the ordinance filed timely?
 - Sunset Date – The statute provides that the tax terminates after 23 years. The termination ordinance must be filed. (65 ILCS 5/11-74.3-6 (f)).
- A sample ordinance can be found on our website.
- Contact the Legal Division for questions directly related to the business district ordinances at (217) 782-2844.

Business District Development and Redevelopment Tax

- After Legal approval, the business district is created in our system and addresses are added.
- A letter, with the addresses, is sent to the municipality for address approval.
- Once approval is received, our system flips the site locations to business district locations.
- A business district taxpayer listing is sent to the municipality for verification.
- All correspondence will be sent to the municipality, not a consultant or other third party hired to establish the business district.

Business District Development and Redevelopment Tax

- Affected taxpayers are notified of the rate change and the effective date.
 - If they file electronically, they will be notified by IDOR through their MyTax account.
 - If they file paper returns, the notification will be mailed to them.
 - If there is a new business added to the district, but no change in the rate for the district as a whole, a letter will only be sent to the impacted business or businesses.
 - IDOR will send a copy of the rate change bulletin to the impacted municipalities through MyLocalTax, so you have a copy to share with your businesses if they contact you. It will also be posted to the IDOR website.

Business District Development and Redevelopment Tax

- To change an existing business district:
 - Add, change, or delete addresses
 - Rate changes
 - Boundary changes
- Provide the following, if applicable:
 - An updated detailed map of business district boundaries
 - A revised development or redevelopment plan
 - Additional addresses located within the new boundaries
 - A certified ordinance (only if changing the rate)
- Changes must be reported by the same April 1/October 1 deadlines

Business District Development and Redevelopment Tax

- Tips to ensure all intended addresses are added to the business district
 - Business Districts are based on addresses, not business names or PINs
 - Example: Your list should provide 101 N. First Street, not McDonald's
 - Verify all work done by a 3rd party, you know your municipality, they might not
 - Order a taxpayer listing through the MyLocalTax portal monthly
 - This listing provides a spreadsheet with all retail businesses within the municipality
 - Compare your business district list to this taxpayer listing to verify all businesses have been added

Business District Development and Redevelopment Tax

- Tips to ensure all intended addresses are added to the business district
 - Refer to the annual taxpayer listing
 - This file is now provided through MyLocalTax (MLT) according to the schedule on the following page. If you aren't using MLT, you must request this from LTAD.
 - Use this listing in the same manner as the taxpayer listing above
 - Make sure the business's address is correct and updated
 - Example: 100 State Route 5, USPS address is 100 W. Main Street
 - A simple abbreviation could cause the address to not match USPS. Please use the USPS address.
 - Example: Street and St.

MyLocalTax Instructions for Business Districts



CITY CLERK OF SPRINGFIELD

Welcome, Trevor Atkins

084-0001-6

You last logged in on Wednesday, Sep 29, 2021 2:53:39 PM

MUNICIPAL BLDG RM 210
SPRINGFIELD IL 62701

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Allocation SPRINGFIELD CITY TREASURER ROOM 104, MUNICIPAL BUILDING SPRINGFIELD IL 62701	Account 04507-19808 <ul style="list-style-type: none">> Request Allocation Remittance Report> Request Taxpayer Listing Report> Respond to Tax Location Verification> Verify Tax Locations> View more account options
Business District SOUTH CENTRAL BUSINESS DISTRICT MUNICIPAL BLDG RM 210 SPRINGFIELD IL 62701	Account 15244-61632 <ul style="list-style-type: none">> Request Business District Taxpayer Listing> View Business District Addresses> Verify Business District Addresses> View more account options
Personal Property Replacement Tax SPRINGFIELD CITY 300 S 7TH ST STE 210 SPRINGFIELD IL 62701-1935	Account 18218-52128 <ul style="list-style-type: none">> View more account options



Verify Business District Addresses – Step 1

MyLocalTax

VILLAGE CLERK OF LAGRANGE PARK

Verify Business District Addresses

Business District
08876-64640
VILLAGE MARKET BUSINESS DISTRICT

Verify Business District Addresses

Verify Addresses Review and Submit

The Business District Address Verification List must be reviewed by your municipality to ensure each address that was submitted to our office is shown correctly in the listing.

- The Address Submitted by Municipality column lists the addresses as submitted by the municipality.
- The Verified Address column lists the address submitted by municipality column in its abbreviated format to conform to United States Postal Service (USPS) standards. Addresses that are not valid USPS addresses will show NO USPS MATCH in the verified address column.

Compare the addresses in the address submitted by municipality column to the abbreviated address listed in the verified address column to ensure they are the same address. Our registration and business district systems automatically abbreviate all valid addresses to conform to USPS standards. This ensures that the business registration information can be matched to your district by our systems.

Address Verification **Record 1**

Page 1 of 3 Show Errors Filter

Street	City	State	Zip	County	Updated?
100 Brewster Ln	La Grange Park	ILLINOIS	60526-	COOK	*
102 Brewster Ln	La Grange Park	ILLINOIS	60526-	COOK	*
103 Brewster Ln	La Grange Park	ILLINOIS	60526-	COOK	*
104 Brewster Ln	La Grange Park	ILLINOIS	60526-	COOK	*
105 Brewster Ln	La Grange Park	ILLINOIS	60526-	COOK	*

Cancel Save Draft Previous Next

- This screen lists all records that need to be verified for the business district
- These addresses are entered exactly as they have been submitted to LTAD by your municipality
- Select a record or select the address hyperlink

Verify Business District Addresses – Step 2

Verify Business District Addresses

Verify Addresses Review and Submit

The Business District Address Verification List must be reviewed by your municipality to ensure each address that was submitted to our office is shown correctly in the listing.

- The Address Submitted by Municipality column lists the addresses as submitted by the municipality.
- The Verified Address column lists the address submitted by municipality column in its abbreviated format to conform to United States Postal Service (USPS) standards. Addresses that are not valid USPS addresses will show NO USPS MATCH in the verified address column.

Compare the addresses in the address submitted by municipality column to the abbreviated address listed in the verified address column to ensure they are the same address. Our registration and business district systems automatically abbreviate all valid addresses to conform to USPS standards. This ensures that the business registration information can be matched to your district by our systems.

Address Verification **Record 1**

Record 1

Address Submitted by Municipality		Verified Address	
Country	USA	Country	USA
Street	100 Brewster Ln	Street	100 BREWSTER LN
Unit Type		Unit Type	
City	La Grange Park	City	LA GRANGE PARK
State	ILLINOIS	State	ILLINOIS
Zip	60526-	Zip	60526-6004
County	COOK	County	COOK

Does the verified address require any updates? Selecting Yes indicates that you will update the address to be the correct address for the business district.

Cancel Save Draft < Previous Next >

- The address you submitted is on the left. The USPS address is on the right.
- Indicate whether the verified address requires updates.
- If you select no when there is no USPS match on the verified address, you'll receive an error message:
 - You must select Yes if the original address submitted by the municipality does not have a U.S. Postal Service Match.

Verify Business District Addresses – Step 3

Address Verification Record 1

Record 1

Address Submitted by Municipality		Verified Address	
Country	USA	Country	USA
Street	100 Brewster Ln	Street	100 BREWSTER LN
Unit Type	Unit Number	Unit Type	Unit Number
City	La Grange Park	City	LA GRANGE PARK
State	ILLINOIS	State	ILLINOIS
Zip	60526-	Zip	60526-6004
County	COOK	County	COOK

You must verify the address

Verify Address

Does the verified address require any updates? Selecting Yes indicates that you will update the address to be the correct address for the business district.

Yes No

- If you Select Yes, you are required to verify the address that you enter.
- Enter the address and select the “Verify Address” button.

Verify Business District Addresses – Step 4

The screenshot shows a software interface for address verification. At the top, a blue header bar contains the text "Address Verification" and "Record 3". Below this, a grey bar indicates "Record 3" with navigation arrows. The main area is divided into two columns: "Address Submitted by Municipality" and "Verified Address". Both columns show "Country" as "USA". A modal window titled "Address Search" is open in the center, displaying two options: "Validated" and "As Entered". Both options show the address "103 BREWSTER LN, LA GRANGE PARK IL 60526-6003". The "Validated" option is highlighted with an orange border and has a "Select this address" link to its right. The "As Entered" option also has a "Select this address" link. At the bottom of the modal are "Cancel" and "Save" buttons. The background interface has "Cancel" and "Save Draft" buttons at the bottom left, and "Previous" and "Next" buttons at the bottom right.

- Once you've entered the address and selected "Verify Address," you will be given at least one verified address to select if you have provided a valid USPS address.
- Select the address and select "Save."

Verify Business District Addresses – Step 5

Address Verification Record 55

Record 55

Address Submitted by Municipality		Verified Address	
Country	USA	Country	USA
Street	98 Brewster Ln	Street	98 BREWSTER LN
Unit Type	Unit Number	Unit Type	Unit Number
City	State	City	State
La Grange Park	ILLINOIS	LA GRANGE PARK	ILLINOIS
Zip	County	Zip	County
60526-	COOK	60526-6002	COOK

Does the verified address require any updates? Selecting Yes indicates that you will update the address to be the correct address for the business district.

Yes No

Cancel Save Draft < Previous Next >

- Select the next record to verify.
 - If you select next instead of selecting the next record, you'll receive an error message that says, "This step must be corrected or completed before moving on."
- In this case, the verified address does not require any updates and it is the last record. You will select "No," then "Next."

Verify Business District Addresses – Step 6

MyLocalTax

VILLAGE CLERK OF LAGRANGE PARK

Verify Business District Addresses

Business District
07544-93952
31ST STREET / MAPLE AVENUE BUSINESS DISTRICT

Verify Business District Addresses

Verify Addresses | **Review and Submit**

This Verify Business District Addresses request is ready to submit.

Street	City	State	Zip	County	Updated?
1110 N MAPLE AVE	LA GRANGE PARK	ILLINOIS	60526-1339	COOK	Yes
1120 N MAPLE AVE	LA GRANGE PARK	ILLINOIS	60526-1339	COOK	Yes
1124 N MAPLE AVE	LA GRANGE PARK	ILLINOIS	60526-1339	COOK	Yes
1915 E 31ST ST	LA GRANGE PARK	ILLINOIS	60526-1324	COOK	Yes
1923 E 31ST STREET	LA GRANGE PARK	ILLINOIS	60526-0000	COOK	Yes

Cancel Save Draft Previous **Submit**

- You can then review the addresses that you verified.
- The updated column tells you if you made changes to the verified address.
- If you agree with the addresses on this screen, select “Submit.” If you do not agree, select “Previous” and return to the record(s) that you need to correct.

MyLocalTax for Business Districts



CITY CLERK OF SPRINGFIELD

084-0001-6
MUNICIPAL BLDG RM 210
SPRINGFIELD IL 62701

Welcome, Trevor Atkins

You last logged in on Wednesday, Sep 29, 2021 2:53:39 PM

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Allocation SPRINGFIELD CITY TREASURER ROOM 104, MUNICIPAL BUILDING SPRINGFIELD IL 62701	Account 04507-19808	<ul style="list-style-type: none">> Request Allocation Remittance Report> Request Taxpayer Listing Report> Respond to Tax Location Verification> Verify Tax Locations> View more account options
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Personal Property Replacement Tax SPRINGFIELD CITY 300 S 7TH ST STE 210 SPRINGFIELD IL 62701-1935	Account 18218-52128	<ul style="list-style-type: none">> View more account options

- You can also request a business district taxpayer listing and view business district addresses from your MyLocalTax account.



Business District Development and Redevelopment Tax

- After verifying your business district addresses, IDOR will send a business district taxpayer listing.
- It is very important to review this document closely, as any addresses that are omitted must be submitted to IDOR before the April 1/October 1 deadline, otherwise you must wait until the next deadline to add that address to your district.
- Once all of the intended addresses are included on your business district taxpayer listing, IDOR will finalize the business district process and notify the affected businesses.

Business District Development and Redevelopment Tax

- Other information to know about business districts
 - Individual sales tax data for the businesses in your business district is confidential. In order to view this data, your municipality must have a current information exchange agreement on file with the Department.
 - The sales tax allocation process is a four-month cycle.
 - If the effective date of your district is January 1, you will receive the first distribution of business district tax in April.
 - If the effective date of your district is July 1, you will receive the first distribution of business district tax in October.

Business District Development and Redevelopment Tax

- Recent Change
 - IDOR developed an electronic address submittal process.
 - No more manual entry, reducing the possibility of typos or other errors.
 - Huge time savings for the staff, allowing them to respond to questions and other correspondence quicker.
 - You won't be required to submit electronically.

Business District Development and Redevelopment Tax

- More information can be found on our website (www.tax.Illinois.gov).
- Questions can be directed to the Local Tax Allocation Division using the contact information on the next page.

LOCAL GOVERNMENT RESOURCES

- LTAD Website
 - Allocation amounts
 - PPRT Estimate
 - Training materials
- LTAD Quarterly Newsletter
 - January, April, July, October
 - We will post it to our website and send a message to subscribers
- IDOR's News and Updates email subscription service
 - Sign up on website
 - Short messages to alert you of news
 - When the PPRT estimate was posted, etc.

THANK YOU!

Illinois Department of Revenue
Local Tax Allocation Division
101 W. Jefferson St. 3-500
Springfield, IL 62702

Telephone: (217) 785-6518

Fax: (217) 785-6527

Email: REV.LocalTax@Illinois.gov

Website: <https://tax.illinois.gov/localgovernments/localtaxallocation.html>



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