



## Illinois Department of Revenue

Legal Services Office  
101 W. Jefferson St. MC 5-500  
Springfield, IL 62702

### SECOND NOTICE OF PROPOSED RULEMAKING

- 1) Agency: Illinois Department of Revenue
- 2) Title and Ill. Adm. Code Citation of Proposed Rulemaking: Hotel Operators' Occupation Tax Act, 86 Ill. Adm. Code 480
- 3) Date, Issue, and page number of the Illinois Register in which the First Notice was published: April 4, 2025, Issue 14, 49 Ill. Reg. 3844
- 4) Text and Location of any Changes Made to the Proposed Rulemaking During the First Notice Period: No changes made.
- 5) Final Regulatory Flexibility Analysis:
  - A. Summary of the issues raised by affected small businesses during the First Notice Period: No issues raised.
  - B. Description of actions taken on any alternatives to the proposed rule suggested by small businesses during the First Notice Period, including reasons for rejecting alternatives not utilized: No issues raised.
- 6) Analysis of the Economic and Budgetary Effects of the Proposed Rulemaking: See attached.
- 7) Response to Recommendations Made by the Administrative Code Division for Changes in the Rule to Make It Comply with the Codification Scheme: All changes requested by the Administrative Code Division have been made.
- 8) Evaluation of the comments received by the agency from interested persons during the first notice period (but not including any questions raised by the Joint Committee in a preliminary review) including:
  - A. Date of any public hearing held during the first notice period. Name of the person or group requesting a hearing: No public hearing requested.
  - B. The names and addresses of all individuals or groups making comments or requesting the opportunity to make comments: No comments received.
  - C. A list of all specific criticisms and suggestions raised in the comments: No comments received.

- D. The agency's evaluation of each of the specific criticisms and suggestions:  
No comments received.
  - E. A statement that the agency has considered all comments received during the first notice period: No comments received.
- 9) An analysis of the expected effects of the proposed rulemaking, including:
- A. Impact on the public: This rulemaking amends 86 Ill. Adm. Code Part 480, Hotel Operators' Occupation Tax Act (35 ILCS 145), to reflect the changes made to the Act by Public Act 103-0592 that address the tax obligations of re-renters of hotel rooms and hosting platforms. The rulemaking adds additional statutory definitions and updates the section on the exemption for foreign missions.
  - B. Changes in the agency's programs or structure resulting from implementation of the rulemaking: None.
  - C. Impact of proposed rule on small businesses. Methods used by Agency to comply with 5 ILCS 100/5-30, including reasons for rejecting any methods not utilized: Effective July 1, 2024, the definition of a hotel operator subject to the tax was expanded to include re-renters of hotel rooms, including remote re-renters meeting a threshold test under 35 ILCS 145/3(b-5). Small businesses that qualify as a hotel re-renter would be impacted by the statutory change. The Department is currently handling these transactions as required by the statute, and therefore, the methods described in 5 ILCS 100/30 are not legal or feasible in meeting the requirements of the Hotel Operators' Occupation Tax Act. The Department published the proposed rulemaking in the Illinois Register and on the Department's website.
- 10) A justification and rationale for the proposed rulemaking, including:
- A. Any changes in statutory language requiring the proposed rulemaking: Public Act 103-0592 created the statutory language that is being incorporated into Part 480.
  - B. Any changes in agency policy, procedures, or structure requiring the proposed rulemaking: None
  - C. Relationship to any relevant federal rules, regulations, or funding requirements: None

- D. Court orders or rulings which are related to the rulemaking: None
  - E. A complete explanation of any other reasons for the proposed rulemaking:  
No other reasons exist.
- 11) Does this rulemaking include an incorporation by reference pursuant to Section 5-75 of the Illinois Administrative Procedure Act? No.

Agency Personnel Who Will Respond to Joint Committee Questions Regarding the Proposed Rulemaking:

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