

ILLINOIS REGISTER

---

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Salem Civic Center Service Occupation Tax
- 2) Code Citation: 86 Ill. Adm. Code 691
- 3) 

<u>Section Numbers:</u>	<u>Proposed Actions:</u>
691.101	Amendment
691.105	Amendment
- 4) Statutory Authority: Authorized by Section 39b29 of the Civil Administrative Code of Illinois. (Department of Revenue Law) [20 ILCS 2505/39b29].
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking incorporates the changes made by P.A. 101-0010, effective June 5, 2019, and P.A. 101-604, effective December 13, 2019, exempting aviation fuel from the Salem Civic Center Service Occupation Tax and providing new references regarding the low-rate items.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: These rules do not create or enlarge a mandate as described in Section 3(b) of the State Mandates Act.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Kimberly Rossini  
Illinois Department of Revenue  
Legal Services Office  
101 West Jefferson

ILLINOIS REGISTER

---

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

Springfield, Illinois 62794

REV.GCO@Illinois.gov  
(217) 782-2844

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: Persons transferring aviation fuel as incident to a sale of service are affected.
  - B) Reporting, bookkeeping or other procedures required for compliance: Basic accounting and computer skills.
  - C) Types of professional skills necessary for compliance: Basic accounting and computer skills.
- 14) Small Business Impact Analysis:
- A) Types of businesses subject to the proposed rule:
    - 42 Wholesale Trade
    - 44-45 Retail Trade
    - 48-49 Transportation and Warehousing
    - 92 Public Administration
  - B) Categories that the agency reasonably believes the rulemaking will impact, including:
    - viii. record keeping
- 15) Regulatory Agenda on which this rulemaking was summarized: July 2024

The full text of the Proposed Amendments begins on the next page:

**Section 691.101 Nature of the Salem Civic Center Service Occupation Tax**

- a) Authority to Impose Tax

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

- 1) Pursuant to the Salem Civic Center Use and Occupation Tax Law [70 ILCS 200/245-12], the Salem Civic Center Authority ("Authority") shall be authorized to impose a service occupation tax upon all persons engaged in the metropolitan area, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the metropolitan area as an incident to a sale of service. [70 ILCS 200/245-12(c)] If imposed, the rate shall be in one-quarter percent (¼%) increments not to exceed 1%. [70 ILCS 200/245-12(a)]~~The Authority is authorized by Section 11.5 of the Salem Civic Center Law [70 ILCS 335/11.5] (the Law) to impose a tax, the Salem Civic Center Service Occupation Tax, on all persons engaged, in the metropolitan area, in the business of making sales of service at the same rate of tax imposed pursuant to Section 11.5(b) of the Law of the selling price of all tangible personal property transferred by such serviceman either in the form of tangible personal property or in the form of real estate as an incident to such sale of service. If imposed, such tax shall only be imposed in ¼% increments at a rate not to exceed 1%. The tax imposed by the Authority under the Law and this Part, and all civil penalties that may be assessed as an incident thereof, shall be collected and enforced by the Illinois Department of Revenue (Department).~~
- 2) Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the Authority. [70 ILCS 200/245-12(c)] "Aviation fuel" means jet fuel and aviation gasoline. [35 ILCS 115/9]
- 3) The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. [70 ILCS 200/245-12(c)]

b) Passing on the Tax

~~Service men are required to collect the Salem Civic Center Service Occupation Tax (when applicable) from purchasers of service in conformance with the requirements of the Service Occupation Tax Regulations (86 Ill. Adm. Code 140).~~ The legal incidence of the Salem Civic Center Service Occupation Tax is on the serviceman. Nevertheless, the General Assembly has authorized persons subject to this tax to

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

~~*reimburse themselves for their serviceman's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act [35 ILCS 115], in accordance with such bracket schedules as the Department has prescribed. [70 ILCS 200/245-12(c)] persons subject to any tax imposed pursuant to the authority granted in the Salem Civic Center Use and Occupation Tax Law to reimburse themselves for their Salem Civic Center Service Occupation Tax liability by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which servicemen are authorized to collect under the Service Use Tax Act [35 ILCS 110], pursuant to such bracket schedules as the Department has prescribed (See 86 Ill. Adm. Code 150.Table A).*~~

- c) Exclusion from "~~Selling Cost~~ Price"  
Any amount added by a serviceman to the selling price of tangible personal property as an incident to service because of ~~the~~ Salem Civic Center Service Occupation Tax, ~~or because of the Illinois~~ Service Occupation Tax ~~[35 ILCS 115], the Service Use Tax, or any other local occupation tax administered by the Department~~ ~~the Home Rule Municipal Service Occupation Tax [65 ILCS 5/8-11-5], the Non-Home Rule Municipal Service Occupation Tax [65 ILCS 5/8-11-1.4], the Metro East Mass Transit District Service Occupation Tax [70 ILCS 3610/5.01], the Regional Transportation Authority Service Occupation Tax [70 ILCS 3615/4.03] or the County Water Commission Service Occupation Tax [70 ILCS 3720/4(c)]~~, shall not be regarded as a part of the selling price ~~that~~ ~~which~~ is subject to ~~the~~ ~~such~~ Salem Civic Center Service Occupation Tax.

(Source: Amended at 49 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 691.105 Registration and Returns**

- a) A serviceman's registration under the Service Occupation Tax Act [35 ILCS 115] or the ~~Illinois~~ Retailers' Occupation Tax Act [35 ILCS 120] is sufficient for the purposes of subsection (c) of the Salem Civic Center Use and Occupation Tax Law [70 ILCS 200/245-12]. No special registration for the Salem Civic Center Service Occupation Tax is required.

ILLINOIS REGISTER

---

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

- b) The information required for the Salem Civic Center Service Occupation Tax shall be furnished on the taxpayer's ~~Illinois~~ Service Occupation Tax return form.
- c) ~~The provisions of the Service Occupation Tax Regulations (86 Ill. Adm. Code 140) shall apply to the tax imposed pursuant to this Part.~~

(Source: Amended at 49 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)