



**Illinois Department of Revenue**

# **Annual Report**



**Collections and  
Distributions**



**Fiscal Years  
2006 and 2007**



**Brian Hamer  
Director**





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**Areas of Recurrent Non-compliance**

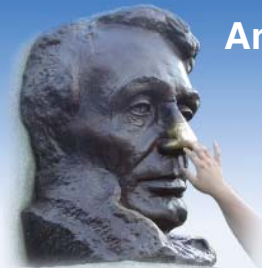
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## Alternative Filing and Payment Options

### Overview

The Illinois Department of Revenue must deposit monies within 24 hours of receipt. Electronic funds transfer (EFT), lockbox facilities, and alternative filing methods are used to deposit money quickly and accurately.

### Electronic Funds Transfer (EFT)

EFT is an electronic method used to pay tax liabilities. Instead of writing a check, financial institutions are instructed to transfer the funds from the taxpayer's account to ours. The department applies the transferred amount to the tax liability. EFT is not a way to file a return electronically.

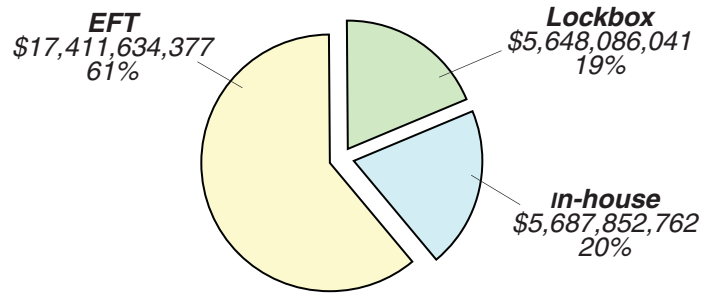
The department receives various tax payments by EFT. The State of Illinois transmits payments for taxes withheld from its employees using this method. Riverboat gambling tax payments and fedwire transfers are also received by EFT. A taxpayer whose annual average liability meets or exceeds a certain threshold must participate in the department's EFT program.

Graph 1 shows the origin of all payments received by the department.

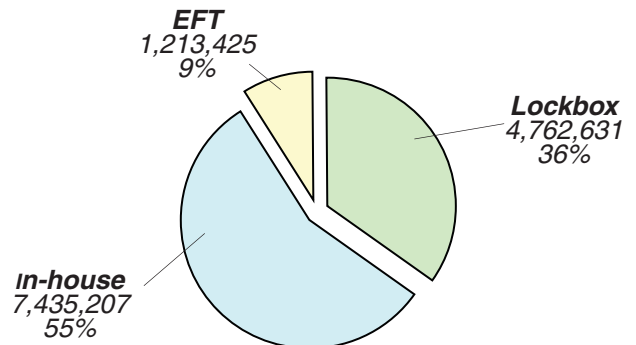


Graph 1: Payments Received

**2006 Total dollars processed: \$28,747,573,180**

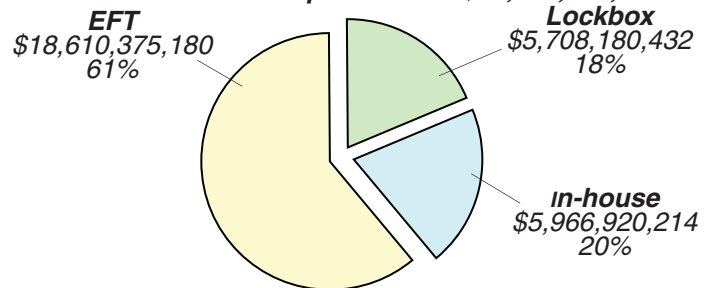


**Total number of payments: 13,411,263**

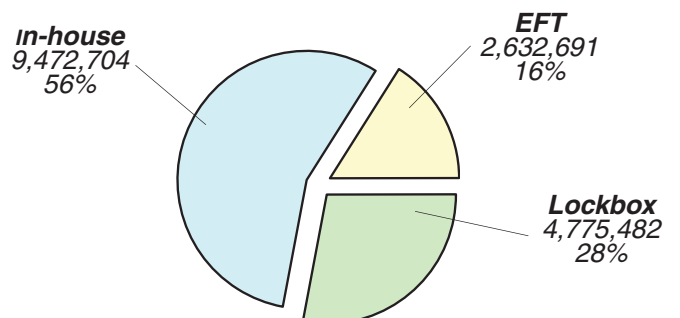


**2007**

**Total dollars processed: \$30,285,475,826**



**Total number of payments: 16,880,877**





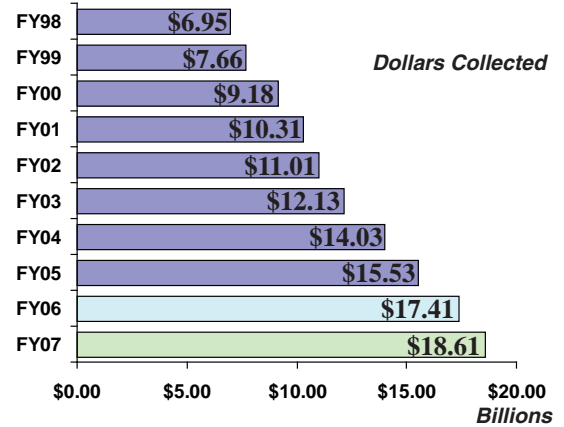
# Alternative Filing and Payment Options (Continued)

## EFT Program

The department's EFT program has both mandated and voluntary participants. The Automated Clearing House (ACH) payment network is the primary means of collecting EFT payments. Taxpayers may originate their tax payments through their financial institution (ACH credit). They also may authorize the department to have its bank take the money from an account they designate by use of interactive voice response telephone calls, Internet, or modem-to-modem communications (ACH debit).

Graph 2 shows the growth in the dollar volume of EFT payments over the last several years.

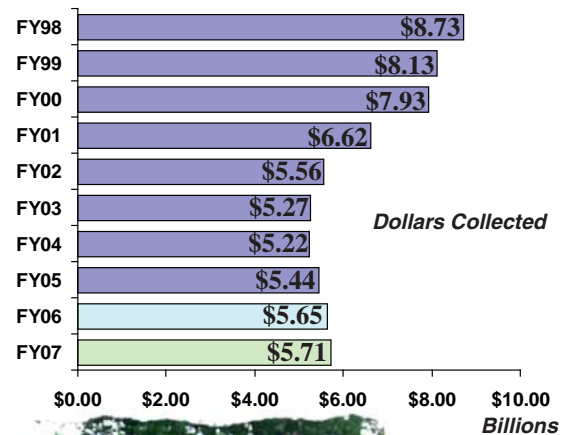
Graph 2: EFT Program



## Lockbox Program

Lockbox is a service provided by a financial institution that enables selected taxpayers to mail their tax payments directly to a post office box for pickup by the financial institution. The financial institution then processes and deposits the monies based on department specifications. This process reduces the time necessary to credit a taxpayer's account. In 1986, the department processed its first payment through a lockbox facility. Currently, six different payment types are processed at two different lockbox facilities.

Graph 3: Lockbox Processing



## Alternative Filing and Payment Options (Continued)

### Individual Income Tax

The Illinois Department of Revenue offers taxpayers a choice of several electronic filing options for Form IL-1040: e-File, TeleFile, WebFile and Tax-Prep Software.

#### e-File

Through the department's Electronic Filing Program, taxpayers can have Form IL-1040, Illinois Individual Income Tax Return, transmitted directly from tax professionals' computers to the department's computer. This method of electronic filing has been in place since 1991. The department also participates in the Internal Revenue Service (IRS) Federal/State Electronic Filing Program. Rather than transmit returns directly to the department, the tax professional can transmit the state return along with the federal return to the IRS. The IRS then makes the state return available for the department to retrieve electronically and process.

#### TeleFile

The TeleFile method of filing an individual income tax return was launched in 1994. It was only offered to a select group of taxpayers based on their previous filing history. In January 2000, this method was offered to all Illinois taxpayers that met the TeleFile program criteria. Beginning January 2004, the department joined the Internal Revenue Service's Federal/State TeleFile Program. Eligible taxpayers file both their federal and Illinois returns during the same telephone call. Voice instructions guide taxpayers through the telephone call, instructing them when, how and what type of entries to make from the keypad of a touch-tone telephone. The TeleFile program was discontinued in November 2005.

#### WebFile

In January 1999, the department introduced the Internet Filing Pilot Program to randomly selected taxpayers. Beginning in 2000, the program is available to any Illinois taxpayer who is assigned an Illinois Personal Identification number (IL-PIN) and who meets the WebFile program criteria. These taxpayers have the opportunity to file their individual income tax returns on our Internet web site. By allowing taxpayers to enter the IL-PIN and the data from their W-2 forms, those expecting a refund have nothing to mail.

#### Tax-Prep Software

Beginning in 2000, all taxpayers assigned an IL-PIN may use the Tax-Prep Software filing method. Taxpayers can purchase or obtain a tax preparation software package from a retail store or by downloading software on the Internet that contains both their federal and Illinois income tax returns at the same time.

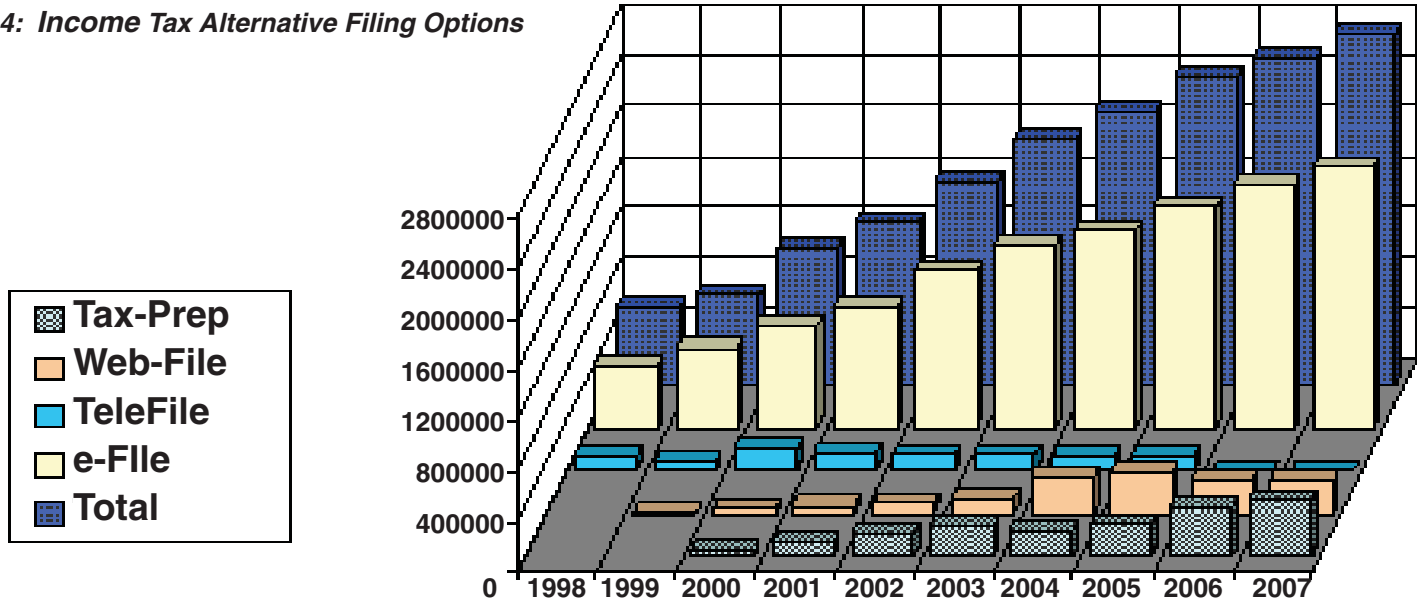
Abraham Lincoln  
Presidential Museum  
Springfield, Illinois

ABRAHAM LINCOLN PRESIDENTIAL MUSEUM



## Alternative Filing and Payment Options (Continued)

Graph 4: Income Tax Alternative Filing Options



Tax Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Tax-Prep			51,195	108,501	171,232	247,342	294,876	319,028	395,615	438,442
WebFile		11,191	43,538	62,556	86,881	120,887	201,541	253,887	265,790	264,719
TeleFile	119,654	74,727	172,367	147,014	120,963	128,434	116,328	112,752	—	—
e-File	495,423	631,171	811,927	957,297	1,238,563	1,444,354	1,553,100	1,748,957	1,915,987	2,064,335
Total	615,077	717,089	1,079,027	1,275,368	1,617,639	1,941,017	2,165,845	2,434,624	2,577,392	2,767,496

### Credit Card Payments

In addition to paying by check or money order, taxpayers may use a credit card to pay individual income tax owed for the current tax year, prior tax years, estimated payments, and extension payments. In FY 2006, 18,975 credit card payments were received totaling over \$6.7 million. In FY 2007, 19,707 credit card payments were received totaling over \$8.1 million.

### Electronic Funds Withdrawal

In addition to paying by check or money order, taxpayers may pay individual income tax liabilities owed for the current tax year by having the amount owed debited from their checking or savings accounts. In FY 2006, 88,540 electronic funds withdrawal payments were received totaling over \$32 million. In FY 2007, 104,205 electronic funds withdrawal payments were received totaling over \$47 million.



## Alternative Filing and Payment Options (Continued)

### Sales Tax

#### TeleFile

The Sales Tax TeleFile Program was implemented in November 1999, for taxpayers with relatively simple sales tax returns. In May 2002, the program was expanded to include Illinois Use Tax reporting. The direct debit payment feature was also added. The program was further expanded in October 2003 when liquor retailers were mandated to TeleFile sales tax returns. The TeleFile users were now able to apply prior overpayments of tax to current liabilities. In January 2004, a Spanish-speaking script was added.

Taxpayers receive a personal identification number to access the toll-free TeleFile system. Taxpayers are prompted to enter information from the telephone keypad. The TeleFile system computes math, eliminating arithmetic mistakes. The department received 91,867 TeleFile sales tax returns in fiscal year 2006 and 76,708 in fiscal year 2007.

#### Electronic Data Interchange (EDI)

The department initiated the sales tax Electronic Data Interchange (EDI) Program in September 2000. The program is voluntary and only Form ST-1, Sales and Use Tax Return, and Form ST-2, Multiple Site Form, can be filed electronically. The program is an electronic exchange of business documents from one company's computer to another's computer in machine-processable, national standard data formats. Participants in the program include taxpayers who are required to file Form ST-1; trading partners formatting EDI interchanges; transmitters transmitting directly to the department's communications processor; and software developers supporting EDI. The department received 399 sales tax returns by EDI in fiscal year 2006 and 192 in fiscal year 2007.

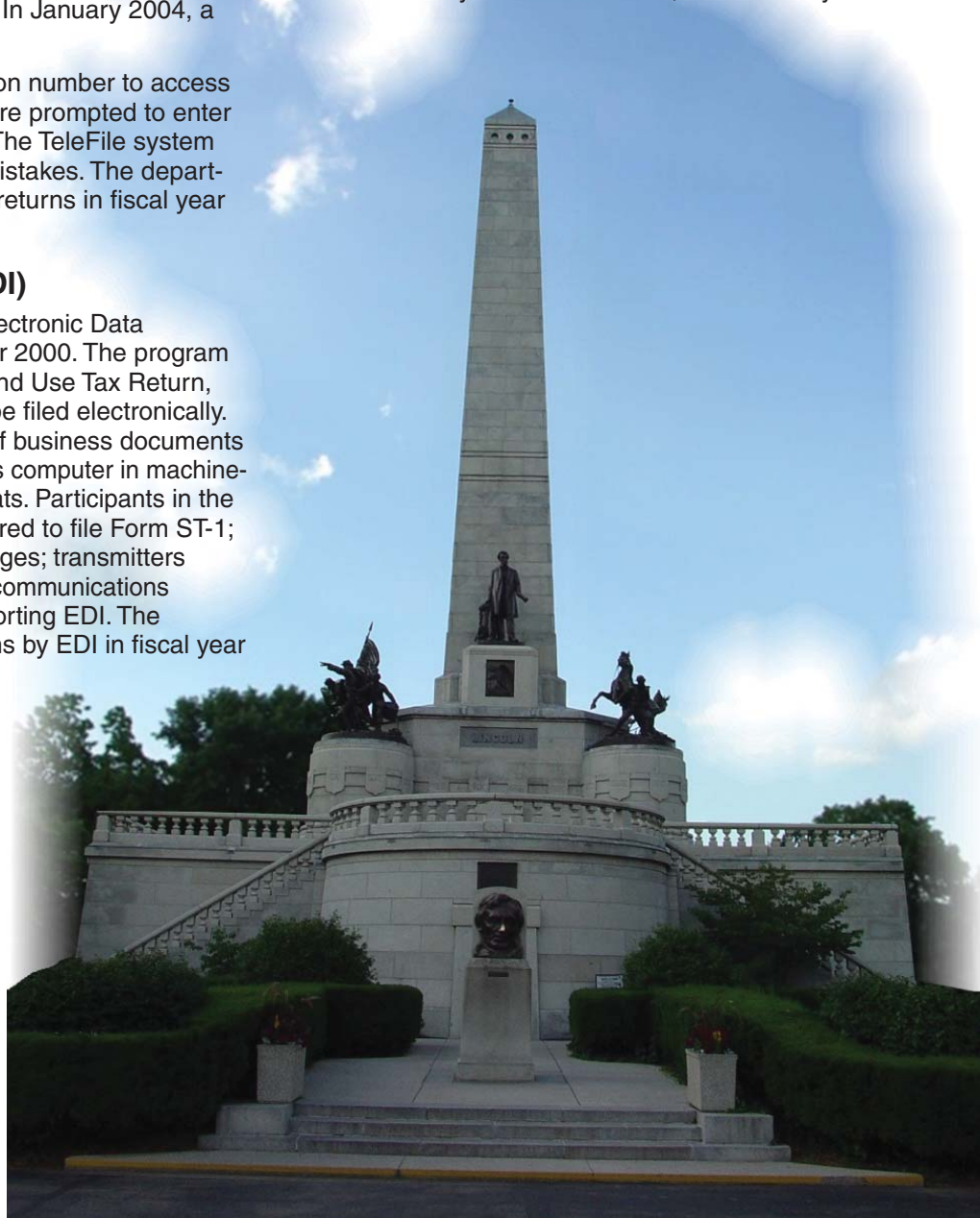
#### Electronic Registration and Titling

A joint effort with the Secretary of State allows auto dealers and other vendors to electronically file and pay vehicle sales tax returns and to electronically title and register vehicles with the Secretary of State. The pilot program began receiving electronic returns and payments in October 2004. In FY 2006, 230,359 electronically filed vehicle returns were received with corresponding electronic payments totaling over \$276 million. In FY 2007, 416,131 electronically filed vehicle returns were received with corresponding electronic payments totaling over \$455 million.

#### WebFile

The Sales Tax WebFile Program was introduced in October 2004. The program allows Form ST-1, Sales and Use Tax Return, and Form ST-2, Multiple Site Return, to be filed electronically and includes an electronic debit payment option. It is available to monthly, quarterly and annual ST-1 filers who meet specific criteria.

Taxpayers receive a personal identification number (PIN) to access the system. The department received 169,014 WebFile returns in fiscal year 2006 and 258,772 in fiscal year 2007.





# Annual Report of Collections and Distributions 2006—2007

## Total Revenue Collected

**Table 1: Total Revenue Collected <sup>(1)</sup>**

<b>Section 1: State Taxes and Fees Collections <sup>(2)</sup></b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY 2007</b>
<b>Income Taxes</b>			
1 Corporate Income Tax	1,548,140,694	1,784,316,859	2,189,612,609
2 Individual Income Tax	8,864,878,151	9,573,955,481	10,469,796,531
3 Personal Property Replacement Income Tax	1,070,446,107	1,232,779,968	1,473,415,461
<b>A.Total Income Taxes</b>	<b>\$11,483,464,952</b>	<b>\$12,591,052,308</b>	<b>\$14,132,824,601</b>
<b>Sales Taxes</b>			
1 Retailers' Occupation, Use, Service Occupation, Service Use	8,876,289,022	9,524,843,731	9,641,099,227
2 Other Sales or Renting Taxes and Fees			
a Automobile Renting Occupation and Use Taxes	28,334,295	29,670,602	32,872,610
b Replacement Vehicle Tax <sup>(3)</sup>	1,071	815	2,462
c Tire User Fee	15,959,014	16,325,808	16,651,783
d Vehicle Use Tax	37,078,038	40,005,878	37,379,845
<b>B. Total Sales Taxes</b>	<b>\$8,957,661,440</b>	<b>\$9,610,846,834</b>	<b>\$9,728,005,927</b>
<b>Motor Fuel Taxes</b>			
1 Motor Fuel and Motor Fuel Use Taxes	1,360,349,355	1,373,236,099	1,378,004,677
2 Underground Storage Tank Tax and Environmental Impact Fee	74,353,736	74,266,884	74,365,765
<b>C.Total Motor Fuel Taxes</b>	<b>\$1,434,703,091</b>	<b>\$1,447,502,983</b>	<b>\$1,452,370,442</b>
<b>Excise Taxes</b>			
1 Cigarette and Cigarette Use Taxes	639,186,971	636,274,692	603,951,211
2 Coin-operated Amusement Device Tax	2,660,895	2,407,538	2,219,491
3 Dry-cleaning Solvent Tax and License Fees	2,514,857	2,414,151	3,691,996
4 Electricity Excise Tax	365,050,401	392,759,730	396,981,049
5 Energy Assistance and Renewable Energy	94,923,026	97,287,263	97,133,281
6 Gas Tax Collections <sup>(4)</sup>	162,864,264	155,328,574	160,444,611
7 Hotel Operators' Occupation Tax	160,720,291	185,039,659	206,807,648
8 Invested Capital Tax and Electricity Distribution Tax	176,296,985	200,973,522	188,745,523
9 Liquor Gallonage Tax	147,400,072	152,111,032	155,822,148
10 Oil and Gas Production Assessment	455,752	580,682	330,656
11 Telecommunications Excise Tax	626,618,181	611,570,279	659,481,679
12 Telecommunications Infrastructure Maintenance Fee	27,672,889	22,003,170	23,326,218
13 Tobacco Products Tax	18,614,135	19,209,659	20,974,390
<b>D. Total Excise Taxes</b>	<b>\$2,424,978,719</b>	<b>\$2,477,959,951</b>	<b>\$2,519,909,901</b>
<b>Gaming Taxes</b>			
1 Bingo Tax and License Fees	3,914,028	3,600,764	3,246,352
2 Charitable Games Tax and License Fees	292,523	410,544	391,345
3 Pull Tabs and Jar Games Tax and License Fees	7,136,383	6,804,415	6,499,828
4 Racing Pari-mutuel Tax	11,658,960	10,535,942	8,496,816
<b>E Total Gaming Taxes</b>	<b>\$23,001,894</b>	<b>\$21,351,665</b>	<b>\$18,634,341</b>
<b>Other Collections</b>			
1 Miscellaneous <sup>(5)</sup>	718,747	1,238,684	2,765,824
2 Qualified Solid Waste Energy Facility Payment	350,041	284,548	265,511
3 Real Estate Transfer Tax Stamps	108,459,473	116,556,487	98,713,265
a Rental Housing Support Program Surcharge <sup>(6)</sup>	—	21,206,160	25,743,231
4 Senior Citizens Real Estate Tax Deferral	3,785,807	4,762,951	4,861,032
5 Tennessee Valley Authority (TVA)	85,558	86,703	101,789
<b>F. Total Other Collections</b>	<b>\$113,399,626</b>	<b>\$144,135,533</b>	<b>\$132,450,652</b>
<b>Total Section 1: State Collections (A+B+C+D+E+F)</b>	<b>\$24,437,209,722</b>	<b>\$26,292,849,274</b>	<b>\$27,984,195,864</b>



**Total Revenue Collected**  
(Continued)

**Table 1: Total Revenue Collected (continued)**

<b>Section 2: Taxes Collected for Local Governments<sup>(7)</sup></b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY 2007</b>
<b>Automobile Renting Occupation and Use Taxes</b>			
1 County Automobile Renting Occupation and Use Taxes	38,350	53,162	48,582
2 MPEA Automobile Renting Occupation and Use Taxes	24,192,606	25,593,240	28,788,831
3 Municipal Automobile Renting Occupation and Use Taxes	5,058,173	4,739,800	6,003,677
<b>A Total Automobile Renting Occupation and Use Taxes</b>	<b>\$ 29,289,129</b>	<b>\$ 30,386,202</b>	<b>\$ 34,841,090</b>
<b>B Chicago Soft Drink Tax</b>	<b>\$ 7,940,067</b>	<b>\$ 8,572,520</b>	<b>\$ 8,473,351</b>
<b>C County Motor Fuel Tax</b>	<b>\$ 30,829,414</b>	<b>\$ 30,595,664</b>	<b>\$ 30,378,195</b>
<b>D County Water Commission Tax</b>	<b>\$ 33,483,302</b>	<b>\$ 35,526,859</b>	<b>\$ 35,822,388</b>
<b>E Home Rule and Non-home Rule Sales Taxes</b>	<b>\$ 885,085,998</b>	<b>\$ 1,007,254,358</b>	<b>\$ 1,084,120,412</b>
<b>Hotel Taxes</b>			
1 Illinois Sports Facilities Hotel Tax	27,617,881	31,086,722	35,454,825
2 MPEA Hotel Tax	32,197,375	36,241,389	41,333,812
3 Municipal Hotel Tax (Chicago)	13,949,852	15,701,974	17,908,304
<b>F Total Hotel Taxes</b>	<b>\$ 73,765,108</b>	<b>\$ 83,030,085</b>	<b>\$ 94,696,941</b>
<b>G Mass Transit District Sales and Use Taxes</b>	<b>\$ 687,455,896</b>	<b>\$ 728,728,479</b>	<b>\$ 748,636,181</b>
<b>H Metro-East Park and Recreation District Tax</b>	<b>\$ 3,915,631</b>	<b>\$ 4,199,472</b>	<b>\$ 4,266,266</b>
<b>I Municipal Business District Taxes<sup>(8)</sup></b>	<b>—</b>	<b>\$ 88,911</b>	<b>\$ 698,381</b>
<b>J MPEA Food and Beverage Tax</b>	<b>\$ 26,953,399</b>	<b>\$ 30,442,198</b>	<b>\$ 32,185,376</b>
<b>K Municipal Simplified Telecommunications Tax</b>	<b>\$ 276,366,318</b>	<b>\$ 278,710,902</b>	<b>\$ 277,287,262</b>
<b>Replacement Vehicle Taxes</b>			
1 Municipal Replacement Vehicle Tax	62	—	—
<b>L Total Replacement Vehicle Taxes<sup>(3)</sup></b>	<b>\$ 62</b>	<b>—</b>	<b>—</b>
<b>M Tennessee Valley Authority (TVA)</b>	<b>\$ 199,636</b>	<b>\$ 202,307</b>	<b>\$ 237,507</b>
<b>N Special County Retailers' Occupation Tax for Public Safety</b>	<b>\$ 61,013,773</b>	<b>\$ 67,376,290</b>	<b>\$ 72,816,123</b>
<b>Total Section 2: Taxes Collected for Local Governments (A+B+C+D+E+F+G+H+I+J+K+L+M+N)</b>	<b>\$ 2,116,297,733</b>	<b>\$ 2,305,114,247</b>	<b>\$ 2,424,459,379</b>
<b>Collections Grand Total (Section 1 + Sections 2)</b>	<b>\$ 26,553,507,455</b>	<b>\$ 28,597,963,521</b>	<b>\$ 30,408,655,337</b>

**Table 1 Footnotes**

- (1) Amounts reported represent dollars remaining after the return is processed, any adjustments have been made to the account, and any credits or refunds have been issued.
- (2) Amounts reported in Section 1 include amounts subsequently disbursed to units of local government in the form of revenue sharing as mandated by various Illinois tax acts. See Table 43 and "Revenue-sharing with Local Governments" for more information.
- (3) Public Act 93-0024 repealed this tax effective July 1, 2003. The Department continued to collect July 1, 2003.
- (4) Public Act 93-0031 created the Gas Use Tax effective October 1, 2003. The reported amount of gas taxes collected reflects both the Gas Revenue Tax and the Gas Use Tax beginning with FY-04.
- (5) Includes jury duty refunds, duplicate payments, insurance claims, and tax forms.
- (6) Public Act 94-0118 created the Rental Housing Support Program surcharge effective July 1, 2005.
- (7) These taxes are locally-imposed taxes that the department collects for the governmental unit that imposes the tax. State revenues that are "shared" with units of local government are shown in Table 43.
- (8) Public Act 93-1053 was effective January 1, 2005. This tax was first available for implementation on July 1, 2005.

**Note:** Totals may not balance due to rounding.



# Income Taxes

## Statutory Reference

35 ILCS 5/101 to 5/1701

## Definition

The Illinois Income Tax is imposed on every individual, corporation, trust, and estate earning or receiving income in Illinois. The tax is calculated by multiplying net income by a flat rate. The Illinois Income Tax is based, to a large extent, on the federal Internal Revenue Code.

## Individuals

The tax rate is 3 percent of net income. The starting point for the Illinois Individual Income Tax is the federal adjusted gross income. Federal adjusted gross income is “income” minus various deductions (not including itemized deductions, the standard deduction, or any exemptions). Next, the federal adjusted gross income is changed by adding back certain items (*e.g.*, federally tax-exempt interest income) and subtracting others (*e.g.*, federally taxed retirement and Social Security income). The result is “base income.”

The base income earned in Illinois or while a resident of Illinois is then reduced by the number of federally claimed exemptions plus any additional exemptions. The amount of each **standard exemption** is \$2,000. **Additional exemptions** are allowed for any taxpayer or spouse who was either 65 years of age or older, legally blind, or both (\$1,000 each). The total exemption amount is deducted from base income to arrive at “net income.” The tax rate is then applied against net income.

Illinois Income Tax must be withheld by an employer if federal income tax is withheld on

- compensation (*i.e.*, wages and salaries) paid in Illinois, and
- gambling or lottery winnings paid in Illinois.

An employee may also enter a voluntary withholding agreement with the employer.

Illinois Income Tax is **not** withheld from

- compensation paid to residents of Iowa, Kentucky, Michigan, and Wisconsin, due to reciprocal agreements with each of these states and
- certain other types of compensation and payments.

**Table 2: Illinois Income Tax Rate History**

Effective date	Individuals	Corporations
August 1, 1969	2.5 percent	4.0 percent
January 1, 1983 <sup>(1)</sup>	3.0 percent	4.8 percent
July 1, 1984	2.5 percent	4.0 percent
July 1, 1989 <sup>(2)</sup>	3.0 percent	4.8 percent
July 14, 1993 <sup>(3)</sup>	3.0 percent	4.8 percent

(1) First 20 percent surcharge  
 (2) Second 20 percent surcharge  
 (3) Rate made permanent, retroactive to July 1, 1993.

**Table 3: Individual Exemption History**

Tax year	Standard exemption	Additional exemptions
1969	\$1,000	As on federal return*
1987	\$1,000	\$ 0
1990	\$1,000	\$1,000
1998	\$1,300	\$1,000
1999	\$1,650	\$1,000
2000	\$2,000	\$1,000

\* Additional exemptions for blind and elderly (*i.e.*, age 65 or older) were provided through the federal income tax return. These exemptions were subsequently repealed at the federal level by the Federal Tax Reform Act of 1986, effective for tax year 1987.

**Table 4: Individual Income Tax Filing Status**

Taxpayer status	2005 returns	2006 returns
Single*	3,365,610	3,451,207
Married, filing jointly	2,272,162	2,286,372
Married, filing separately	76,453	79,549
<b>Total</b>	<b>5,714,225</b>	<b>5,817,128</b>

\* Includes single, head of household, and widowed.



Lincoln Home  
Springfield, Illinois

**Income Taxes**  
(Continued)

**Table 5: Individual Income Tax returns Filed by Adjusted Gross Income — Tax Year 2005**

AGI Bracket	Returns	AGI	Exemptions	Reported Tax	No. of property tax credit	Property Tax Credits
Less Than Zero	50,141	(\$ 2,539,867,631)	93,478	\$ 242,550	123	\$ 42,225
\$0 — \$ 5,000	466,221	\$ 1,221,569,439	457,285	\$ 19,373,120	9,932	\$ 353,989
\$5,001 — \$ 15,000	886,270	\$ 8,750,931,576	1,461,040	\$ 155,359,858	108,415	\$ 8,522,433
\$15,001 — \$ 25,000	741,135	\$ 14,694,816,858	1,575,539	\$ 298,658,025	165,848	\$ 17,015,658
\$25,001 — \$ 50,000	1,292,834	\$ 47,022,352,235	2,864,149	\$ 1,081,020,694	545,916	\$ 66,863,595
\$50,001 — \$100,000	1,262,735	\$ 89,492,277,807	3,462,946	\$ 2,149,514,442	943,833	\$ 157,075,319
\$100,001 — \$500,000	622,765	\$101,993,459,241	1,955,701	\$ 2,684,176,844	556,649	\$ 161,742,986
\$500,001 & more	39,161	\$ 60,823,388,440	129,742	\$ 1,777,846,277	36,739	\$ 24,927,080
Illinois	5,361,262	\$321,458,927,965	11,999,880	\$ 8,166,191,810	2,367,455	\$ 436,543,285
Nonresidents and residents with invalid IL Zip Codes	352,963	\$120,079,794,663	785,529	\$ 450,581,979	30,945	\$ 7,339,503
<b>Total</b>	<b>5,714,225</b>	<b>\$441,538,722,628</b>	<b>12,785,409</b>	<b>\$ 8,616,773,789</b>	<b>2,398,400</b>	<b>\$ 443,882,788</b>

**Table 5: Individual Income Tax returns Filed by Adjusted Gross Income — Tax Year 2006**

AGI Bracket	Returns	AGI	Exemptions	Reported Tax	No. of property tax credit	Property Tax Credits
Less Than Zero	47,768	(\$ 2,368,226,319)	89,720	\$ 176,349	85	\$ 31,952
\$0 — \$ 5,000	460,195	\$ 1,207,497,096	442,864	\$ 19,499,412	9,088	\$ 322,071
\$5,001 — \$ 15,000	874,431	\$ 8,641,050,394	1,413,742	\$ 156,328,379	103,453	\$ 8,339,575
\$15,001 — \$ 25,000	731,883	\$ 14,517,730,694	1,544,163	\$ 297,688,605	160,068	\$ 17,068,865
\$25,001 — \$ 50,000	1,291,086	\$ 46,959,667,515	2,842,186	\$ 1,080,981,025	529,173	\$ 67,321,764
\$50,001 — \$100,000	1,295,592	\$ 92,115,947,924	3,486,599	\$ 2,199,506,033	955,203	\$ 163,975,230
\$100,001 — \$500,000	694,857	\$114,309,913,263	2,171,198	\$ 2,988,662,678	620,426	\$ 184,336,363
\$500,001 & more	44,869	\$ 71,562,449,099	149,313	\$ 2,116,167,074	41,989	\$ 29,076,820
Illinois	5,439,681	\$346,946,029,666	12,139,785	\$ 8,859,009,555	2,419,485	\$ 470,472,640
Nonresidents and residents with invalid IL Zip Codes	377,447	\$148,079,102,848	837,989	\$ 522,275,867	33,121	\$ 8,091,615
<b>Total</b>	<b>5,817,128</b>	<b>\$495,025,132,514</b>	<b>12,977,774</b>	<b>\$ 9,381,285,422</b>	<b>2,452,606</b>	<b>\$ 478,564,255</b>

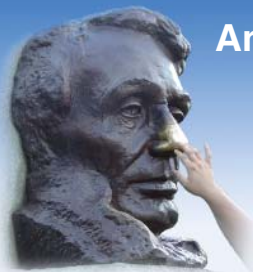
**Individual Income Tax Credits**

**Property tax relief** for real estate taxes paid on one's principal residence has been provided to Illinois Individual Income Tax filers by various means since tax year 1983. A single deduction for property taxes paid was in effect for tax years 1983 through 1988; a double deduction for property taxes paid was in effect for tax years 1989 and 1990. The current 5 percent credit began in tax year 1991.

Beginning with tax year 2000, taxpayers who spend more than \$250 for **qualifying education expenses** may receive a credit for 25 percent of the amount over \$250, up to a maximum of \$500. An Illinois **Earned Income Tax Credit**, equal to 5 percent of the federal tax credit, was also allowed beginning in tax year 2000. The Earned Income Tax Credit was made refundable effective tax year 2003.

**Table 6: Property Tax Credit, Education Expense Credit, and Earned Income Credit Amounts**

Tax year	Property tax		Education Expense		Earned Income	
	Number of returns	Credit amount	Number of returns	Credit amount	Number of returns	Credit amount
1997	2,237,539	273,854,726	—	—	—	—
1998	2,255,864	287,911,422	—	—	—	—
1999	2,275,646	303,400,238	—	—	—	—
2000	2,296,883	317,933,001	165,781	61,233,025	542,070	39,921,206
2001	2,337,890	337,404,976	189,055	68,444,006	584,223	44,147,501
2002	2,305,452	355,552,264	185,005	66,518,652	645,973	50,829,816
2003	2,320,667	383,614,818	194,923	67,139,827	719,790	65,746,171
2004	2,351,032	413,605,302	207,275	67,904,029	743,952	70,926,683
2005	2,398,400	443,882,788	224,410	70,549,008	760,965	75,316,464
2006	2,452,606	478,564,255	231,665	71,042,813	773,724	78,902,828



## Income Taxes (Continued)

**Table 7: Corporate Liability Stratification for Income and Replacement Taxes — Tax Year 2004**

Liability Range (Thousands)	Total filers	Percent of filers	Liabilities (millions)	Percent of liabilities	Average Liability
\$0	82,342	67.35%	\$ 0.0	0.00%	\$ 0
\$0 > \$5	31,609	25.85%	33.4	2.29%	1,057
\$5 > \$10	2,882	2.36%	20.0	1.37%	6,940
\$10 > \$50	3,164	2.59%	71.4	4.91%	22,566
\$50 > \$100	812	0.66%	57.5	3.95%	70,813
\$100 > \$500	980	0.80%	215.2	14.78%	219,592
\$500 > \$1,000	232	0.19%	164.8	11.32%	710,345
\$1,000 & more	236	0.19%	893.3	61.37%	3,785,169
<b>Totals</b>	<b>122,257</b>	<b>100.00%</b>	<b>\$ 1,455.6</b>	<b>100.00%</b>	<b>\$ 11,906</b>
Liability only	39,915	32.65%	\$ 1,455.6	100.00%	\$ 36,467

**Table 7: Corporate Liability Stratification for Income and Replacement Taxes — Tax Year 2005**

Liability Range (Thousands)	Total filers	Percent of filers	Liabilities (millions)	Percent of liabilities	Average Liability
\$0	78,324	66.71%	\$ 0.0	0.00%	\$ 0
\$0 > \$5	30,367	25.87%	32.4	1.81%	1,067
\$5 > \$10	2,943	2.51%	20.5	1.14%	6,966
\$10 > \$50	3,254	2.77%	74.0	4.12%	22,741
\$50 > \$100	849	0.72%	60.8	3.39%	71,614
\$100 > \$500	1,132	0.96%	247.8	13.81%	218,905
\$500 > \$1,000	226	0.19%	158.8	8.85%	702,655
\$1,000 & more	309	0.26%	1,200.5	66.89%	3,885,113
<b>Totals</b>	<b>117,404</b>	<b>100.00%</b>	<b>\$ 1,794.8</b>	<b>100.00%</b>	<b>\$ 15,287</b>
Liability only	39,080	33.29%	\$ 1,794.8	100.00%	\$ 45,926

**Note:** For information about replacement taxes, see Table 55 and Table 56.



## Corporations

The tax rate for corporations is 4.8 percent of net income. The rate for trusts and estates is 3 percent of net income.

**(Note:** These rates apply to income tax only. See “Replacement Taxes.”)

Generally, S corporations and partnerships do not pay the Illinois Corporate Income Tax. However, corporations, S corporations, partnerships, and trusts are required to pay **Personal Property Replacement Tax**. Income from these entities is generally passed on to owners who, in turn, must report this income on their federal income tax returns. This income is included in federal adjusted gross income, which is the starting point for the Illinois Individual Income Tax, or taxable income for corporations.

The starting point for the Illinois Corporate Income Tax is the federal taxable income, which is income minus deductions. Next, the federal taxable income is changed by adding back certain items (e.g., state, municipal, and other interest income excluded from federal taxable income) and subtracting others (e.g., interest income from U.S. Treasury obligations). The result is “base income.”

If income is earned both inside and outside of Illinois, the base income is then apportioned by a formula to determine Illinois’ share of income. Generally, income allocable to Illinois is determined by the ratio of sales of the corporation within Illinois to total sales of the entire corporation. Insurance companies, financial organizations, and transportation companies have different formulas.

**Corporate Income Tax credits** are provided as incentives to encourage certain types of taxpayer behavior. Major tax credits are listed below.

- Research and Development Credit (for tax years ending prior to 12/31/2003, and beginning again for tax years ending on or after 12/31/2004)
- Training Expense Credit (for tax years ending prior to 12/31/2003)
- Coal Research and Coal Utilization Investment Credits (until 1/1/2005)
- Enterprise Zone Investment Credit
- High Impact Business Investment Credit
- Environmental Remediation Tax Credit (for tax years ending prior to 12/31/2001)
- Economic Development for a Growing Economy (EDGE) Tax Credit
- TECH-PREP Youth Vocational Programs Credit
- Dependent Care Assistance Program Tax Credit
- Employee Child Care Tax Credit (for tax years prior to 12/31/2004)
- Enterprise Zone and Foreign Trade Zone Jobs Tax Credit
- Life and Health Insurance and HMO Guarantee Association fee offset (for tax years ending prior to 12/31/2002)
- Affordable Housing Credit (for tax years ending on or after 12/31/2001)
- Film Production Services Credit (tax years beginning 1/1/2004)
- Credit for Personal Property Replacement Taxes paid (for tax years ending prior to 12/31/2003)
- Transportation Employee Credit (beginning 1/1/2004 until 7/1/2004)

## Income Taxes (Continued)

**Table 8: Corporate Income Tax Credit Profile by Tax Year (in millions)**

Credit	1996*	1997*	1998*	1999*	2000*	2001*	2002*	2003	2004	2005
Enterprise Zone	\$ 8.4	\$ 9.0	\$10.0	\$ 5.8	\$ 4.4	\$ 7.5	\$ 6.5	\$N/A	\$N/A	\$5.4
Coal Research & Coal Utilization	0.7	4.3	1.1	0.1	1.1	1.1	3.8	N/A	N/A	—
High Impact Business	1.2	0.4	0.5	0.5	0.5	0.2	1.5	1.6	3.1	0.7
Jobs Tax Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.7
Replacement Taxes Paid	10.0	9.3	8.8	9.0	6.5	5.8	6.4	—	—	—
Training Expense	17.7	18.8	17.3	14.5	14.4	12.7	14.2	3.8	—	—
Research & Development	35.2	32.6	27.5	15.9	15.0	6.7	8.2	7.3	0.6	27.0
Life & Health Insurance Tax Offset	4.1	12.3	16.1	14.1	12.9	6.2	3.6	—	—	—
Tech-Prep	0.0	0.2	0.3	0.3	0.0	0.0	0.0	N/A	N/A	0.1
Dependent Care	1.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	N/A	0.0
Environmental Remediation	—	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
EDGE**	—	—	—	0.0	0.2	3.3	5.2	9.9	13.6	18.0
Child Care	—	—	—	—	0.9	3.0	0.4	0.2	0.0	0.0
Affordable Housing	—	—	—	—	—	0.0	0.3	0.3	0.0	10.3
Transportation Employee	—	—	—	—	—	—	—	—	—	—
Film Production	—	—	—	—	—	—	—	—	N/A	1.0
<b>Total</b>	<b>\$ 78.3</b>	<b>\$ 86.9</b>	<b>\$ 81.6</b>	<b>\$ 60.2</b>	<b>\$ 56.1</b>	<b>\$ 46.5</b>	<b>\$ 50.1</b>	<b>\$ 23.1</b>	<b>\$ 18.0</b>	<b>\$ 63.2</b>

\* Based on a review of Schedules 1299-D.

— : Did not exist or no longer exists

\*\* Economic Development for a Growing Economy

N/A : No Data

### Distribution

Individual and corporate income tax collections are deposited into three separate funds: the Income Tax Refund Fund (ITRF), the Education Assistance Fund (EAF), and the General Revenue Fund (GRF). A percentage of gross income tax collections is deposited into the ITRF to arrive at net income taxes. ITRF received 11.7 percent in FY 2004 and 10 percent in FY 2005 for individuals. ITRF also received 32 percent in FY 2004 and 24 percent in FY 2005 for corporations. A percentage of the net income taxes is then deposited into the EAF (7.3 percent). The GRF receives all remaining income tax deposits. Beginning with FY 1996, 1/10 of net income taxes are transferred from the GRF to the Local Government Distributive Fund. See "Revenue-sharing with Local Governments."



**Table 9: Individual and Corporate Income Tax**

(Receipts by Fund in millions)

Funds	2006			2007		
	Individual	Corporate	Total	Individual	Corporate	Total
ITRF	\$ 932.9	\$ 600.1	\$ 1,533.0	\$ 1,086.4	\$ 622.8	\$ 1,709.2
EAF	630.4	104.2	734.6	686.8	127.7	814.5
GRF	8,004.7	1,323.2	9,327.9	8,721.6	1,621.7	10,343.3
CS	16.1	70.2	86.3	—	—	—
<b>Total</b>	<b>\$ 9,584.1</b>	<b>\$ 2,097.7</b>	<b>\$ 11,681.8</b>	<b>\$ 10,494.8</b>	<b>\$ 2,372.2</b>	<b>\$ 12,867.0</b>

The GRF received 82.2 percent of total income tax receipts in FY 2006 and 80.4 percent in FY 2007. The individual and corporate receipt totals by fund shown in this table may not equal those in Table 10 due to timing differences between when the money was received and when it was deposited into the funds.



**Income Taxes**  
(Continued)

**Table 10: Income Tax Collections and Refunds**

Fiscal year	Individual	Corporate	Total collections	Total refunds
1998	7,254,646,661	1,397,470,262	8,652,116,923	616,524,887
1999	7,786,233,842	1,384,711,476	9,170,945,318	740,663,005
2000	8,265,868,742	1,524,201,811	9,790,070,553	959,039,990
2001	8,617,847,075	1,302,558,427	9,920,405,502	942,653,146
2002	8,090,152,509	1,042,682,985	9,132,835,494	870,283,281
2003	7,976,979,827	921,586,926	8,898,566,753	1,396,083,434
2004	8,224,101,195	1,416,734,492	9,640,835,687	1,452,382,310
2005	8,864,878,151	1,548,140,694	10,413,018,845	1,268,808,437
2006	9,573,955,481	1,784,316,859	11,358,272,340	1,229,808,083
2007	10,469,796,531	2,189,612,609	12,659,409,140	1,259,248,532

**Note:** Collections from replacement income taxes are not included in this table. See Table 55 and Table 56.

*Old State Capital  
Springfield, Illinois*



**Income Taxes**  
(Continued)

**Income Tax Refund Fund**

Effective January 1, 1989, the Income Tax Refund Fund (ITRF) removed income and replacement tax refunds from the appropriation process. Percentages of all incoming income tax dollars are deposited into the fund. Public Act 85-1414 set the individual percentage at 6 percent and the corporate percentage at 18 percent for FY 89. The act requires that the percentages be revised annually on the last business day of each fiscal year. Deposits into the ITRF are designated for the sole purpose of paying refunds. ITRF deposits are shown in Table 12.

**Table 11: Individual Income Tax Refunds**

Tax year	Refunds issued	Refund amount	Average refund
1996	2,969,670	411,863,295	138.69
1997	3,009,427	432,014,209	143.55
1998	3,438,205	552,142,118	160.59
1999	3,428,546	589,245,130	171.86
2000	3,695,456	787,103,446	212.99
2001	3,680,097	877,145,543	238.34
2002	3,730,851	906,716,618	243.03
2003	3,768,264	924,114,180	245.24
2004	3,685,754	956,351,097	259.47
2005	3,787,398	980,647,585	258.92

**Table 12: Income Tax Refund Fund Deposits per the Office of the Comptroller (in millions)**

Fiscal year	Individual		Corporate		Replacement		Total deposits
	Refund percent	Refund deposits	Refund percent	Refund deposits	Refund percent	Refund deposits	
1998	5.8	421.7	19.0	266.3	19.0	169.8	857.8
1999	7.1	552.2	19.0	263.1	19.0	172.0	987.3
2000	7.1	587.4	19.0	290.2	19.0	194.8	1,072.4
2001	7.1	611.1	19.0	243.0	19.0	176.8	1,030.9
2002	7.6	614.5	23.0	239.7	23.0	173.5	1,027.7
2003	8.0	638.5	27.0	272.9	27.0	205.0	1,116.4
2004	11.7	958.9	32.0	369.3	32.0	268.8	1,597.0
2005	10.0	893.7	24.0	376.0	24.0	255.5	1,525.2
2006	9.75	933.0	20.0	357.0	20.0	243.2	1,533.2
2007	9.75	1,016.4	17.5	371.1	17.5	251.7	1,639.2



## Income Taxes (Continued)

### Income Tax Checkoffs

Income tax checkoffs for charitable causes first appeared on the Illinois Individual Income Tax return for the 1983 tax year. Taxpayers who were due a refund could donate up to \$10 of that refund to any or all of the causes listed on the return. (Joint filers could each donate \$10 per cause.) Follow-up legislation in 1986 required that checkoff causes attract at least \$100,000 in donations by October 1 in order to remain on the return for subsequent years. Effective January 1, 1990, all taxpayers may donate and there is no maximum for donations.

**Table 13: Checkoff Dollars Donated by Tax Year**

**Note:** Totals have been rounded

#### Voluntary Contributions

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Wildlife Conservation	240,033	237,183	225,373	248,751	267,594	244,013	246,590	200,964	205,246	213,690
Child Abuse Prevention	239,537	283,213	232,810	248,169	263,942	229,020	233,886	197,935	198,227	185,681
Alzheimer's Research	161,503	225,860	166,146	181,614	192,262	173,386	196,594	151,187	156,780	156,467
Assist. to the Homeless	190,708	189,386	180,108	192,981	221,257	184,557	189,420	154,745	177,193	179,361
Breast/Cervical Cancer	247,496	224,968	249,649	252,541	256,937	233,762	270,334	216,667	231,806	205,890
Autoimmune (AIDS)	—	—	—	—	—	—	—	—	—	42,792
Korean War Memorial	—	—	—	—	—	204,324	—	—	—	—
American Diabetes	—	—	—	—	—	—	—	103,007	121,347	111,963
Prostate Cancer Research	—	115,837	115,468	117,471	131,025	96,898	—	—	—	—
National WWII Memorial	—	—	112,666	86,411	—	63,050	—	—	—	—
Korean War Veteran's Museum	—	—	—	40,934	—	—	—	—	—	—
Multiple Sclerosis Assistance	—	—	—	—	146,342	116,519	126,528	104,563	108,385	103,739
Illinois Military Family Relief	—	—	—	—	—	204,324	300,825	195,523	214,542	214,337
LouGehrig's (ALS) Research	—	—	—	—	—	107,720	107,625	105,439	77,557	—
Asthma and Lung Research	—	—	—	—	—	74,307	—	—	—	59,376
Leukemia Treatment/Education	—	—	—	—	—	65,981	—	—	—	—
Illinois Veterans Home	—	—	—	—	—	—	139,176	107,556	126,375	143,489
Epilepsy Disease Assist.	—	—	—	—	—	—	—	26,356	—	—
Colon Cancer Research	—	—	—	—	—	—	—	50,471	—	—
Sarcoidosis Research	—	—	—	—	—	—	—	15,502	—	—
Autism Research	—	—	—	—	—	—	—	56,103	—	—
Blindness Prevention	—	—	—	—	—	—	—	23,703	—	—
Pet Population Control	—	—	—	—	—	—	—	62,447	69,346	—
Brain Tumor Research	—	—	—	—	—	—	—	40,668	—	—
Energy Assistance	—	—	—	—	—	—	—	—	44,656	—
Heartsaver (AED)	—	—	—	—	—	—	—	—	27,779	—
<b>Total</b>	<b>\$1,079,278</b>	<b>\$1,296,446</b>	<b>\$1,282,221</b>	<b>\$1,368,871</b>	<b>\$1,479,360</b>	<b>\$1,793,537</b>	<b>\$1,810,977</b>	<b>\$1,812,836</b>	<b>\$1,759,239</b>	<b>\$1,616,785</b>





## Sales Taxes



### Statutory References

- Retailers' Occupation Tax — 35 ILCS 120/1 to 120/14
- Service Occupation Tax — 35 ILCS 115/1 to 115/21
- Service Use Tax — 35 ILCS 110/1 to 110/21
- Use Tax — 35 ILCS 105/1 to 105/22

### Definition

“Sales tax” is imposed on a retailer’s receipts from sales of tangible personal property for use or consumption. Tangible personal property does not include real estate, stocks, bonds, or other “paper” assets representing an interest.

If the seller (typically an out-of-state business, such as a catalog company or a retailer making sales on the Internet) does not charge Illinois sales tax, the purchaser must pay the tax directly to the department.

The term “sales tax” actually refers to several tax acts. Sales tax is a combination of “occupation” taxes that are imposed on retailer’s receipts and “use” taxes that are imposed on amounts paid by purchasers. Retailers owe the occupation tax to the department; they reimburse themselves for this liability by collecting use tax from the purchasers. “Sales tax” is the combination of all state, local, mass transit, water commission, home rule occupation and use, non-home rule occupation and use, county public safety, and business district taxes.

For purposes of this document, Illinois sales tax has three rate structures — one for qualifying food, drugs, and medical appliances; one for vehicles required to be titled or registered; and another for all other general merchandise.

“Qualifying food” applies to food not prepared by the retailer for immediate human consumption, such as grocery store food items. “Qualifying food, drugs, and medical appliances” include

- food that has not been prepared for immediate human consumption, such as most food sold at grocery stores, excluding hot foods, alcoholic beverages, and soft drinks;
- prescription medicines and nonprescription items claimed to have medicinal value, such as aspirin, cough medicine, medicated hand lotion; and
- prescription and nonprescription medical appliances that directly replace a malfunctioning part of the human body, such as corrective eyewear, contact lenses, prostheses, insulin syringes, and dentures.

“Vehicles” includes

- vehicles, watercraft, aircraft, trailers, and mobile homes; and
- vehicles, aircraft, and vessels owned by a business when that business moves into or relocates to Illinois.

**Table 14: Sales Tax Rates History**

Year	Imposed by	Rate
1933	State (temporary)	2.00%
1935	State (permanent)	3.00%
1955	Municipalities — local sales tax	varied
1959	Counties — local sales tax	varied
1969	State	4.00%
1979	State/municipalities & counties	4.00%/1.00%
1979	Regional Transportation Authority (RTA)	0.25%/1.00% (1)
1980	State (food, drugs, & medical appliances)	3.00% (2)
1980	Metro-East Mass Transit District (MED)	0.25% (3)
1981	State (food, drugs, & medical appliances)	2.00%
1981	MED (food, drugs, & medical appliances)	0.25%
1984	State (general merchandise/food, drugs, & medical appliances)	5.00%/0.00% (4)
1986	County Water Commission	0.25% (5)
1986	All counties but Cook County	0.25% (6)
1990	Sales Tax Reform	6.25%/1.00% (7)
1990	Home rule taxes	varied (8)
1994	Non-home rule taxes	varied (8)
1998	County public safety taxes	varied (8)
2001	Metro-East Park and Recreation	0.10% (9)
2005	Municipal Business District Taxes	varied (8)

### Footnotes

- (1) 0.25 percent in DuPage, Kane, Lake, McHenry, and Will counties; 1 percent in Cook County
- (2) No change to rates imposed by local governments (up to 1 percent) and RTA (either 0.25 percent or 1 percent)
- (3) Portions of Madison and St. Clair counties
- (4) No change to rates imposed on food, drugs, and medical appliances by local governments (up to 1 percent) and mass Transit districts (RTA, either 0.25 percent or 1 percent; MED, 0.25 percent); “soft drinks” removed from definition of food, drugs, and medical appliances effective September 1
- (5) Most of DuPage County and certain municipalities in Cook and Will counties
- (6) County Supplementary Tax Act
- (7) Local sales tax acts and County Supplementary Tax Act repealed; additional 1.25 percent on general merchandise and 1 percent on qualifying food, drugs, and medical appliances returned to local governments; RTA and MED sales tax remain imposed on both general merchandise and qualifying food, drugs, and medical appliances bases
- (8) Imposed in 0.25 percent increments and on the same general merchandise base as the state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes), and qualifying food, drugs, and medical appliances
- (9) Imposed on the same general merchandise base as the state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes), and qualifying food, drugs, and medical appliances



## Sales Taxes (Continued)

“Other general merchandise” includes sales of most tangible personal property including sales of

- soft drinks;
- photo processing (getting pictures developed);
- prewritten and “canned” computer software;
- repair parts and other items transferred or sold in conjunction with providing a service.

The fundamental rate of

- qualifying food, drugs, and medical appliances is 1 percent.
- vehicles required to be titled or registered is 6.25 percent.
- other general merchandise is 6.25 percent.

Depending upon the location of the sale, the actual sales tax rate may be higher than the fundamental rate because of home rule, non-home rule, water commission, mass transit, county public safety, and park and recreation district sales taxes.

**Table 15: State Sales Tax Collections**

Fiscal year	Collections	Number of taxpayers
1998	\$ 7,158,829,522	244,199
1999	7,570,174,221	242,339
2000	8,165,116,191	239,054
2001	8,014,161,192	235,506
2002	8,266,932,058	239,917
2003	8,118,945,837	241,460
2004	8,444,888,092	250,767
2005	8,876,289,022	250,351
2006	9,524,843,731	249,586
2007	9,641,099,227	226,603

**Note:** This table represents taxes generated by the state’s 6.25 percent rate on (a) general merchandise and (b) vehicles required to be titled or registered and the state’s 1 percent rate on food, drugs, and medical appliances.

**Table 16: Sales Tax Reported by Type of Business <sup>(1)</sup>**

	FY 2004	FY 2005	FY 2006	FY 2007
Number of taxpayers filing <sup>(2)</sup>	220,370	226,283	227,950	233,917
General merchandise	\$ 985,799,385.41	\$ 1,002,847,969.67	\$ 1,000,697,348.70	\$ 1,060,345,401.03
Food	537,551,164.93	524,557,812.65	530,249,658.48	552,689,181.94
Drinking and eating places	887,417,157.17	938,853,968.86	993,564,229.05	1,058,669,592.55
Apparel	310,274,715.97	337,001,764.71	352,043,915.29	382,500,033.05
Furniture, household, and radio	562,346,876.34	602,643,763.60	633,125,666.02	650,734,910.32
Lumber, building, and hardware	602,822,867.13	664,827,014.41	696,879,080.78	684,800,327.27
Automotive and filling stations	1,866,733,618.00	1,896,960,536.52	2,041,310,247.18	2,140,418,392.07
Drugs and other retail	932,493,196.85	963,311,203.86	1,037,271,519.88	1,137,240,160.05
Agriculture and all others	1,366,516,792.32	1,450,131,056.99	1,562,426,956.38	1,602,698,448.10
Manufacturers	270,305,597.18	316,423,982.21	335,179,518.19	352,015,928.93
Total tax collections	\$ 8,322,261,371.30	\$ 8,697,559,073.48	\$ 9,182,748,139.93	\$ 9,622,112,375.31

**Note:** (1) Each taxpayer is reported in type of business based on the primary Standard Industrial Classification code.

(2) Number of taxpayers includes both registered retailers and any taxpayer who filed a use tax return during this reporting period.

**Note:** This table has been modified from previous years. It currently reflects financial information on amounts disbursed during the fiscal year. The amount disbursed may not agree with collection figures reported in Table 15 because these amounts may include interest, advance payments or are net of any statutory administrative fees. Table 16 includes tax collected at the state rate on general merchandise of 6.25 percent and the state rate on qualifying food, drug and medical appliances of 1 percent. The state retains 80 percent of the 6.25 percent tax collections, 20 percent is returned to local governments where the sale takes place. 100 percent of tax collected on qualifying food, drug and medical appliances is returned to local governments where the sale takes place.

## Sales Taxes (Continued)

### Distribution

Sales and use tax collections are allocated among state and local governments.

### Sales Taxes

The state treasury receives 80 percent of collections from the 6.25 percent general merchandise sales tax (including items that must be titled or registered).

The state's 80 percent share is disbursed as shown below.

- Build Illinois Fund — 5.55 percent
- Illinois Tax Increment Fund — 0.27 percent
- General Revenue Fund — 75 percent of the amount remaining after disbursements to the first two funds listed
- General Revenue/Common School Special Account Fund — 25 percent of the amount remaining after disbursements to the first two funds listed

Local governments receive the remaining 20 percent of the 6.25 percent of general merchandise sales tax and 100 percent of the collections from qualifying food, drugs, and medical appliances. See "Revenue-sharing with Local Governments, Local Share of State Sales and Use Taxes" for more information.

### Use Taxes

The state treasury receives 80 percent of collections from the basic 6.25 percent general merchandise use tax (including items that must be titled or registered).

Local governments receive the remaining 20 percent of the 6.25 percent general merchandise use tax and 100 percent of the collections from qualifying food, drugs, and medical appliances. The local government's portion (excluding the 20 percent for items that must be titled or registered, which is discussed under "Revenue-sharing with Local Governments, Local Share of State Sales and Use Taxes") is deposited in the State and Local Sales Tax Reform Fund with a subsequent disbursement of local use tax to the Local Government Distributive Fund (LGDF). These transfers are made in the following order:

- 20 percent to Chicago
- 10 percent to the Regional Transportation Authority (RTA)
- 0.6 percent to the Metro-East Mass Transit District (MED)
- \$37.8 million to the Build Illinois Fund
- The remainder to municipal and county governments (except Chicago) based on each local government's population (referred to as "local" use tax, transferred to the LGDF before disbursement)

### Local Taxes Collected by IDOR

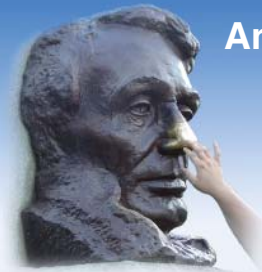
The department collects certain taxes imposed by units of local government. Collections, minus any statutory administrative fees, are disbursed to the unit of local government that imposes the tax.

- Chicago Home Rule Municipal Soft Drink Retailers' Occupation Tax
- Chicago Home Rule Use Tax
- County Motor Fuel Tax
- County Water Commission Taxes
- Home Rule County Taxes
- Home Rule or Non-home Rule Municipal Taxes
- Mass Transit District Taxes (Metro-East Mass Transit (MED) Taxes and Regional Transportation Authority (RTA) Taxes)
- Metropolitan Pier and Exposition Authority (MPEA) Food and Beverage Tax
- Metro-East Park and Recreation District Taxes
- Metro-East Park and Recreation District Taxes
- Municipal Business District Taxes
- Special County Retailers' Occupation Tax for Public Safety

See "Taxes Collected for Local Governments" for more information.

**Note:** Units of local government may impose taxes or fees which the department does not collect.





## Sales Taxes (Continued)

### Manufacturer's Purchase Credit

#### Statutory References

**Use Tax** — 35 ILCS 105/3-85

**Service Use Tax** — 35 ILCS 110/3-70

**Service Occupation Tax** — 35 ILCS 115/9

**Retailers' Occupation Tax** — 35 ILCS 120/3

#### Definition

Beginning on January 1, 1995, and ending on June 30, 2003, and beginning again on September 1, 2004, taxpayers who purchase tax exempt manufacturing machinery and equipment may earn Manufacturer's Purchase Credit (MPC). Beginning on July 1, 1996, and ending on June 30, 2003, and beginning again on September 1, 2004, a graphic arts producer may also earn MPC when purchasing exempt graphic arts machinery and equipment. This credit can be applied toward future state use tax or service use tax liabilities owed when production-related tangible personal property is purchased from suppliers (including purchases by a manufacturer, graphic arts producer, or lessor who rents or leases the use of the property to a manufacturer or graphic arts producer). The credit cannot be transferred to another party.

Qualified production-related tangible personal property must be used or consumed in a production facility in which the manufacturing process or graphic arts production takes place. The term includes tangible personal property

- purchased for incorporation into real estate within a manufacturing or graphic arts facility;
- used or consumed in activities such as preproduction material-handling, receiving, quality control, inventory control, storage, staging, and packaging for shipping and transportation purposes; and
- used or consumed by the purchaser for research and development.

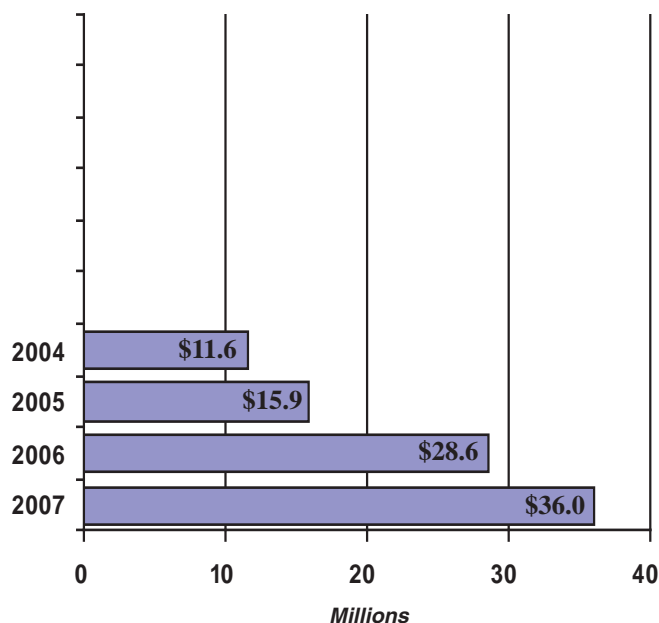
Taxpayers who make qualifying purchases must report MPC earned to the Department of Revenue to receive the MPC. Credit earned prior to July 1, 2003, cannot be used after September 30, 2003. Credit earned after September 1, 2004, may only be used to satisfy tax liabilities for purchases of production related purchases made after September 1, 2004. The MPC must be used within two calendar years following the year in which the credit was earned. The taxpayer must pay any locally imposed taxes (*e.g.*, home rule, mass transit) directly to the supplier. Taxpayers can also use the MPC to satisfy use or service use tax liabilities owed on purchases of production-related tangible personal property from suppliers not registered in Illinois.

#### Credit History

MPC is determined by multiplying the 6.25 percent tax that would have been due on the purchase of exempt manufacturing or graphic arts machinery and equipment by the applicable percentage based on year of purchase:

- 15 percent for purchases made on or after January 1, 1995, but before July 1, 1995 (manufacturers only)
- 25 percent for purchases made on or after July 1, 1995, but before July 1, 1996 (manufacturers only)
- 40 percent for purchases made on or after July 1, 1996, but before July 1, 1997 (manufacturers and graphic artists)
- 50 percent for purchases made on or after July 1, 1997 (manufacturers and graphic artists)

Graph 5: MPC Used



## Other Sales or Renting Taxes and Fees

### Automobile Renting Occupation and Use Taxes

#### Statutory Reference

35 ILCS 155/1 to 155/5

#### Definition

The occupation tax is imposed on automobile rental businesses based on their charges for renting or leasing an automobile in Illinois for periods of one year or less.

The use tax is imposed on persons renting automobiles in Illinois based on the rental price. Rentors collect the use tax from renters and in turn meet their occupation tax liability by remitting the tax to the Department of Revenue. If the use tax is not paid to the rentor, the person using the automobile in Illinois must pay the tax directly to the department.

The department began collecting the original 4 percent taxes on January 1, 1982. Effective July 1, 1985, the tax rates were increased to 5 percent.

#### Distribution

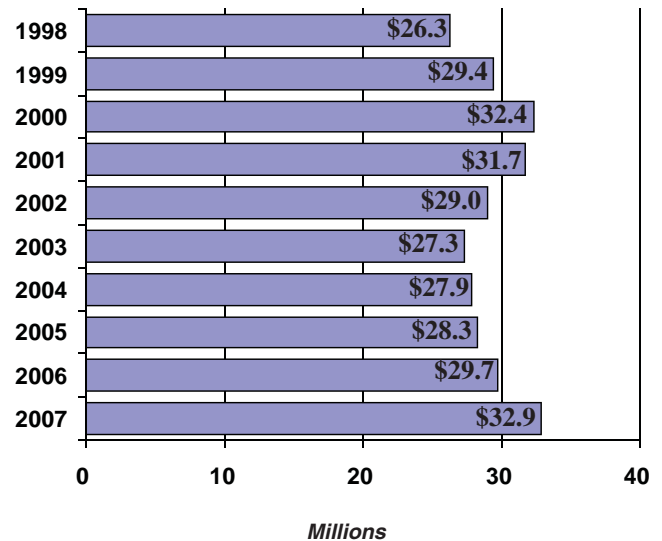
Collections are deposited into the General Revenue Fund.

#### Local Taxes Collected by the IDOR

Counties, municipalities, certain mass transportation districts, and the Metropolitan Pier and Exposition Authority (MPEA) are allowed to impose automobile renting occupation and use taxes. If imposed, the department collects the taxes for these local governments and returns the collections to them. The specific names of these local taxes are identified below. See “Taxes Collected for Local Governments” for more information.

- County Automobile Renting Tax
- Metro-East Mass Transit (MED) Automobile Renting Tax
- Metropolitan Pier and Exposition Authority (MPEA) Automobile Renting Tax
- Municipal Automobile Renting Tax

Graph 6: Automobile Renting Occupation and Use Taxes Collections



Prairie Farms Dairy Inc. - Butter Cow  
A long time tradition at the Illinois State Fair  
Springfield, Illinois



## Other Sales or Renting Taxes and Fees (Continued)

### Tire User Fee

#### Statutory Reference

415 ILCS 5/55.8 - 55.15

#### Definition

Any person who sells or delivers new or used tires at retail in Illinois must collect the fee. The fee is imposed on

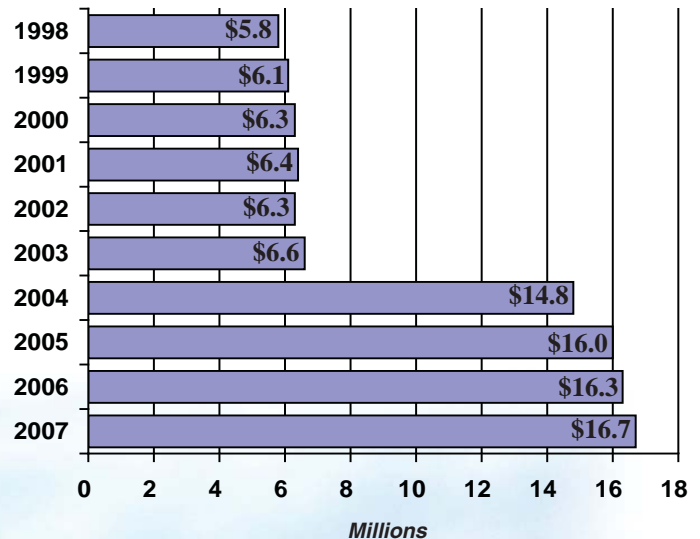
- new and used tires for vehicles in which persons or property may be transported or drawn upon a highway, as defined in the Illinois Vehicle Code, Section 1-217;
- aircraft;
- special mobile equipment (such as street sweepers, road construction and maintenance machinery); and
- implements of husbandry (farm wagons and combines).

Beginning June 20, 2003, the Tire User Fee was increased from \$1 to \$2 per new or used tire sold at retail in this State. Beginning July 1, 2003, the rate was increased an additional 50 cents per new or used tire, to \$2.50.

### Distribution

The Used Tire Management Fund receives \$2, less a retailer's collection allowance of 10 cents per tire and an amount equal to 10 cents per tire, which is paid into the General Revenue Fund. The Emergency Public Health Fund receives 50 cents per tire.

Graph 7: Tire User Fee Collections



## Other Sales or Renting Taxes and Fees (Continued)



### Vehicle Use Tax

#### Statutory Reference

625 ILCS 5/3-1001 to 5/3-1006

#### Definition

The tax is imposed on motor vehicles purchased (or acquired by gift or transfer) from another individual or private party. (Sales of motor vehicles from registered Illinois dealers are taxed under the Retailers' Occupation Tax Act.) The tax is submitted to the Office of the Secretary of State when the purchaser applies for a title to the motor vehicle. The tax rate is determined by either the purchase price or fair market value of the motor vehicle. Fair market value is used when there is no stated purchase price (*e.g.*, the motor vehicle is a gift). If the vehicle's purchase price is less than \$15,000, the tax is based on the age of the vehicle. See Table A below. If the vehicle's purchase price is \$15,000 or more, the tax is based on the purchase price. See Table B.

**Table 17: Vehicle Use Tax Rates**

Table A Vehicles purchased for less than \$15,000:		Table B Vehicles purchased for \$15,000 or more:	
Vehicle Age	Tax	Purchase Price	Tax
1 or newer	\$ 390	\$15,000 — \$19,999	\$750
2	290	\$20,000 — \$24,999	1,000
3	215	\$25,000 — \$29,999	1,250
4	165	\$30,000 or more	1,500
5	115		
6	90		
7	80		
8	65		
9	50		
10	40		
11 or older	25		

In addition, there is a flat rate tax of \$25 for purchases of motorcycles and all-terrain vehicles (ATVs), and \$15 for purchases from certain family members, gifts to beneficiaries (not spouses), and transfers in a business reorganization.

### Distribution

The first \$5 million of collections annually goes into the Build Illinois Fund. The remainder goes into the General Revenue Fund.

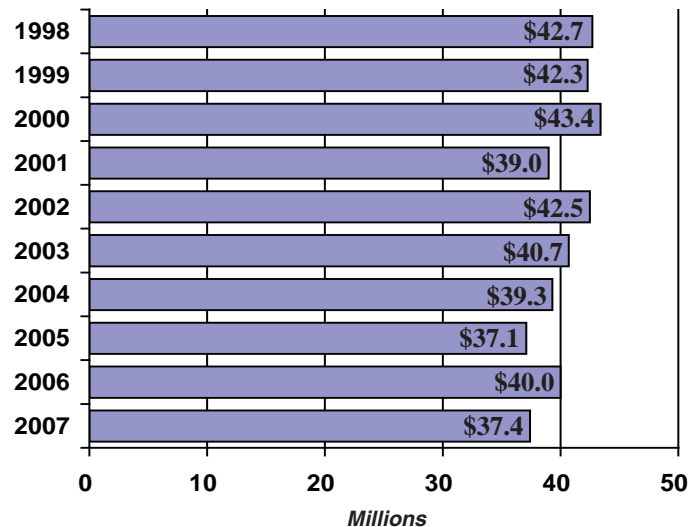
**Table 18: History of Vehicle Use Tax Rates**

Effective date	Rate
January 1, 1980	\$30 per transaction
October 1, 1985	5 percent of selling price on models up to 10 years old*
January 1, 1988	See Table 17

**Note:** Effective September 9, 1980, through October 1, 1985, motor vehicles more than five years old were not subject to the tax.

\* cars, trucks, vans, motorcycles, motor-driven cycles, and buses (pull-trailers not taxed)

**Graph 8: Vehicle Use Tax Collections**





## Motor Fuel Taxes

### Motor Fuel and Motor Fuel Use Taxes

#### Statutory References

**Motor Fuel Tax** — 35 ILCS 505/1 to 505/21

**Motor Fuel Use Tax** — 35 ILCS 505/13a

#### Definition

The Motor Fuel Tax is imposed on the privilege of operating motor vehicles on public highways and recreational watercraft on waterways in Illinois. It is paid by distributors and suppliers, who collect the tax from their customers.

The Motor Fuel Use Tax (MFUT) is imposed on the use of motor fuel on Illinois highways by commercial motor vehicles, which are qualified under the International Fuel Tax Agreement (IFTA). IFTA includes all contiguous states in the U.S. and most Canadian provinces. Each motor carrier has a base jurisdiction (state or province) that collects motor fuel use taxes on qualified motor vehicle operations for all IFTA jurisdictions and apportions money to those jurisdictions.

The motor fuel tax rate for diesel fuel is 2.5 cents per gallon over the 19 cents per gallon rate for gasoline (or 21.5 cents per gallon). The motor fuel use tax rate is composed of two parts. The Part A rate is the motor fuel tax rate. The Part B rate is equal to 6.25 percent of the average selling price of motor fuel sold in Illinois. The department determines the Part B rate by January 1 of each year.

Taxpayers applying for a license as a distributor, distributor/blender, supplier, or receiver of gasoline, diesel, kerosene, aviation/jet fuel, or other fuels must post a bond. The maximum bond is based on twice the monthly amount that would be collectable as a tax in the event of a sale of all motor fuel, or special fuel sold, distributed, and used by the distributor including tax-free sales, use, and distribution.

Illinois based motor carriers who travel interstate may be required to post a bond for just cause. The bond is based on at least twice the estimated average tax liability of a quarterly return.

**Table 19: Motor Fuel Tax Rate History**

Effective date	Gasoline	Diesel
August 1, 1929	\$.03	\$.03
August 1, 1951	\$.04	\$.04
January 1, 1953	\$.05	\$.05
August 1, 1967	\$.06	\$.06
August 1, 1969	\$.075	\$.075
August 1, 1983	\$.11	\$.135
July 1, 1984	\$.12	\$.145
July 1, 1985	\$.13	\$.155
August 1, 1989	\$.16	\$.185
January 1, 1990	\$.19	\$.215



**Table 20: Motor Fuel Gallonage History**

Fiscal Year	Gasoline/Gasohol	Diesel	Combustible gases	Total
1998	4,792,542,981	948,322,221	5,935,007	5,746,800,209
1999	4,855,227,376	1,055,975,015	5,781,131	5,947,225,399
2000	5,216,523,158	1,046,610,027	5,139,625	6,268,272,810
2001	5,182,725,051	1,061,333,056	5,463,172	6,249,521,279
2002	5,059,658,465	1,033,927,899	4,734,234	6,098,320,598
2003	5,233,840,475	1,068,762,622	4,494,708	6,307,097,805
2004	5,290,427,726	1,140,030,043	4,264,765	6,434,722,534
2005	5,251,684,138	1,124,704,867	3,068,931	6,379,457,936
2006	5,191,898,093	1,158,569,914	3,356,110	6,353,824,117
2007	5,146,050,729	1,240,633,555	2,941,223	6,389,625,507



## Motor Fuel Taxes (Continued)

**Table 21: Motor Fuel Tax Collections and Refunds <sup>(1)</sup>**

Fiscal year	Total collections <sup>(2)</sup>	MFT taxpayers <sup>(3)</sup>	MFUT Collections	MFUT taxpayers	IFTA Jurisdictions Billings & Transmittals	Non-highway & carrier refunds
1998	1,227,238,552 *	863	137,376,667	8,834	47,741,233	11,683,268
1999	1,258,279,198 *	851	128,234,293	9,412	43,932,572	14,071,102
2000	1,292,203,504 *	765	129,704,243	10,309	39,668,049	14,965,829
2001	1,296,026,938 *	730	133,000,101	10,476	44,795,652	12,401,807
2002	1,298,939,168	675	132,425,005	11,153	39,311,708	15,213,665
2003	1,324,819,828	776	131,931,508	11,496	39,270,760	14,629,526
2004	1,352,197,988	617	134,913,734	11,563	37,746,639	15,562,942
2005	1,360,349,355	515	142,336,663	11,780	41,735,805	14,824,082
2006	1,373,236,099	495	153,759,150	12,213	39,880,333	16,090,820
2007	1,378,004,677	484	158,525,328	12,784	39,792,795	13,972,732

(1) Tax collected for motor fuel not used on highway travel is subject to refund. Includes refunds to common carriers (IFTA)

(2) This is the total collections for the Motor Fuel Tax and the Motor Fuel Use Tax.

(3) Represents distributors and suppliers.

\* Excludes pre-payments

A provision in the Motor Fuel Tax Law allows for refunds of tax paid to consumers for nonhighway use of motor fuel.

### Distribution

Collections from motor fuel taxes (excluding the Underground Storage Tank Tax and the Environmental Impact Fee) are divided among state and local governments according to a formula set by law.

The 2.5 cents additional tax on diesel fuel goes directly into the State Construction Account Fund. The Grade Crossing Protection Fund receives \$2.25 million per month, and \$420,000 per month is transferred to the Boating Act Fund. The Vehicle Inspection Fund receives a transfer of \$30 million annually. Department of Transportation and Department of Revenue administrative costs, along with the cost of refunds, are deducted. The remainder is distributed as follows:

- 45.6 percent is distributed to the Illinois Department of Transportation. Of this amount, 63 percent is allocated to the Road Fund (includes \$1.25 million reserved for use in accordance with provisions of the Illinois Highway Code) and 37 percent to the state Construction Fund.
- 54.4 percent is shared by local governments and is distributed as follows: 49.1 percent to municipalities, 16.74 percent to counties with more than 1,000,000 residents (Cook County), 18.27 percent to all other counties, and 15.89 percent to road districts.

**Table 22: 2006 Motor Fuel Tax Refunds for Nonhighway Use\***

Nonhighway use	Number	Amount
Agriculture	3,343	\$ 1,043,105
Construction	32	39,725
Industrial	221	4,832,302
Marine	68	25,115
Lawn	413	339,399
Manufacturing	7	43,157
Research and Development	1	220,521
Commercial Motor Vehicles	20	104,196
Airports <sup>(1)</sup>	2	669
Refrigeration Units	809	1,200,212
Power Take-off Units	726	3,194,134
Unintentional Mixing	4	3,553
Testing	3	119,686
Dual Use	80	1,154,340
Tugs/Spotters	2	37,226
<b>Total</b>	<b>5,731</b>	<b>\$ 12,357,340</b>

**2007 Motor Fuel Tax Refunds for Nonhighway Use\***

Nonhighway use	Number	Amount
Agriculture	2,955	\$ 949,652
Construction	33	24,625
Industrial	227	3,443,490
Marine	54	18,531
Lawn	364	356,643
Manufacturing	12	53,678
Research and Development	2	506,296
Commercial Motor Vehicles	22	108,786
Airports <sup>(1)</sup>	4	7,681
Refrigeration Units	785	1,218,134
Power Take-off Units	668	2,951,124
Unintentional Mixing	8	8,855
Testing	2	144,108
Dual Use	67	1,705,305
Loss	16	10,168
Tugs/Spotters	1	42,631
<b>Total</b>	<b>5,220</b>	<b>\$ 11,549,707</b>

\*Does not include reciprocal claims and common carrier refunds.

(1) Qualifying airports only



## Motor Fuel Taxes (Continued)

### Underground Storage Tax and Environmental Impact Fee

#### Statutory References

- **Underground Storage Tax** — 35 ILCS 505/2a, 2b, 8a, 13a.8, 17
- **Environmental Impact Fee** — 415 ILCS 125/301 to 125/999

#### Definition

Both the tax and fee are imposed on the privilege of being a receiver of certain petroleum products in Illinois. The fee is paid by the receiver who first sells or uses the following petroleum products:

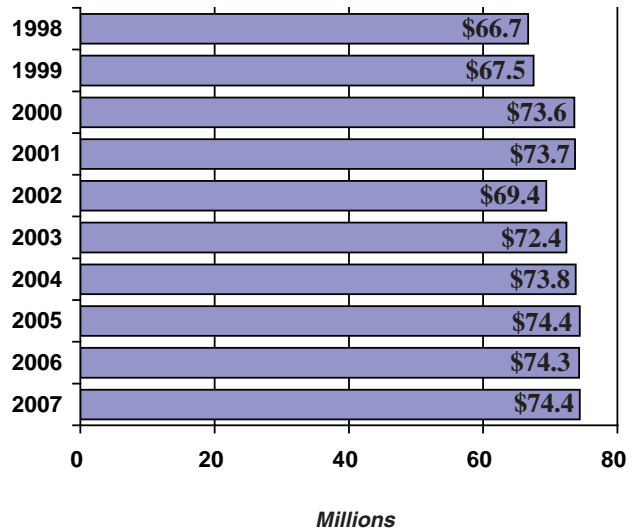
- Motor fuel
- Home heating oil
- Kerosene
- Aviation fuel (in some cases)

Effective January 1, 1990, the **Underground Storage Tank Tax** rate is three-tenths of one cent (\$.003) per gallon of fuel. Effective May 22, 1996, and retroactive to January 1, 1996, the **Environmental Impact Fee** rate is \$60 per 7,500 gallons (eight-tenths of one cent (\$.008) per gallon) of fuel sold.

#### Distribution

Collections are deposited into the Underground Storage Tank Fund and are used by the Illinois Environmental Protection Agency to clean up leaking storage tanks.

Graph 9: UST and EIF Collections



## Excise and Utility Taxes

### Cigarette and Cigarette Use Taxes

#### Statutory References

- **Cigarette Tax Act** — 35 ILCS 130/1 to 130/30
- **Cigarette Use Tax Act** — 35 ILCS 135/1 to 135/37

#### Definition

The **Cigarette Tax Act** imposes a tax on anyone engaged in the business as a retailer of cigarettes in Illinois. Although the tax is imposed on the retailer, licensed distributors prepay the tax through the purchase of stamps, which are affixed (either heat transferred or hand-applied) to each cigarette package. The distributor, who is liable for the tax, collects the tax from the retailer at or before the time of sale. The retailer passes the tax on to the consumer in the cigarette sale price. The **Cigarette Use Tax Act** imposes a tax on the privilege of using cigarettes in Illinois.

The tax rate for both the Cigarette Tax and the Cigarette Use Tax is 49 mills per cigarette or 98 cents per package of 20 cigarettes. A \$250 annual fee is charged for each distributor's license. In addition, a \$2,500 bond must be posted.

#### Distribution

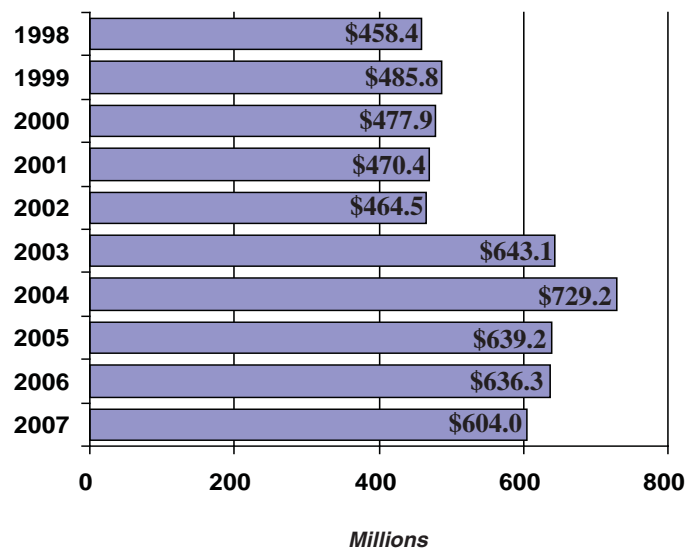
The distribution of cigarette excise and use tax is as follows:

- \$0.01 per pack of 20 cigarettes (0.05 cents per cigarette) to the General Revenue Fund.
- \$9 million per month of the amount resulting from the increase enacted in 1985, to the Common School Fund.
- All additional revenue from the 1997 increase of \$0.14 per pack, to the Common School Fund
- An amount that when added to the amount paid into the Common School Fund equals \$29.2 million, to the General Revenue Fund
- Remainder:
  - Any unpaid amounts required to be paid into the General Revenue Fund for past months
  - \$5 million per month to the School Infrastructure Fund beginning April 1, 2003.
  - Any unpaid amounts required to be paid into the School Infrastructure Fund for past months.
  - Remainder, if any, to be paid into the Long-Term Care Provider Fund.

Table 23: Cigarette Tax Rate History

Effective date	Per cigarette	Per pack of 20
July 1, 1941	0.10¢	2¢
January 1, 1947	0.15¢	3¢
July 31, 1959	0.20¢	4¢
June 8, 1960	0.15¢	3¢
May 1, 1961	0.20¢	4¢
August 1, 1965	0.35¢	7¢
August 1, 1967	0.45¢	9¢
August 1, 1969	0.60¢	12¢
December 1, 1985	1.00¢	20¢
July 1, 1989	1.50¢	30¢
July 14, 1993	2.20¢	44¢
December 15, 1997	2.90¢	58¢
July 1, 2002	4.90¢	98¢

Graph 10: Cigarette and Cigarette Use Tax Collections





## Excise and Utility Taxes (Continued)

### Coin-operated Amusement Device and Redemption Machine Tax

**Statutory Reference**  
35 ILCS 510/1 to 510/16

**Definition**

The tax is imposed on the privilege of operating amusement devices that require insertion of coins, tokens, chips or similar objects. Jukeboxes, pinball machines, kiddie rides, and coin-operated video games are among the many coin-operated amusement devices that are required to display state decals under the Coin-operated Amusement Device and Redemption Machine Tax Act.

The tax is also imposed on the privilege of operating redemption machines — single-player or multi-player amusement devices involving a game whose purpose is to propel an object into, upon, or against a target.

Decals are valid for one year, and the license year begins August 1. The tax rate is \$30 per decal.

**Rate and Base History**

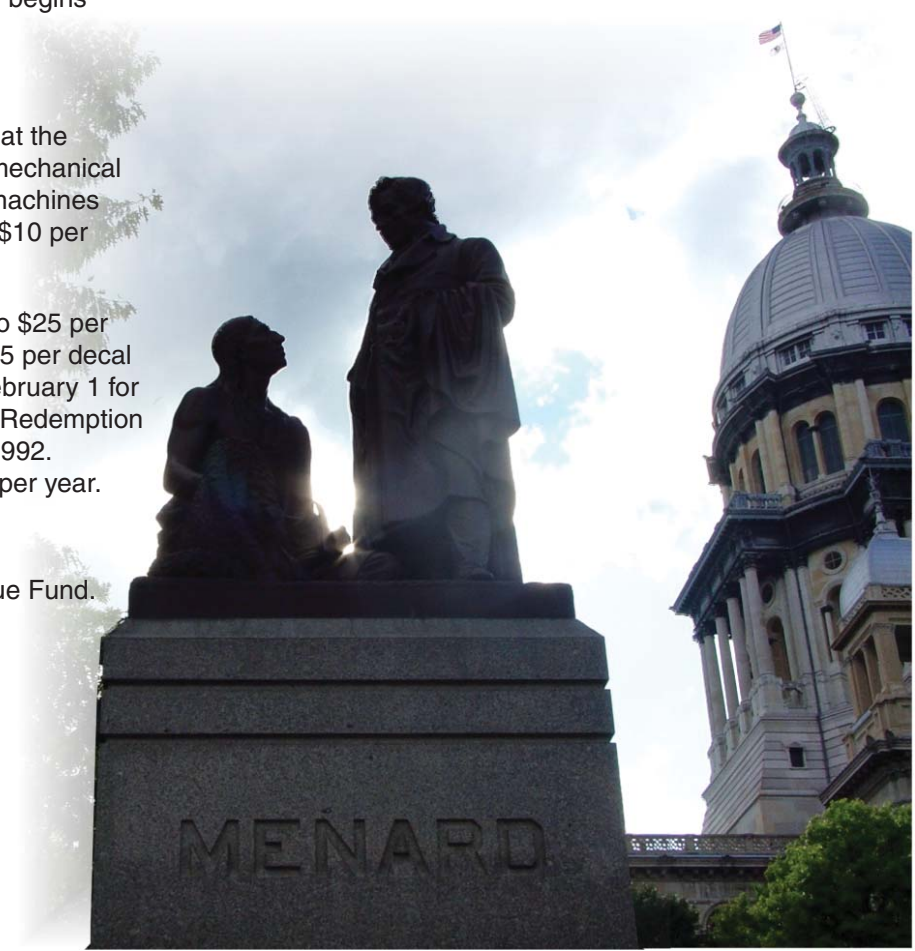
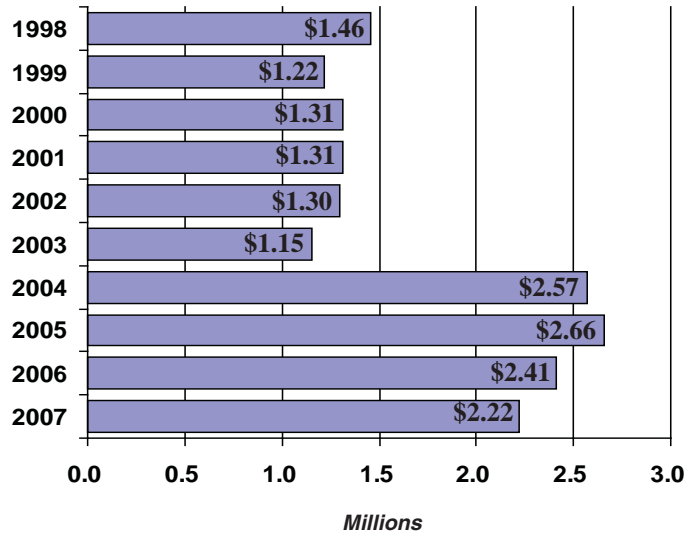
This annual tax became effective August 1, 1953, at the following rates: \$50 for pinball machines, \$25 for mechanical bowling and shuffleboard machines, and \$10 for machines using electric light rays. In 1963, the rate became \$10 per coin-receiving slot.

Effective January 1, 1990, the rate was changed to \$25 per machine but was reduced February 1, 1990, to \$15 per decal for a full-year license. Decals issued on or after February 1 for any year and ending July 31 of that year were \$8. Redemption machines were added to the tax base on May 8, 1992. Beginning with license year 2003, decals are \$30 per year.

**Distribution**

Collections are deposited into the General Revenue Fund.

*Graph 11: Coin-operated Amusement Device and Redemption Machine Tax Collections*



## Excise and Utility Taxes (Continued)

### Dry-cleaning Solvent Tax and License Fees

#### Statutory Reference

415 ILCS 135/60 to 135/70

#### Definition

The Dry-cleaning Solvent Tax is imposed on the use of dry-cleaning solvent by persons who operate dry-cleaning facilities in Illinois and has three different tax rates depending on the type of solvent used or purchased. The tax rate on chlorine-based solvents is \$3.50 per gallon used or purchased. The tax rate on petroleum-based solvents is \$0.35 per gallon used or purchased. Beginning January 1, 2004, the tax rate is \$1.75 per gallon of green solvents, unless the green solvent is used at a virgin facility, in which case the rate is \$0.35 per gallon.

License fees are imposed on those who operate dry-cleaning facilities and are based on the amount and type of dry-cleaning solvent purchased by a dry-cleaning facility operator and are determined annually by the Dry-cleaner Environmental Response Trust Fund Council. Proof of license fee payment is required in order to receive a dry-cleaning license from the Dry-cleaning Trust Fund Council.

The annual license fees prior to January 1, 2004 were:

- \$500 for a facility that purchases 140 gallons or less of chlorine-based dry-cleaning solvents annually or 1,400 gallons or less of petroleum-based dry-cleaning solvents annually
- \$1,000 for a facility that purchases more than 140 gallons but less than 360 gallons of chlorine-based dry-cleaning solvents annually or more than 1,400 gallons but less than 3,600 gallons of petroleum-based dry-cleaning solvents annually
- \$1,500 for a facility that purchases 360 gallons or more of chlorine-based dry-cleaning solvents annually or 3,600 gallons or more of petroleum-based dry-cleaning solvents annually

Beginning January 1, 2004, through December 31, 2006 the annual license fees are as follows:

- **License fees are \$500 for facilities that purchase:**
  - 50 gallons or less annually of chlorine-based or green dry-cleaning solvents
  - 250 gallons or less annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine equipped with a solvent reclaimer
  - 500 gallons or less annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine without a solvent reclaimer

- **License fees are \$1,000 for facilities that purchase:**
  - 51 to 100 gallons annually of chlorine-based or green dry-cleaning solvents
  - 251 to 500 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine equipped with a solvent reclaimer
  - 501 to 1,000 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine without a solvent reclaimer
- **License fees are \$1,500 for facilities that purchase:**
  - 101 to 150 gallons annually of chlorine-based or green dry-cleaning solvents
  - 501 to 750 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine equipped with a solvent reclaimer
  - 1,001 to 1,500 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine without a solvent reclaimer
- **License fees are \$2,000 for facilities that purchase:**
  - 151 to 200 gallons annually of chlorine-based or green dry-cleaning solvents
  - 751 to 1,000 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine equipped with a solvent reclaimer
  - 1,501 to 2,000 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine without a solvent reclaimer
- **License fees are \$2,500 for facilities that purchase:**
  - 201 to 250 gallons annually of chlorine-based or green dry-cleaning solvents
  - 1,001 to 1,250 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine equipped with a solvent reclaimer
  - 2,001 to 2,500 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine without a solvent reclaimer
- **License fees are \$3,000 for facilities that purchase:**
  - 251 to 350 gallons annually of chlorine-based or green dry-cleaning solvents
  - 1,251 to 1,750 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine equipped with a solvent reclaimer
  - 2,501 to 3,500 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine without a solvent reclaimer
- **License fees are \$4,000 for facilities that purchase:**
  - 351 to 400 gallons annually of chlorine-based or green dry-cleaning solvents
  - 1,751 to 2,000 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine equipped with a solvent reclaimer



## Excise and Utility Taxes (Continued)

- 3,501 to 4,000 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine without a solvent reclaimer

■ **License fees are \$4,500 for facilities that purchase:**

- 401 gallons or more annually of chlorine-based or green dry-cleaning solvents
- 2,001 gallons or more annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine equipped with a solvent reclaimer
- 4,001 gallons or more annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine without a solvent reclaimer

Beginning January 1, 2007, the annual license fees are as follows:

■ **License fees are \$1,500 for facilities that purchase:**

- 50 gallons or less annually of chlorine-based or green dry-cleaning solvents
- 250 gallons or less annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine equipped with a solvent reclaimer
- 500 gallons or less annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine without a solvent reclaimer

■ **License fees are \$2,250 for facilities that purchase:**

- 51 to 100 gallons annually of chlorine-based or green dry-cleaning solvents
- 251 to 500 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine equipped with a solvent reclaimer
- 501 to 1,000 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine without a solvent reclaimer

■ **License fees are \$3,000 for facilities that purchase:**

- 101 to 150 gallons annually of chlorine-based or green dry-cleaning solvents
- 501 to 750 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine equipped with a solvent reclaimer
- 1,001 to 1,500 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine without a solvent reclaimer

■ **License fees are \$3,750 for facilities that purchase:**

- 151 to 200 gallons annually of chlorine-based or green dry-cleaning solvents
- 751 to 1,000 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine equipped with a solvent reclaimer
- 1,501 to 2,000 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine without a solvent reclaimer

■ **License fees are \$4,500 for facilities that purchase:**

- 201 to 250 gallons annually of chlorine-based or green dry-cleaning solvents
- 1,001 to 1,250 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine equipped with a solvent reclaimer
- 2,001 to 2,500 gallons annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine without a solvent reclaimer

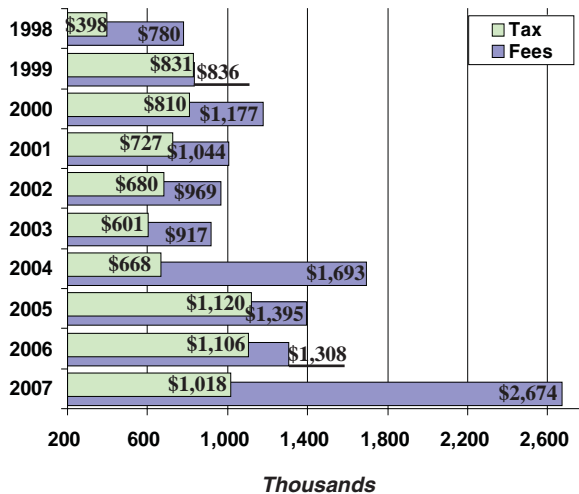
■ **License fees are \$5,000 for facilities that purchase:**

- 251 gallons or more annually of chlorine-based or green dry-cleaning solvents
- 1,251 gallons or more annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine equipped with a solvent reclaimer
- 2,501 gallons or more annually of hydrocarbon-based dry-cleaning solvents used in a dry-cleaning machine without a solvent reclaimer

### Distribution

The Dry-cleaner Environmental Response Trust Fund Council issues the licenses and determines the tax rate annually. Collection of license fees and taxes are deposited into the Dry-cleaner Environmental Response Trust Fund, less 4 percent, which is deposited into the Tax Compliance and Administration Fund.

**Graph 12: Dry-cleaning Solvent Tax and License Fees Collections**



## Excise and Utility Taxes (Continued)

### Electricity Excise Tax

#### Statutory Reference

35 ILCS 640/2-1 to 99

#### Definition

The tax is imposed on the privilege of using electricity purchased in Illinois for use and consumption (not for resale). Each month, municipal systems and electric cooperatives collect tax from each purchaser in an amount equal to the lesser of 5 percent or \$.0032 per kilowatt-hour (kwh) per customer. Delivering suppliers collect the following tax amounts from each purchaser monthly:

- \$.0033 per kilowatt-hours (kwhs) for the first 2,000 kwhs
- \$.00319 per kwh for the next 48,000 kwhs
- \$.00303 per kwh for the next 50,000 kwhs
- \$.00297 per kwh for the next 400,000 kwhs
- \$.00286 per kwh for the next 500,000 kwhs
- \$.00270 per kwh for the next 2 million kwhs
- \$.00254 per kwh for the next 2 million kwhs
- \$.00233 per kwh for the next 5 million kwhs
- \$.00207 per kwh for the next 10 million kwhs
- \$.00202 per kwh for all kwhs in excess of 20 million kwhs

Self-assessing purchasers pay 5.1 percent of the purchase price for all electricity distributed, supplied, furnished, sold, transmitted, and delivered to them in a month.

#### History

The tax was originally imposed under the Public Utilities Revenue Tax Act, which became effective March 11, 1937. The Electricity Excise Tax Law became effective August 1, 1998.

#### Distribution

The Public Utility Fund receives 3 percent. The remaining 97 percent is deposited into the General Revenue Fund. Beginning July 1, 2004, the Public Utility Fund receives 3 percent less \$416,667 each month, which is deposited into the General Revenue Fund along with the remaining 97 percent.

#### Other taxes

An Electricity Distribution Tax and an Invested Capital Tax is also imposed. See “Revenue-Sharing with Local Governments, Replacement Taxes”, for more information.

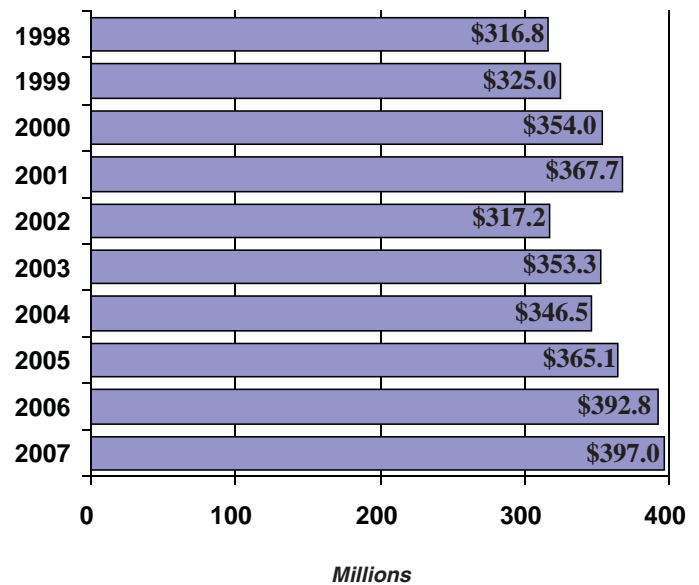
Table 24: Electricity Excise Tax Rate History

Effective date	Rate
March 11, 1937	3.00 percent
August 1, 1965	4.00 percent
September 1, 1966	3.92 percent
August 1, 1967	5.00 percent
January 1, 1986 <sup>(1)</sup>	5.00 percent or \$0.0032 per kwh, whichever is less
August 1, 1998 <sup>(2)</sup>	See “Definition”

(1) Municipal systems and electric cooperatives

(2) Public Utilities Revenue Tax was replaced by the Electricity Excise Tax.

Graph 13: Electricity Excise Tax Collections



OZ Park  
Chicago, Illinois





## Excise and Utility Taxes (Continued)

### Energy Charges

#### Statutory References

- **Energy Assistance Charge** — 305 ILCS 20/13
- **Renewable Energy Resources and Coal Technology Development Assistance Charge** — 20 ILCS 687/6-5

#### Definition

The energy charges are amounts that a public utility, a municipal utility, or a cooperative, collects monthly from each of its customers for electric or natural gas services delivered by the utility or cooperative.

The tax rates that are imposed for each of the energy charges depend on the type of customer and the customer's electric or natural gas usage during the past calendar year.

The monthly rates for the **Energy Assistance Charge** are listed below. These rates became effective January 1, 1998.

- \$0.40 per account to which residential electric service is delivered
- \$0.40 per account to which residential gas service is delivered
- \$4.00 per account to which nonresidential electric service is delivered and which had less than 10 megawatts of peak demand during the previous calendar year
- \$4.00 per account to which nonresidential gas service is delivered and which received less than 4 million therms of gas during the previous calendar year
- \$300 per account to which nonresidential electric service is delivered and which had 10 megawatts or more of peak demand during the previous calendar year
- \$300 per account to which nonresidential gas service is delivered and which received 4 million therms or more of gas during the previous calendar year

The monthly rates for the **Renewable Energy Resources and Coal Technology Development Assistance Charge** are listed below. These rates became effective January 1, 1998.

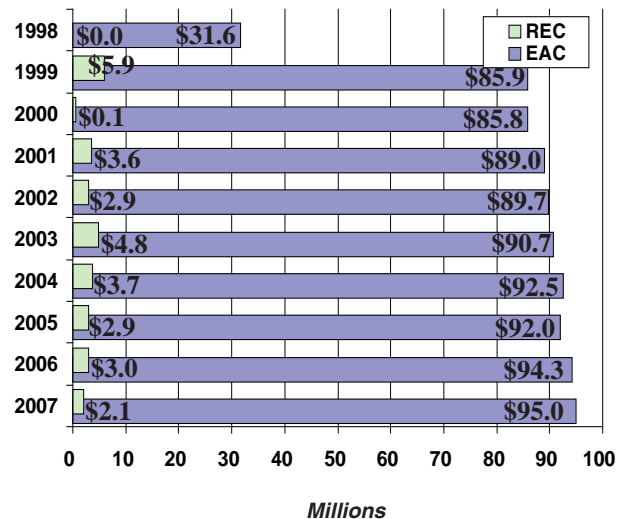
- \$0.05 per account to which residential electric service is delivered
- \$0.05 per account to which residential gas service is delivered

- \$0.50 per account to which nonresidential electric service is delivered and that had less than 10 megawatts of peak demand during the previous calendar year
- \$0.50 per account to which nonresidential gas service is delivered and that received less than 4 million therms of gas during the previous calendar year
- \$37.50 per account to which nonresidential electric service is delivered and that had 10 megawatts or more of peak demand during the previous calendar year
- \$37.50 per account to which nonresidential natural gas service is delivered and that received 4 million therms or more of gas during the previous calendar year

#### Distribution

Collections from the Energy Assistance Charge are deposited into the Supplemental Low-Income Energy Assistance Fund. Collections from the Renewable Energy Resources and Coal Technology Development Assistance Charge are deposited into the Renewable Energy Resources Trust Fund and the Coal Technology Development Assistance Fund. Each fund receives 50 percent of the collections.

Graph 14: Energy Charges Collections





## Excise and Utility Taxes (Continued)

### Gas Revenue and Gas Use Tax

#### Statutory Reference

**Gas Revenue Tax** — 35 ILCS 615/1 to 615/15

**Gas Use Tax** — 35 ILCS 173/5-1 to 5-999

#### Definition

The Gas Revenue Tax is imposed on persons who distribute, supply, furnish, or sell natural gas for use or consumption (not for resale). Beginning October 1, 2003, the Gas Use Tax is imposed upon the privilege of using gas in Illinois that was purchased from an out-of-state source. The tax rate for the Gas Revenue and Gas Use Tax is 2.4 cents per therm or 5 percent of the purchase price for the billing period, whichever is the lower rate.

#### Distribution

Collections are deposited into the General Revenue Fund.

#### Other taxes

An Invested Capital Tax is also imposed. See “Revenue-Sharing with Local Governments, Replacement Taxes,” for more information.

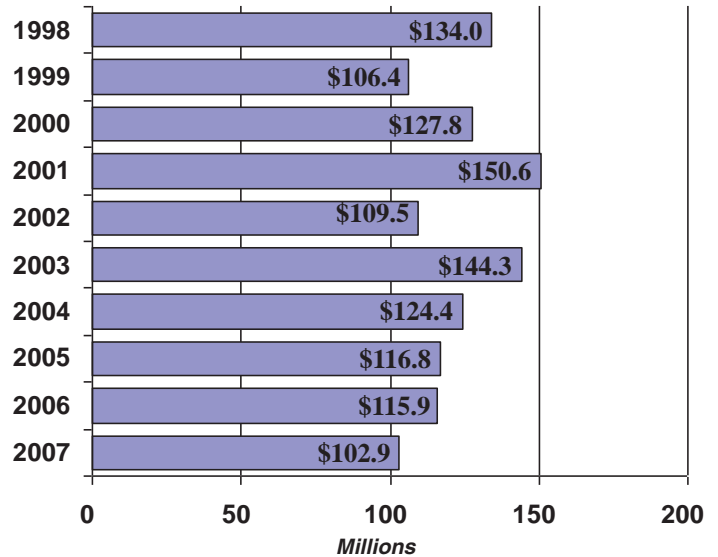
**Table 25:** Gas Tax Rate History

Effective date	Rate
March 11, 1937 <sup>(1)</sup>	3.00 percent
July 23, 1945 <sup>(1)</sup>	3.00 percent
August 1, 1965	4.00 percent
September 1, 1966	3.92 percent
August 1, 1967	5.00 percent
January 1, 1986 <sup>(2)</sup>	5 percent or 2.4 cents, per therm per customer, whichever is less

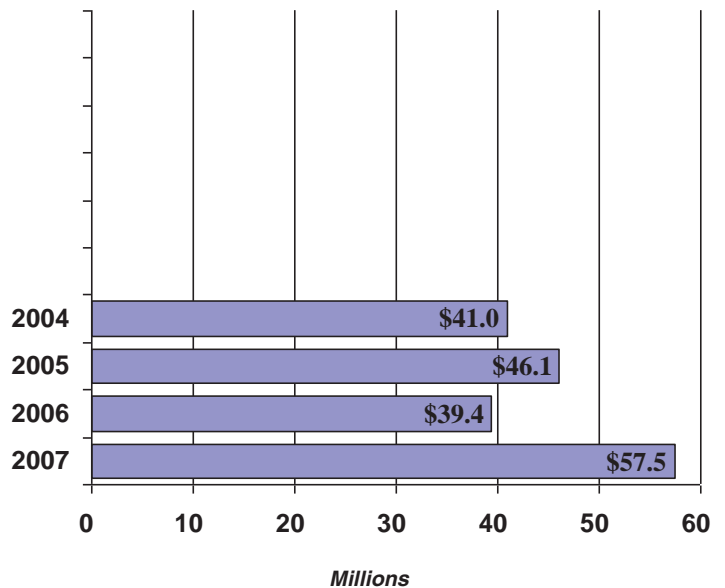
(1) The tax was originally collected under the Public Utilities Revenue Act. The Gas Revenue Tax was adopted July 24, 1945.

(2) Gas Use Tax began October 1, 2003.

**Graph 15: Gas Revenue Tax Collections**



**Graph 16: Gas Use Tax Collections**





## Excise and Utility Taxes (Continued)

### Hotel Operators' Occupation Tax

#### Statutory Reference

35 ILCS 145/1 to 145/10

#### Definition

The tax is imposed on the occupation of renting, leasing, or letting rooms to persons for living quarters for periods of less than 30 days. The rate is comprised of two tax rates:

- 5 percent of 94 percent of the gross receipts from renting, leasing, or letting rooms for periods of less than 30 days, and
- an additional tax of 1 percent of 94 percent of the gross receipts from renting, leasing, or letting rooms for periods of less than 30 days.

#### Distribution

##### 5 percent of 94 percent of gross rental receipts

- 40 percent of the total net proceeds is deposited into the Build Illinois Fund.
- 60 percent of the total net proceeds is distributed in the following order:
  - Illinois Sports Facilities Fund: \$5 million plus an advance amount of \$33,000,000 for FY 2004 and FY2005.
  - Local Tourism Fund: 8 percent of the net revenues received
  - International Tourism Fund: 4.5 percent of the net revenues received
  - General Revenue Fund: remaining net revenues with a subsequent transfer to the Tourism Promotion Fund equal to 21 percent of the amount deposited in the General Revenue Fund

##### 1 percent of 94 percent of gross rental receipts

- Build Illinois Fund: 100 percent.

#### Local Taxes Collected by the Department

The department collects the following locally imposed hotel taxes:

- Metropolitan Pier and Exposition Authority (MPEA) Hotel Operators' Occupation Tax
- Municipal Hotel Operators' Occupation Tax (Chicago)
- Sports Facilities Authority Hotel Operators' Occupation Tax

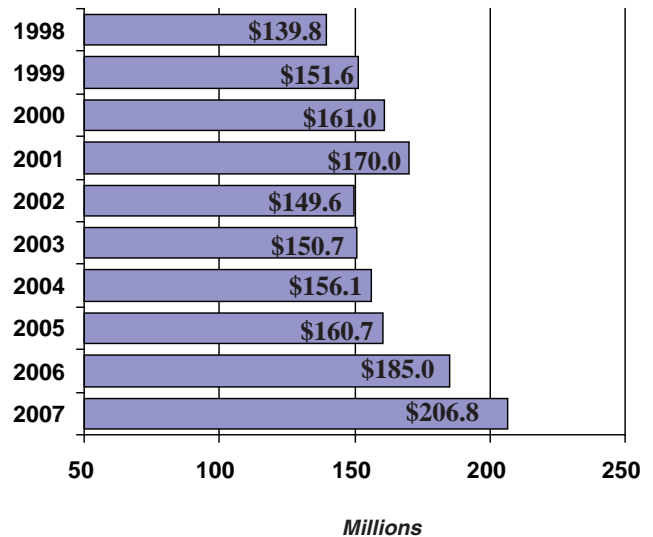
See "Taxes Collected for Local Governments" for more information.

Table 26: Hotel Operators' Occupation Tax Rate History

Effective date	Rate
August 1, 1961	3 percent of 97 percent*
July 1, 1969	5 percent of 95 percent*
August 1, 1984	5 percent of 94 percent*
	+ 1 percent of 94 percent*
	6 percent of 94 percent*

\* of gross rental receipts

Graph 17: Hotel Operators' Occupation Tax Collections



**Excise and Utility Taxes**  
(Continued)

**Table 27: Hotel Gross Receipts by County**

County	No. of Accounts	FY 2005 Receipts	No. of Accounts	FY 2006 Receipts	No. of Accounts	FY 2007 Receipts
Adams	21	\$ 8,364,184	21	8,818,215	21	8,927,414
Alexander	11	324,384	9	363,025	8	297,133
Bond	7	1,497,718	9	1,266,757	5	1,498,736
Boone	6	98,815	3	127,851	3	114,028
Bureau	12	1,597,384	13	1,606,510	12	1,655,401
Carrol	21	1,402,353	21	1,352,201	20	1,303,704
Champaign	62	39,033,768	59	40,970,760	56	44,780,922
Christian	9	707,277	8	754,713	6	767,160
Clinton	17	966,486	12	1,036,245	14	1,269,341
Coles	20	6,388,764	18	6,401,193	20	6,074,444
Cook	754	1,962,855,838	750	2,242,182,302	756	2,575,869,418
Crawford	8	1,494,945	8	1,514,910	8	1,512,637
DeKalb	15	6,509,304	16	7,044,672	16	7,381,582
DeWitt	5	1,258,757	7	1,778,285	7	1,602,599
Douglas	17	3,410,026	14	3,421,756	14	3,561,312
DuPage	199	259,907,791	199	285,834,462	206	324,052,727
Effingham	28	13,197,546	28	14,203,622	27	14,561,087
Fayette	7	1,997,981	7	2,086,992	8	2,258,487
Franklin	17	4,017,182	16	3,749,414	15	3,765,294
Fulton	7	782,694	7	904,331	7	1,042,336
Grundy	10	4,288,187	10	4,439,283	9	4,603,745
Hancock	36	2,781,399	43	2,979,289	46	3,184,849
Jackson	32	7,165,037	34	7,104,261	32	8,303,600
Jefferson	19	13,130,839	19	13,360,047	23	14,249,598
Jersey	17	2,861,937	18	3,033,717	18	3,016,171
Jo Daviess	158	24,827,755	152	25,336,759	155	25,316,224
Kane	47	54,329,647	46	59,541,969	46	66,018,424
Kankakee	22	9,398,222	21	9,744,455	23	10,333,959
Kendall	16	3,084,072	16	3,331,219	17	3,888,201
Knox	20	5,950,305	20	6,332,444	18	7,313,481
Lake	156	112,103,325	162	122,623,481	158	134,508,153
LaSalle	41	15,010,329	44	22,150,383	47	25,180,426
Lee	8	2,510,956	7	2,332,098	8	2,794,398
Livingston	8	1,946,348	8	2,178,595	8	2,519,375
Logan	12	2,400,804	12	2,612,818	12	2,865,212
McDonough	11	3,829,241	11	4,236,166	10	4,208,708
McHenry	30	12,475,752	32	13,504,222	35	14,271,035
McLean	45	34,518,466	47	38,288,137	47	40,894,195
Macon	25	13,587,496	31	15,580,691	31	13,998,501
Macoupin	7	1,351,370	6	909,203	6	684,395
Madison	75	28,115,425	70	27,471,780	74	29,033,474
Marion	10	2,696,561	10	2,910,807	10	2,854,271
Mason	7	326,836	7	334,540	7	345,820
Montgomery	10	3,286,178	11	4,286,460	11	5,094,212
Morgan	10	3,212,723	9	3,978,666	13	3,960,923
Ogle	23	4,763,527	23	4,608,375	23	4,867,111



## Excise and Utility Taxes (Continued)

Table 27: Hotel Gross Receipts by County (continued)

County	No. of Accounts	FY 2005 Receipts	No. of Accounts	FY 2006 Receipts	No. of Accounts	FY 2007 Receipts
Peoria	45	33,005,199	41	35,806,554	45	40,919,161
Perry	9	859,898	8	1,038,194	9	1,516,351
Rock Island	32	18,458,782	33	19,210,904	32	21,911,249
St Clair	72	26,325,226	75	28,865,243	78	31,262,571
Sangamon	54	53,035,263	54	59,038,373	54	62,194,790
Shelby	15	2,662,756	17	2,671,625	15	3,043,564
Stephenson	15	3,435,870	13	3,770,053	15	3,681,292
Tazewell	33	18,941,633	29	19,987,202	28	21,644,182
Vermillion	20	8,629,733	23	8,624,230	22	8,592,855
Washington	8	1,149,601	8	1,170,537	6	1,213,050
White	7	1,281,540	5	1,278,045	6	1,350,410
Whiteside	12	3,475,759	12	3,659,233	14	3,755,881
Will	81	44,070,376	78	52,221,123	79	58,117,142
Williamson	24	13,028,955	23	13,561,547	24	14,188,130
Winnebago	49	32,827,612	51	39,804,069	51	42,307,099
Brown & Schuyler	8	532,508	7	548,377	6	520,340
Calhoun & Green	6	233,062	7	161,296	7	167,010
Cass & Menard	7	548,086	8	537,982	11	977,171
Clark & Edgar	12	1,892,589	11	1,758,578	9	1,682,389
Clay, Cumberland & Jasper	10	1,019,241	9	1,380,651	11	1,081,484
Edwards, Wabash & Wayne	8	827,015	9	918,116	7	889,504
Ford & Iroquois	16	1,910,353	14	1,780,226	14	1,903,199
Gallatin, Hardin & Hardin	15	378,161	14	390,186	14	436,722
Henderson, Mercer & Warren	10	1,097,849	10	1,118,784	11	1,106,625
Henry & Stark	20	1,982,076	17	2,469,730	16	2,435,504
Johnson & Union	34	1,178,576	32	1,444,931	30	1,830,412
Lawrence & Richland	11	927,953	10	1,036,699	11	1,023,140
Marshall, Putnam & Woodford	6	1,645,114	7	1,707,379	7	1,757,212
Massac & Pulaski	15	5,648,607	14	6,251,044	14	5,972,682
Monroe & Randolph	20	1,882,289	20	2,060,288	21	2,406,031
Moultrie & Piatt	8	931,441	8	1,065,784	7	945,994
Pike & Scott	19	799,316	19	930,374	19	959,610
Pope & Saline	26	1,422,204	27	1,424,131	28	1,589,026
<b>Total</b>	<b>2,825</b>	<b>\$ 2,971,810,578</b>	<b>2,807</b>	<b>\$3,346,319,572</b>	<b>2,837</b>	<b>\$3,779,986,005</b>

**Note:** Gross receipts represent hotel revenue on which state and local taxes are calculated. These figures do not represent tax collected.

Some counties have been combined to preserve taxpayer confidentiality. To figure approximate tax receipts, see the example shown below.

**Example:**

Adams County gross receipts:	\$ 8,364,184
State hotel tax (6% of 94% = 5.64%):	<u>          X .0564</u>
Approximate state tax collections	\$ 471,740

## Excise and Utility Taxes (Continued)



### Liquor Gallonage Tax

#### Statutory Reference

235 ILCS 5/8-1 to 5/8-14

#### Definition

Illinois imposes a tax on businesses that are manufacturers or importing distributors of liquor. The tax rates are listed below.

- 18.5 cents per gallon of beer
- 18.5 cents per gallon of cider with an alcohol content of 0.5 percent to 7 percent
- 73 cents per gallon of wine other than cider with an alcohol content of less than 20 percent
- \$4.50 per gallon for alcoholic liquor with an alcohol content of 20 percent or more.

#### Distribution

Collections are deposited into the General Revenue Fund.

Table 28: Liquor Tax Rate History

Effective date	Cider or Beer .5%-7%	Wine <= 14%	Wine > 14% - < 20%	Alcohol = / > 20%
July 1, 1934	\$.02	\$.10	\$.25	\$.50
July 1, 1941	\$.04	\$.15	\$.40	\$1.00
July 1, 1957	\$.04	\$.15	\$.40	\$1.02
Aug. 1, 1959	\$.06	\$.23	\$.60	\$1.52
Aug. 1, 1969	\$.07	\$.23	\$.60	\$2.00
July 1, 1999	\$.185	\$.73	\$.73	\$4.50

Table 29: Liquor Gallonage History (in millions of gallons)

Fiscal year	Cider or Beer 0.5%-7%	Wine <= 14%	Wine > 14% - < 20%	Alcohol = / > 20%	Total
1998	274.2	23.3	2.8	15.3	315.6
1999	276.9	22.3	2.6	15.3	317.1
2000	282.0	21.9	3.0	15.5	322.4
2001	281.7	22.3	2.4	16.5	323.0
2002	283.4	23.0	2.3	15.7	324.4
2003	314.0	23.9	2.4	15.9	356.3
2004	277.5	24.9	2.3	17.9	322.5
2005	278.6	25.4	2.2	17.4	323.6
2006	282.7	25.9	2.1	18.1	328.9
2007	278.6	29.1	2.2	18.1	328.1





# Excise and Utility Taxes (Continued)

## Oil and Gas Production Assessment

### Statutory Reference

225 ILCS 728/30 to 728/99

### Definition

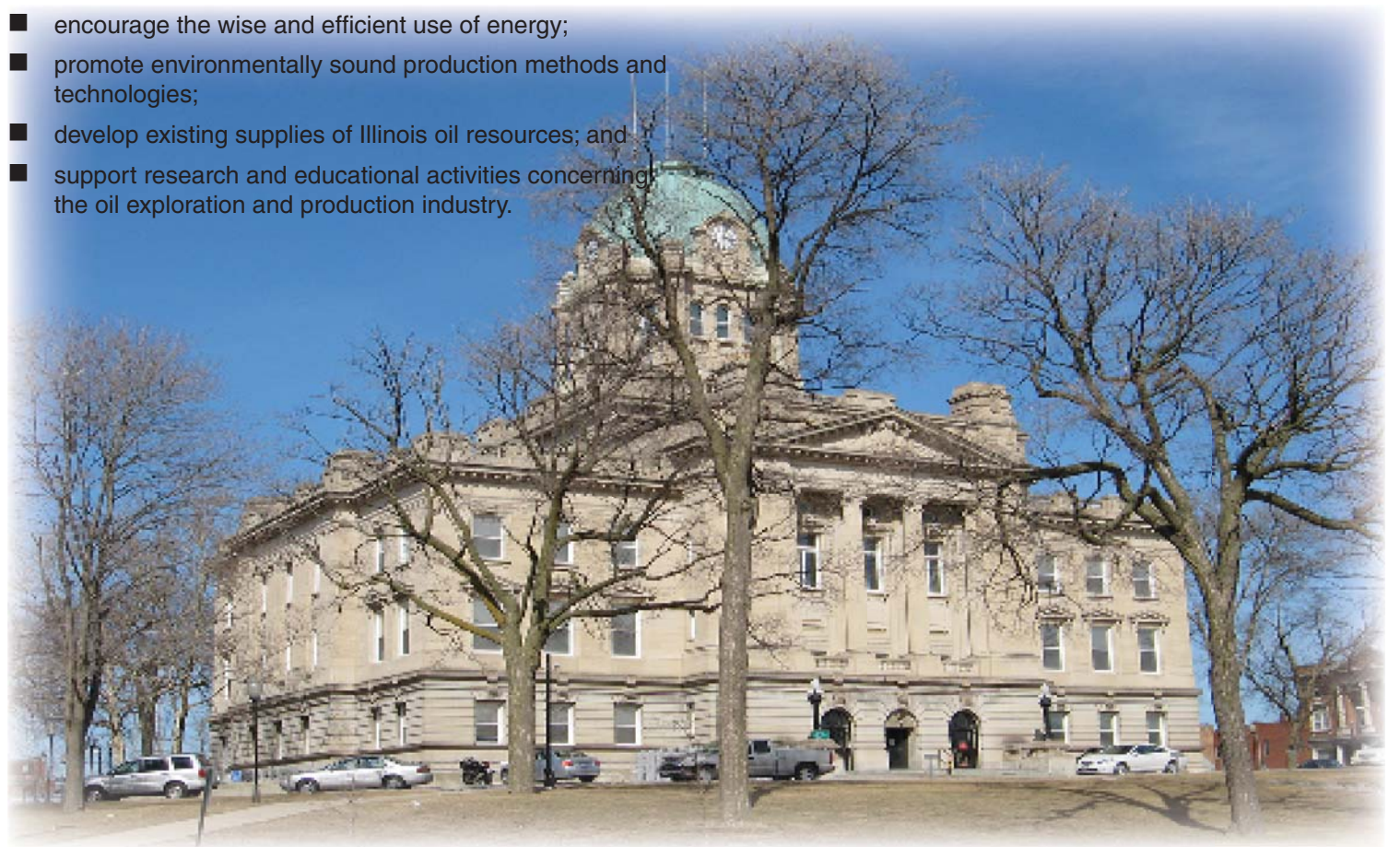
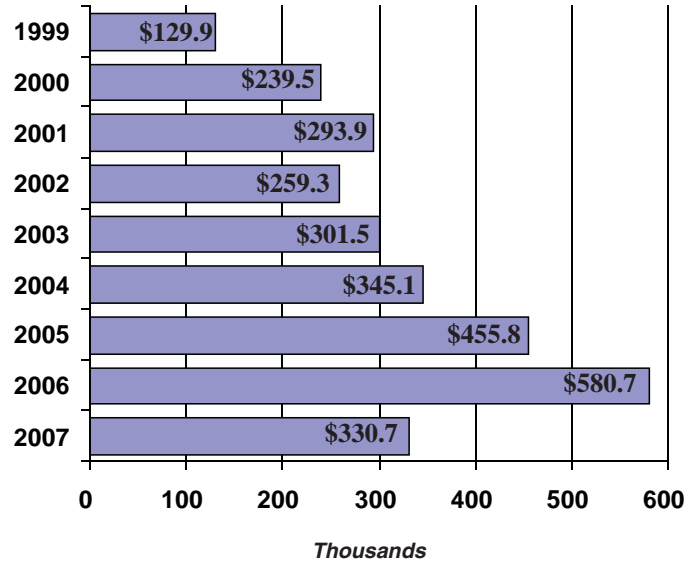
Effective July 10, 1998, the assessment is levied on gross revenues of oil and gas produced from each well in Illinois. It is imposed on Illinois oil or gas producers and is paid by the first purchaser of the oil or gas. The first purchaser pays the assessment to the department. The Illinois Petroleum Resources Board administers and enforces this assessment. The assessment is levied in the amount of 0.1 percent of the gross revenues of oil and gas produced from each well in Illinois.

### Distribution

Amounts collected are distributed to the Illinois Petroleum Resources Board. Revenues are used to

- demonstrate the importance of Illinois' oil exploration and production industry;
- encourage the wise and efficient use of energy;
- promote environmentally sound production methods and technologies;
- develop existing supplies of Illinois oil resources; and
- support research and educational activities concerning the oil exploration and production industry.

Graph 18: Oil and Gas Production Assessment Collections



## Excise and Utility Taxes (Continued)

### Telecommunications Excise Tax

#### Statutory Reference

**Telecommunications Excise Tax** — 35 ILCS 630/1 to 630/21  
**Telecommunications Infrastructure Maintenance Fee** —  
 35 ILCS 635/1 to 635/920

#### Definition

The tax is imposed on intrastate messages (*i.e.*, those that originate and terminate in Illinois) as well as interstate messages. The tax rate is 7 percent of gross charges.

In addition to this tax, a state Telecommunications Infrastructure Maintenance Fee (TIMF) is imposed on persons in the business of transmitting, supplying, or furnishing telecommunications and all associated services in Illinois for compensation (*i.e.*, telecommunications retailers). The rate is 0.5 percent of gross charges.

#### Distribution

Collections from the 5 percent rate effective August 1, 1967, are deposited into the General Revenue Fund, minus \$1 million per month, which is deposited into the Common School Fund. Proceeds from the 2 percent increase effective January 1, 1998, are divided equally between the School Infrastructure Fund and the Common School Fund.

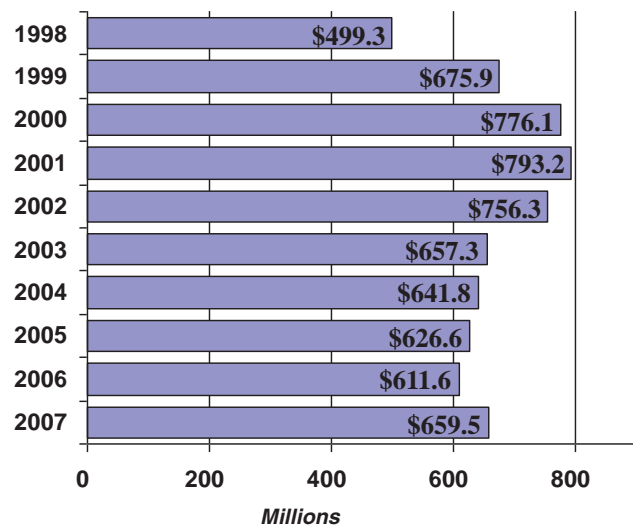
#### Local Taxes Collected by the IDOR

Municipalities may impose the Simplified Municipal Telecommunications Tax on the privilege of originating or receiving telecommunications. Beginning January 1, 2003, telecommunication service providers who have customers who have a service address that is located in a municipality with a population of 500,000 or less, must report and pay the municipal taxes directly to the department. The department collects the tax for these municipalities and returns it to them each month, minus an administrative fee of 0.5 percent. The Chicago Department of Revenue collects the tax for the City of Chicago.

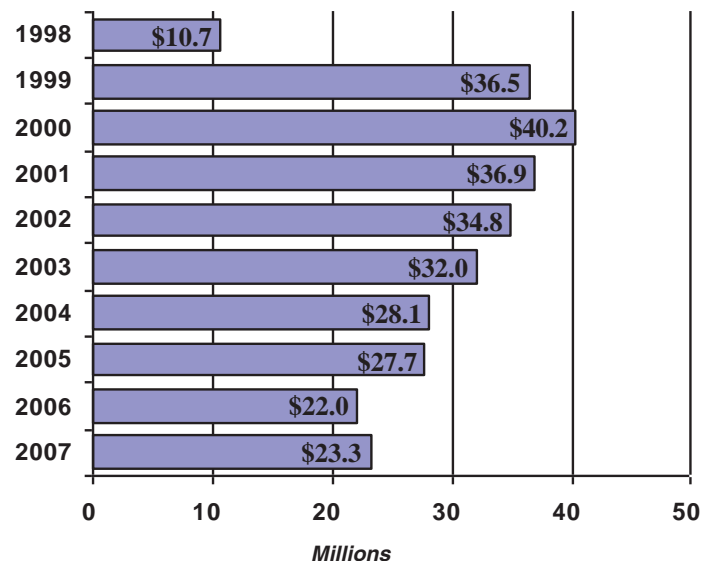
Table 30: Telecommunications Excise Tax Rate History

Effective date	Rate
March 11, 1937	3.00%
August 1, 1965	4.00%
September 1, 1966	3.92%
August 1, 1967	5.00%
January 1, 1998	7.00%

Graph 19: Telecommunications Excise Tax Collections



Graph 20: Telecommunications Infrastructure Maintenance Fee



**Note:** Public Act 90-154 created the TIMF effective January 1, 1998.



## Excise and Utility Taxes (Continued)

### Tobacco Products Tax

#### Statutory Reference

35 ILCS 143/10-1 to 143/10-30

#### Definition

The tax is imposed on tobacco products (other than cigarettes), including cigars; cheroots; stogies; periques; granulated, plug-cut, crimp-cut, ready rubbed and other smoking tobacco; snuff or snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing tobaccos; refuse scraps, clippings, cuttings and sweepings of tobacco; and other kinds and forms of tobacco suitable for chewing or smoking. The rate is 18 percent of the wholesale price of tobacco products sold by a distributor.

#### Rate History

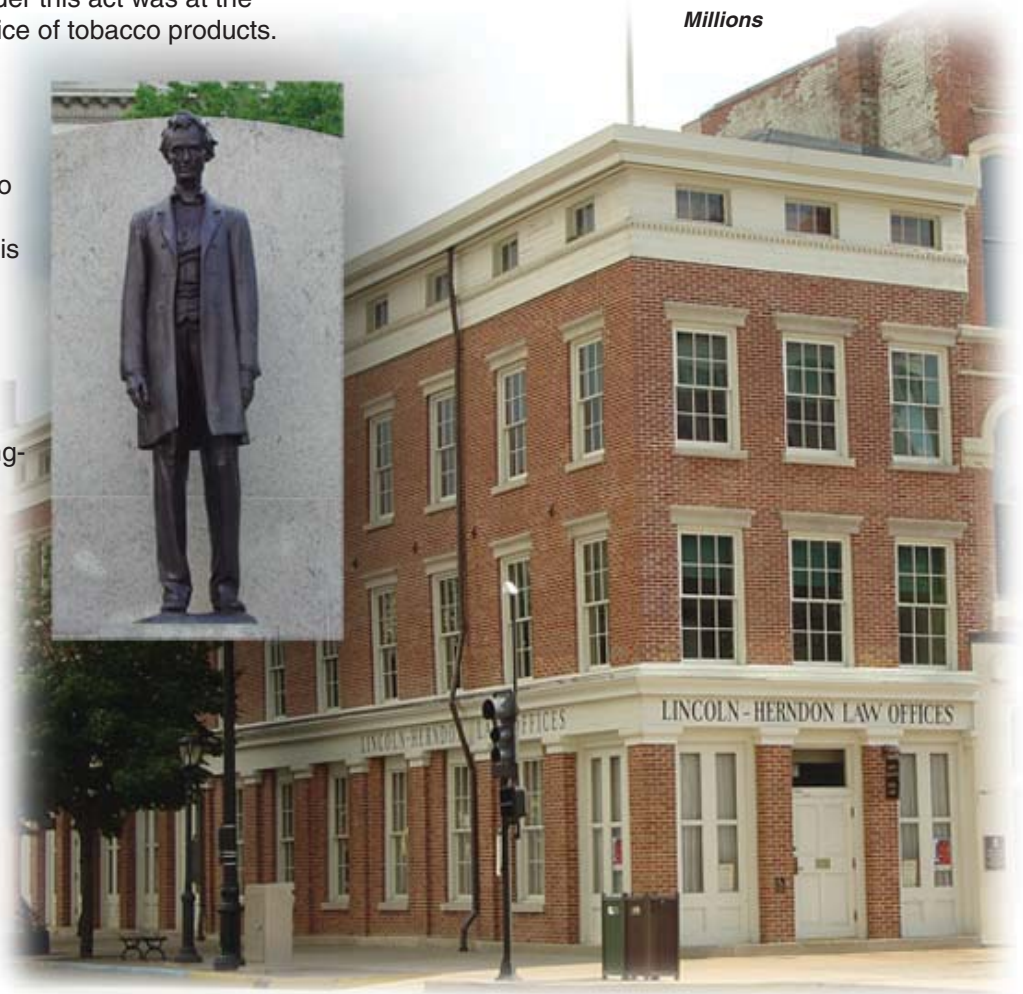
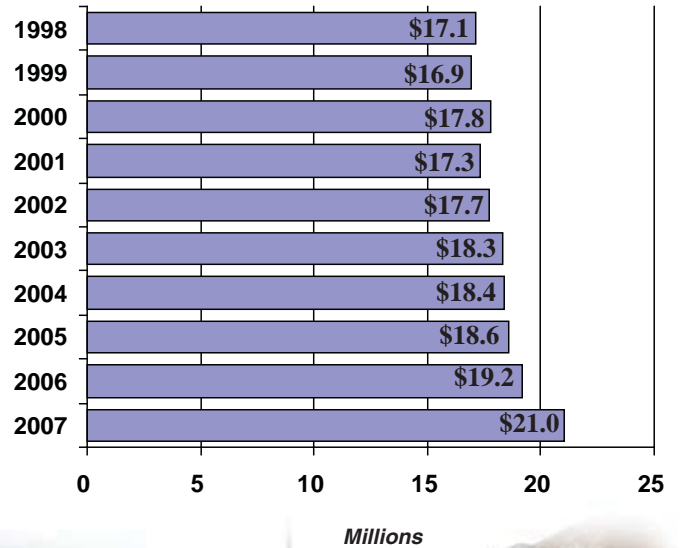
The original Tobacco Products Tax Act became effective October 1, 1993. The tax imposed under this act was at the rate of 20 percent of the wholesale price of tobacco products. The circuit court of Cook County declared the tax unconstitutional on January 12, 1995.

On September 1, 1995, a new tobacco products tax was imposed under the Tobacco Products Tax Act of 1995. This tax is at the rate of 18 percent of the wholesale price of tobacco products sold by a distributor.

#### Distribution

Collections are deposited into the Long-Term Care Provider Fund.

Graph 21: Tobacco Products Tax Collections





## Gaming Taxes

### Bingo Tax and License Fees

#### Statutory Reference

230 ILCS 25/1 to 25/7

#### Definition

The tax is imposed on the privilege of conducting bingo games. License fees are imposed on suppliers, providers, and operators of bingo games. To operate a bingo game, the organization must:

- be licensed by the state;
- be a licensed bona fide religious, charitable, labor, fraternal, youth athletic, senior citizens', educational, or veterans' organization in Illinois;
- operate without profit to its members;
- have been in existence in Illinois continuously for a period of five years before applying for a license; and
  - it must have a bona fide membership engaged in carrying out its objectives during that entire five-year period. (Note: The five-year requirement is reduced to two years when it is applied to a local organization that is affiliated with and chartered by a national organization that meets the five-year requirement.)

The tax rate is 5 percent of gross proceeds. License fees are imposed in the following amounts:

- An **operator's license** permits an organization to hold one bingo session a week, with a maximum of 25 bingo games per session and a maximum of \$2,250 in prizes or merchandise per session. (In Madison, Monroe, and

St. Clair counties, and the City of Redbud, the prize limit is \$3,250.) A one-year license costs \$200. Beginning July 1, 2004, a three-year license was also offered at a cost of \$600. A licensed organization may obtain permits to hold two special events per year of up to seven days each.

- Organizations that would qualify for annual licenses but prefer not to conduct weekly bingo sessions may obtain a limited license for \$50. Beginning July 1, 2004, a three-year limited license was also offered for \$150. This license entitles them to conduct a maximum of two bingo events during the year. Each event is limited to five consecutive days.
- Persons, firms, or organizations that sell, lease, or otherwise distribute bingo supplies (*e.g.*, cards or markers) must purchase a **supplier's license** for \$200.
- Persons, firms, or organizations that rent or lease premises (*e.g.*, rooms, halls, or buildings) for bingo games must purchase a **provider's license** for \$200.

#### Rate History

The original 10 percent tax on the gross receipts from bingo games was effective from October 1, 1971, through December 31, 1978. Effective January 1, 1979, the rate was reduced to 5 percent.

#### Distribution

**Tax** collections are divided evenly between the Common School Fund and the Mental Health Fund.

**License Fees** collections are deposited into the General Revenue Fund.

Table 31: Bingo Tax and License Fee Collections

Fiscal Year	Tax	License fees	No. of operators' licenses	No. of limited licenses	No. of suppliers	No. of providers
1998	\$ 6,476,875	\$ 297,900	1,167	353	112	136
1999	5,852,258	284,260	1,031	342	104	129
2000	5,499,934	259,130	899	311	100	109
2001	4,950,235	240,530	905	295	93	98
2002	4,663,448	240,770	871	279	93	100
2003	4,441,719	224,150	811	281	94	96
2004	4,226,814	218,580	668	276	97	97
2005	3,715,338	198,690	668	288	94	93
2006	3,403,304	197,460	729	283	75	86
2007	3,072,182	174,170	676	278	77	88

—Total licenses in effect on June 30 of the given fiscal year.

—The number of operators' licenses reflects 2 three-year licenses paid for upfront and displayed in the 2005 dollar totals.



# Annual Report of Collections and Distributions 2006—2007

## Gaming Taxes (Continued)

**Table 32: Bingo Tax Statistics by County**

County	FY05	FY06	FY07	County	FY05	FY06	FY07
<b>Adams</b>				<b>Clinton</b>			
Players	23,311	23,299	18,815	Players	69,226	66,168	60,359
Gross	\$458,385	\$458,682	\$338,825	Gross	\$1,058,407	\$1,000,871	\$927,888
Tax	\$22,919	23,382	16,941	Tax	53,573	\$50,106	\$46,394
<b>Alexander</b>				<b>Coles</b>			
Players	0	367	0	Players	29,444	31,978	32,515
Gross	\$0	\$5,205	\$0	Gross	\$529,320	\$540,661	\$533,910
Tax	\$0	\$510	\$0	Tax	\$26,646	\$27,033	\$26,875
<b>Bond</b>				<b>Cook</b>			
Players	0	0	0	Players	790,334	676,773	546,032
Gross	\$0	\$0	\$0	Gross	\$15,105,390	\$12,892,105	\$10,851,977
Tax	\$0	\$0	\$0	Tax	\$760,798	\$647,198	\$547,529
<b>Boone</b>				<b>Crawford</b>			
Players	11,112	13,010	12,326	Players	83,873	6,155	6,949
Gross	\$243,321	\$272,041	\$260,260	Gross	\$64,059	\$89,717	\$97,321
Tax	\$12,166	\$13,602	\$13,013	Tax	\$3,203	\$4,542	\$5,170
<b>Brown</b>				<b>Cumberland</b>			
Players	0	0	0	Players	5,588	4,774	4,090
Gross	\$0	\$0	\$0	Gross	\$112,404	\$94,344	\$104,227
Tax	\$0	\$0	\$0	Tax	\$5,620	\$4,717	\$5,211
<b>Bureau</b>				<b>DeKalb</b>			
Players	20,187	15,605	11,977	Players	26,446	26,972	25,149
Gross	\$416,620	\$392,164	\$264,658	Gross	\$507,387	\$494,883	\$437,928
Tax	\$21,569	\$19,803	\$13,781	Tax	\$25,369	\$24,744	\$21,947
<b>Calhoun</b>				<b>DeWitt</b>			
Players	3,888	3,751	3,547	Players	10,130	9,546	8,067
Gross	\$65,048	\$64,092	\$59,607	Gross	\$156,322	\$171,866	\$150,892
Tax	\$3,252	\$3,205	\$2,980	Tax	\$7,816	\$8,593	\$7,545
<b>Carroll</b>				<b>Douglas</b>			
Players	7,678	7,882	4,861	Players	7,323	7,102	7,202
Gross	\$161,972	\$192,522	\$126,196	Gross	\$147,294	\$145,373	\$150,993
Tax	\$8,099	\$9,626	\$6,310	Tax	\$7,383	\$7,269	\$7,568
<b>Cass</b>				<b>DuPage</b>			
Players	13,494	6,286	8,496	Players	132,185	119,646	97,444
Gross	\$59,025	\$47,031	\$48,549	Gross	\$2,434,948	\$2,279,697	\$1,874,472
Tax	\$2,951	\$2,352	\$2,427	Tax	\$121,969	\$114,38	\$94,114
<b>Champaign</b>				<b>Edgar</b>			
Players	28,558	33,230	30,309	Players	14,617	15,156	14,823
Gross	\$565,884	\$696,806	\$680,133	Gross	\$279,842	\$256,133	\$281,145
Tax	\$29,553	\$35,188	\$34,065	Tax	\$13,992	\$12,839	\$14,140
<b>Christian</b>				<b>Edwards</b>			
Players	58,248	53,286	49,095	Players	0	0	0
Gross	\$948,381	\$831,759	\$724,432	Gross	\$0	\$0	\$0
Tax	\$47,419	\$41,588	\$36,278	Tax	\$0	\$0	\$0
<b>Clark</b>				<b>Effingham</b>			
Players	2,031	128	0	Players	20,356	20,470	18,385
Gross	\$26,088	\$1,631	\$0	Gross	\$423,479	\$401,861	\$343,547
Tax	\$1,304	\$82	\$0	Tax	\$21,174	\$20,093	\$17,177
<b>Clay</b>				<b>Fayette</b>			
Players	4,298	5,216	5,360	Players	24,825	23,865	23,731
Gross	\$85,188	\$102,193	\$103,593	Gross	\$444,940	\$407,580	\$419,124
Tax	\$4,259	\$5,126	\$5,245	Tax	\$22,889	\$20,706	\$21,629

## Gaming Taxes (Continued)

**Table 32: Bingo Tax Statistics by County (continued)**

County	FY05	FY06	FY07
<b>Ford</b>			
Players	5,507	6,616	5,334
Gross	\$155,700	\$175,313	\$146,971
Tax	\$7,785	\$8,766	\$7,371
<b>Franklin</b>			
Players	34,394	36,314	29,042
Gross	\$784,580	\$768,710	\$613,177
Tax	\$39,300	\$38,452	\$30,816
<b>Fulton</b>			
Players	21,140	18,298	16,126
Gross	\$458,553	\$400,376	\$348,276
Tax	\$22,985	\$20,094	\$17,551
<b>Gallatin</b>			
Players	0	0	0
Gross	\$0	\$0	\$0
Tax	\$0	\$0	\$0
<b>Greene</b>			
Players	4,982	4,165	1,818
Gross	\$71,626	\$61,201	\$27,255
Tax	\$3,581	\$3,060	\$1,363
<b>Grundy</b>			
Players	17,681	16,874	16,481
Gross	\$353,928	\$350,414	\$332,659
Tax	\$17,696	\$17,550	\$16,672
<b>Hamilton</b>			
Players	0	0	0
Gross	\$0	\$0	\$0
Tax	\$0	\$0	\$0
<b>Hancock</b>			
Players	7,483	5,730	5,916
Gross	\$132,499	\$115,957	\$110,162
Tax	\$6,625	\$5,798	\$5,508
<b>Hardin</b>			
Players	0	0	0
Gross	\$0	\$0	\$0
Tax	\$0	\$0	\$0
<b>Henderson</b>			
Players	2,003	1,992	1,888
Gross	\$26,140	\$26,576	\$24,910
Tax	\$1,307	\$1,329	\$1,255
<b>Henry</b>			
Players	18,550	13,655	13,655
Gross	\$430,000	\$323,404	\$314,864
Tax	\$21,949	\$16,217	\$16,152
<b>Iroquois</b>			
Players	4,447	4,053	3,326
Gross	\$78,313	\$68,581	\$71,066
Tax	\$3,916	\$3,429	\$3,553
<b>Jackson</b>			
Players	14,754	15,425	9,268
Gross	\$565,304	\$465,052	\$299,507
Tax	\$28,265	\$23,317	\$15,056

County	FY05	FY06	FY07
<b>Jaspar</b>			
Players	0	0	0
Gross	\$0	\$0	\$0
Tax	\$0	\$0	\$0
<b>Jefferson</b>			
Players	23,356	19,015	15,274
Gross	\$416,981	\$351,111	\$306,172
Tax	\$20,922	\$17,580	\$15,343
<b>Jersey</b>			
Players	3,971	7,809	8,083
Gross	\$143,921	\$126,501	\$125,131
Tax	\$7,268	\$6,368	\$6,353
<b>Jo Daviess</b>			
Players	1,076	2,478	1,466
Gross	\$28,939	\$32,591	\$26,693
Tax	\$1,447	\$1,630	\$1,335
<b>Johnson</b>			
Players	0	0	0
Gross	\$0	\$0	\$0
Tax	\$0	\$0	\$0
<b>Kane</b>			
Players	83,417	64,505	53,416
Gross	\$1,822,658	\$1,442,034	\$1,239,007
Tax	\$91,315	\$72,352	\$62,023
<b>Kankakee</b>			
Players	22,071	17,189	17,593
Gross	\$508,126	\$409,169	\$413,442
Tax	\$25,406	\$20,458	\$20,672
<b>Kendall</b>			
Players	23,487	19,648	15,799
Gross	\$480,059	\$421,793	\$414,075
Tax	\$24,003	\$21,090	\$20,704
<b>Knox</b>			
Players	37,595	34,316	22,257
Gross	\$854,666	\$820,048	\$477,937
Tax	\$42,789	\$41,594	\$24,396
<b>Lake</b>			
Players	136,570	111,886	102,259
Gross	\$2,722,836	\$2,318,884	\$2,100,823
Tax	\$137,238	\$116,167	\$105,954
<b>LaSalle</b>			
Players	86,501	79,464	64,920
Gross	\$1,956,635	\$1,816,971	\$1,551,330
Tax	\$98,034	\$91,183	\$77,958
<b>Lawrence</b>			
Players	8,299	6,851	5,606
Gross	\$196,469	\$156,434	\$119,740
Tax	\$9,823	\$7,822	\$6,050
<b>Lee</b>			
Players	10,099	30,036	9,842
Gross	\$281,592	\$271,706	\$240,964
Tax	\$14,080	\$13,585	\$12,215



# Annual Report of Collections and Distributions 2006—2007

## Gaming Taxes (Continued)

**Table 32: Bingo Tax Statistics by County (continued)**

County	FY05	FY06	FY07
<b>Livingston</b>			
Players	7,395	8,455	8,020
Gross	\$171,056	\$170,701	\$169,281
Tax	\$8,553	\$9,177	\$8,464
<b>Logan</b>			
Players	11,288	20,231	11,815
Gross	\$185,635	\$155,774	\$156,481
Tax	\$9,282	\$7,789	\$8,970
<b>McDonough</b>			
Players	16,627	14,013	11,977
Gross	\$412,181	\$351,763	\$334,023
Tax	\$20,609	\$17,588	\$16,701
<b>McHenry</b>			
Players	44,040	42,522	38,018
Gross	\$972,156	\$932,146	\$914,059
Tax	\$48,821	\$46,654	\$46,039
<b>McLean</b>			
Players	25,386	19,766	15,354
Gross	\$535,255	\$434,692	\$307,789
Tax	\$26,763	\$22,005	\$15,420
<b>Macon</b>			
Players	82,074	80,632	93,458
Gross	\$1,194,516	\$1,231,230	\$1,262,048
Tax	\$59,726	\$61,669	\$63,159
<b>Macoupin</b>			
Players	43,199	38,171	38,739
Gross	\$927,783	\$843,105	\$760,316
Tax	\$46,567	\$42,204	\$38,063
<b>Madison</b>			
Players	259,483	234,729	227,400
Gross	\$5,973,671	\$5,132,457	\$5,322,531
Tax	\$298,836	\$257,366	\$267,227
<b>Marion</b>			
Players	41,599	40,501	37,854
Gross	\$721,818	\$740,021	\$633,815
Tax	\$36,091	\$37,001	\$31,855
<b>Marshall</b>			
Players	2,897	3,126	2,732
Gross	\$53,253	\$57,839	\$51,056
Tax	\$2,663	\$2,892	\$2,553
<b>Mason</b>			
Players	0	0	0
Gross	\$0	\$0	\$0
Tax	\$0	\$0	\$0
<b>Massac</b>			
Players	0	0	0
Gross	\$0	\$0	\$0
Tax	\$0	\$0	\$0
<b>Menard</b>			
Players	1,112	349	445
Gross	\$21,897	\$5,513	\$6,825
Tax	\$1,095	\$276	\$341

County	FY05	FY06	FY07
<b>Mercer</b>			
Players	4,018	4,063	2,850
Gross	\$100,003	\$90,618	\$65,386
Tax	\$5,000	\$4,531	\$3,269
<b>Monroe</b>			
Players	18,340	18,668	17,342
Gross	\$411,608	\$423,455	\$390,733
Tax	\$20,580	\$21,173	\$19,537
<b>Montgomery</b>			
Players	39,325	31,162	18,178
Gross	\$595,392	\$523,927	\$261,100
Tax	\$29,781	\$26,359	\$13,086
<b>Morgan</b>			
Players	5,036	4,721	2,857
Gross	\$69,571	\$71,883	\$45,014
Tax	\$3,479	\$3,594	\$2,251
<b>Moultrie</b>			
Players	11,063	12,684	4,358
Gross	\$196,673	\$186,954	\$100,132
Tax	\$9,834	\$9,348	\$5,007
<b>Ogle</b>			
Players	10,741	9,127	8,734
Gross	\$125,854	\$104,353	\$114,233
Tax	\$6,895	\$5,218	\$5,712
<b>Peoria</b>			
Players	48,368	41,392	32,220
Gross	\$634,251	\$495,943	\$413,550
Tax	\$31,760	\$24,797	\$20,678
<b>Perry</b>			
Players	24,928	27,659	17,978
Gross	\$458,445	\$477,369	\$315,780
Tax	\$22,922	\$24,001	\$15,901
<b>Piatt</b>			
Players	20,278	17,893	20,883
Gross	\$126,229	\$121,666	\$123,544
Tax	\$6,311	\$6,083	\$6,177
<b>Pike</b>			
Players	3,492	3,942	3,472
Gross	\$67,662	\$74,316	\$64,538
Tax	\$3,494	\$3,760	\$3,227
<b>Pope</b>			
Players	0	0	0
Gross	\$0	\$0	\$0
Tax	\$0	\$0	\$0
<b>Pulaski</b>			
Players	0	0	0
Gross	\$0	\$0	\$0
Tax	\$0	\$0	\$0
<b>Putnam</b>			
Players	0	0	0
Gross	\$0	\$0	\$0
Tax	\$0	\$0	\$0

## Gaming Taxes (Continued)

**Table 32: Bingo Tax Statistics by County (continued)**

County	FY05	FY06	FY07	County	FY05	FY06	FY07
<b>Randolph</b>				<b>Vermilion</b>			
Players	25,671	24,966	24,044	Players	14,638	14,356	15,415
Gross	\$572,763	\$583,161	\$596,955	Gross	\$307,750	\$303,691	\$290,243
Tax	\$28,702	\$29,224	\$29,848	Tax	\$15,388	\$15,185	\$14,512
<b>Richland</b>				<b>Wabash</b>			
Players	10,908	12,304	10,855	Players	10,615	10,415	10,606
Gross	\$266,052	\$277,741	\$237,074	Gross	\$309,155	\$239,246	\$233,429
Tax	\$13,303	\$13,887	\$11,854	Tax	\$15,458	\$11,962	\$11,671
<b>Rock Island</b>				<b>Warren</b>			
Players	104,063	89,551	84,433	Players	10,725	7,947	4,657
Gross	\$2,091,229	\$2,116,136	\$1,989,940	Gross	\$148,672	\$142,381	\$90,629
Tax	\$105,075	\$106,402	\$100,239	Tax	\$7,441	\$7,119	\$4,531
<b>St. Clair</b>				<b>Washington</b>			
Players	204,854	201,741	191,768	Players	15,845	16,099	16,454
Gross	\$4,729,671	\$4,679,927	\$4,449,423	Gross	\$200,184	\$206,274	\$220,407
Tax	\$236,497	\$234,247	\$222,945	Tax	\$10,009	\$10,314	\$11,020
<b>Saline</b>				<b>Wayne</b>			
Players	19,311	15,449	20,200	Players	3,544	3,457	3,473
Gross	\$315,190	\$248,871	\$331,150	Gross	\$67,938	\$65,864	\$65,857
Tax	\$15,799	\$12,953	\$16,723	Tax	\$3,397	\$3,293	\$3,293
<b>Sangamon</b>				<b>White</b>			
Players	115,267	96,864	90,603	Players	9,143	7,573	6,596
Gross	\$1,471,930	\$1,125,668	\$1,022,749	Gross	\$189,720	\$173,958	\$140,620
Tax	\$73,597	\$56,283	\$51,177	Tax	\$9,535	\$8,748	\$7,031
<b>Schuyler</b>				<b>Whiteside</b>			
Players	196	197	202	Players	38,098	32,800	30,545
Gross	\$46,091	\$44,691	\$45,034	Gross	\$930,398	\$851,349	\$781,256
Tax	\$2,305	\$2,235	\$2,252	Tax	\$46,520	\$42,567	\$39,131
<b>Scott</b>				<b>Will</b>			
Players	2,674	2,463	1,959	Players	89,910	78,357	59,380
Gross	\$27,915	\$25,107	\$20,990	Gross	\$1,543,471	\$1,429,921	\$1,215,962
Tax	\$1,409	\$1,255	\$1,050	Tax	\$78,489	\$72,238	\$62,597
<b>Shelby</b>				<b>Williamson</b>			
Players	14,378	12,789	11,106	Players	51,764	49,845	44,978
Gross	\$159,810	\$140,917	\$135,256	Gross	\$1,124,815	\$974,856	\$974,406
Tax	\$7,991	\$7,046	\$6,763	Tax	\$56,299	\$48,798	\$48,933
<b>Stark</b>				<b>Winnebago</b>			
Players	0	0	0	Players	244,591	210,041	179,597
Gross	\$0	\$0	\$0	Gross	\$3,944,856	\$3,661,918	\$3,293,427
Tax	\$0	\$0	\$0	Tax	\$197,243	\$183,280	\$165,147
<b>Stephenson</b>				<b>Woodford</b>			
Players	21,128	20,092	21,373	Players	32,109	28,619	25,416
Gross	\$348,459	\$346,477	\$372,796	Gross	\$369,764	\$288,835	\$289,524
Tax	\$17,423	\$17,340	\$18,640	Tax	\$18,512	\$14,903	\$14,476
<b>Tazwell</b>				<b>Grand total</b>			
Players	54,242	41,579	37,763	Players	3,777,632	3,345,811	2,923,379
Gross	\$706,211	\$675,309	\$582,040	Gross	\$70,818,141	\$64,222,208	\$57,503,765
Tax	\$35,311	\$33,907	\$29,597	Tax	\$3,555,824	\$3,222,809	\$2,893,131
<b>Union</b>							
Players	8,734	7,517	8,371				
Gross	\$227,962	\$232,146	\$228,532				
Tax	\$11,401	\$11,607	\$11,427				

**Note:** Grand total figures may not agree with the reported collections because these statistics are taken directly from bingo tax returns and are unedited.



## Gaming Taxes (Continued)

### Charitable Games Tax and License Fees

#### Statutory Reference

230 ILCS 30/1 to 30/15

#### Definition

The tax is imposed on the gross proceeds of charitable games and license fees are imposed on operators, suppliers, and providers of such games. Fourteen games are permitted: bang, beat the dealer, big six, blackjack, chuck-a-luck, craps, five-card stud poker, gin rummy, hold-em poker, keno, merchandise wheel, poker, pull tabs, and roulette. Profits from the games must be used to support the organization's goals, such as charitable work or education. A licensed organization may hold up to four charitable game events per year.

In order for a group to be eligible to conduct charitable games, it must:

- be a religious, charitable, educational, veterans', fraternal, or labor organization;
- have been in existence for at least five years;
- operate without profit to its members; and
- already be exempt from federal income taxation under Internal Revenue Code, Section 501(c)(3), (4), (5), (8), (10), or (19).

**Note:** Veterans' organizations that are eligible to hold a bingo license are also eligible for a charitable game license without regard to federal tax status.

The tax rate is 3 percent of gross proceeds and became effective September 1, 1986. License fees are also imposed. One annual application is good for four events; however, if all four dates are not requested at application time, an organization may amend or add dates by requesting an amendment in writing 30 days prior to an event.

- Organizations conducting charitable games are required to pay a \$200 annual license fee.
- Suppliers of gaming equipment are required to purchase a \$500 annual license fee.
- A \$50 annual "provider's fee" is imposed on anyone who rents space to be used for a charitable game.

#### Distribution

**Tax** collections are deposited into the Illinois Gaming Law Enforcement Fund. From this fund, two-thirds goes to the Department of Revenue, the Department of State Police, and the Office of the Attorney General. One-third is distributed to cities and counties where licensed games are held and is to be used for law enforcement purposes.

**License fee** collections generated from the supplier and provider license fees are deposited into the General Revenue Fund. The Illinois Gaming Law Enforcement Fund receives money from the operator license fee.

See "Revenue-sharing with Local Governments" for more information.

**Table 33: Charitable Games Tax and License Fee Collections**

Fiscal Year	Tax	License fees	No. of operators' licenses	No. of suppliers	No. of providers
1998	\$ 141,150	\$ 60,950	217	15	148
1999	123,903	57,350	176	13	138
2000	112,849	52,950	160	12	136
2001	114,232	46,400	155	11	131
2002	109,070	47,650	160	9	128
2003	104,235	49,600	170	10	140
2004	137,946	50,350	189	8	142
2005	227,273	65,250	236	12	185
2006	332,994	77,550	387	26	200
2007	312,435	78,910	404	12	199

Total licenses in effect on June 30 of the given fiscal year.

## Gaming Taxes (Continued)



### Pull Tabs and Jar Games Tax and License Fees

#### Statutory Reference

230 ILCS 20/1 to 20/7

#### Definition

The tax is imposed on the gross proceeds of pull tabs and jar games. An annual license fee is imposed on operators, suppliers, and manufacturers of pull tabs and jar games. To sell pull tabs or conduct jar games the organization must:

- be licensed by the state;
  - be a licensed bona fide religious, charitable, labor, fraternal, youth athletic, senior citizens', educational, or veterans' organization in Illinois;
  - operate without profit to its members;
  - have been in existence in Illinois continuously for a period of five years before applying for a license; and
- it must have a bona fide membership engaged in carrying out its objectives during that entire five-year period.

**(Note:** The five-year requirement is reduced to two years when it is applied to a local organization that is affiliated with and chartered by a national organization that meets the five year requirement.)

The cost of a ticket cannot exceed \$2, and no more than 6,000 tickets can be sold for a single game. The aggregate value of all prizes or merchandise awarded on any single day of games cannot exceed \$5,000 and a single prize cannot exceed \$500.

Effective July 1, 1988, the tax rate is 5 percent of gross proceeds. License fees are also imposed in the following amounts:

- The annual fee for a regular license is \$500. Qualified operators of pull tabs and jar games may hold only one regular operator's license, which is valid only at the locations stated on the license. Once during each license year, a regular licensee may obtain a special permit to sell pull tabs at a different additional location for a period of up to 10 consecutive days.
- The limited license fee is \$50. An organization qualified for a regular license, but not holding one, may receive a limited license to sell pull tabs or conduct jar games on two occasions per year for up to five consecutive days each at a single location.
- Qualified suppliers and manufacturers of pull tabs and jar games must pay an annual license fee of \$5,000.

#### Distribution

Fifty percent of the collections is deposited into the Common School Fund, and 50 percent is deposited into the Illinois Gaming Law Enforcement Fund. Two-thirds of the amount deposited into the Illinois Gaming Law Enforcement Fund is appropriated to the Department of Revenue, the Department of State Police, and the Office of the Attorney General. The remaining one-third is distributed for law enforcement purposes to municipalities and counties based on the number of licenses issued in the municipality or county.

See "Revenue-sharing with Local Governments" for more information.

**Table 34: Pull Tabs and Jar Games Tax and License Fee Collections**

Fiscal Year	Tax	No. of License fees	No. of regular licenses	limited licenses	No. of suppliers	No. of manufacturers
1996	\$ 7,133,877	\$ 700,000	1,050	141	24	9
1999	7,051,440	698,800	993	127	26	8
2000	7,546,315	655,150	891	122	21	10
2001	7,289,486	628,750	915	105	21	9
2002	6,978,549	617,550	805	104	22	8
2003	7,057,695	633,150	872	102	23	9
2004	6,781,492	609,750	672	104	23	9
2005	6,566,883	567,450	734	98	21	9
2006	6,251,061	551,750	784	99	18	10
2007	5,970,608	529,250	727	91	15	6

Total licenses in effect on June 30 of the given fiscal year.



## Gaming Taxes (Continued)

### Racing Pari-mutuel Tax

#### Statutory Reference

230 ILCS 5/1 to 5/27.1

#### Definition

The tax is imposed on every licensee conducting the pari-mutuel or certificate system of wagering. The Illinois Racing Board determines the amount of tax to be collected. Each of the state's six racetrack organizations (three in Cook County and three downstate) is allowed to have six off-track betting (OTB) outlets, except Fairmount which is allowed seven OTB's. In 2007 29 licenses were in use. Cook County's OTB outlets cannot be within 5 miles of an existing track or more than 90 miles from the sponsoring track. Downstate OTB outlets cannot be more than 135 miles from the sponsoring track. OTB outlets cannot be located near existing churches, schools, and residences.

The flat pari-mutuel tax rate is 1.5 percent of the daily pari-mutuel handle and is imposed at all pari-mutuel facilities. The Illinois Racing Board administers an admittance tax of 15 cents for each paid admission and license fees required of the organizations that sponsor races.

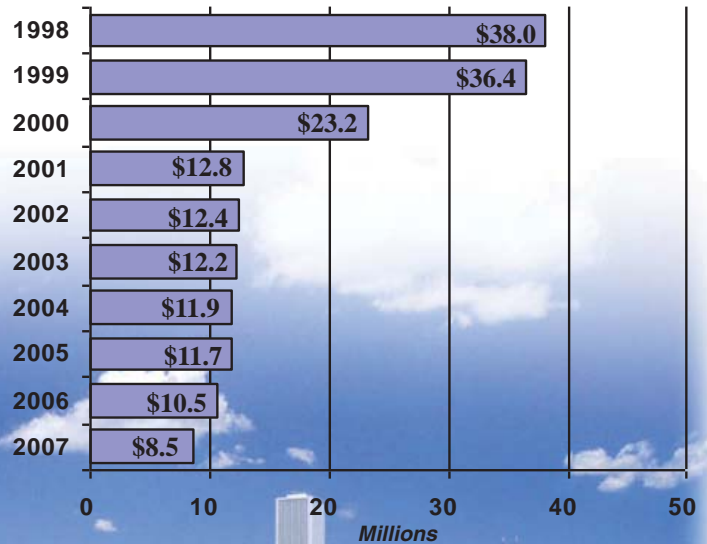
#### Distribution

Beginning January 1, 2000, all pari-mutuel tax except those from quarterhorse racing are deposited into the Horse Racing Fund. The Racing Board produces an annual report, which may be obtained by writing to the Illinois Racing Board, 100 W. Randolph, Suite 7-701, Chicago, IL 60601 or by visiting their web site at [www.state.il.us/agency/irb](http://www.state.il.us/agency/irb).

#### Rate History

The Horse Racing Act of 1927 set up different pari-mutuel tax schedules for thoroughbred and harness racing wagers. When the act was rewritten in 1975, a single racing pari-mutuel tax schedule was established at graduated rates. In 1985, separate graduated rates were created for downstate tracks. Effective January 1, 1998, the tax was imposed at a flat rate of the daily pari-mutuel "handle" (total amount wagered). The rate was based on the racetrack's location and the type of wager. Effective January 1, 2000, a flat-rate tax of 1.5 percent was imposed on all licensees regardless of location or type of wager. Effective May 26, 2006, a rate of 0.25 percent was imposed on all licensees whose license is derived from a track located in a county that borders the Mississippi River and conducted live racing in the previous year. This reduced the pari-mutuel tax rate on the Fairmount Park racetrack to 0.25 percent of wagers while other tracks continue to pay 1.5 percent of wagers.

Graph 22: Racing Pari-mutuel Tax Collections





Gaming Taxes  
(Continued)

Table 35: Racing Pari-mutuel Tax Breakdown by Fund

Funds	Percentage allocated to funds	FY 04	FY 05	FY 06	FY 07
Illinois Racing Quarterhorse @ 1/00	100% pari-mutuel tax receipts into Quarterhorse racing	32,738	22,235	19,427	21,656
Horse Racing Fund @ 1/00	100% with exception of Quarterhorse racing	11,839,352	11,636,725	10,516,515	8,475,160
Protest		0	0	0	0
<b>Total</b>		<b>\$11,872,090*</b>	<b>11,658,960</b>	<b>10,535,942</b>	<b>8,496,816</b>

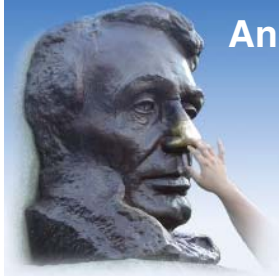
Note: Other horse racing related taxes and fees include

- a 15-cents admittance tax collected by the Racing Board. This money is deposited into the General Revenue Fund.
- license fees of \$1,000 from organizations for each race meeting. A fee of \$100 is levied when the handle is more than \$400,000 and an additional \$100 when the handle reaches \$700,000 for a maximum total of \$200. There is also a \$110 fee for each racing day awarded. This money is deposited into the General Revenue Fund.

\* The Illinois Racing Quarterhorse Fund received an overpayment in FY 2001 based on overstated deposits. All future deposits were reduced to zero until the FY 2004 payment reconciled the Fund.



## Real Estate Taxes



### Property Tax

#### Statutory Reference

35 ILCS 200/1-1 to 32-20

#### Definition

The property tax is the largest single tax in Illinois, and is a major source of tax revenue for local governments. The property tax is a local tax, imposed by local governments (counties, townships, municipalities, school districts, special districts, *etc.*) and is administered by local officials.

In Illinois, the property tax is imposed on the value of real property (typically land, buildings, and permanent fixtures). Illinois does not have a state property tax.

The process of imposing the property tax has three distinct parts. First, a value must be placed on the property; that value is called an assessment. Next, the taxing district files a levy with the county clerk on the property situated within its boundaries. Finally, the county clerk calculates the tax rate that is required to produce the amount of the levy based on the assessed value of each property in the district, so taxes can be billed.

The department administers some aspects of the property tax system. The department provides technical assistance and training to local officials, maintains taxing district maps, approves nonhomestead exemptions, equalizes assessments between counties, administers the personal property replacement tax, assesses railroad operating properties and pollution control facilities, performs complex commercial and industrial appraisals at the request of assessors, and publishes appraisal and assessment manuals.

The property tax cycle extends over a two-year period. During the first year, the property is assessed and the assessment reflects the property value as of January 1 of that year. During the second year, the actual tax bills are paid (*e.g.*, the tax for the 2007 assessment is paid in 2008). Steps in the property tax cycle are shown in Table 36.

**Table 36: Steps in the Property Tax Cycle**

- 1 Assessment — Local assessing officials establish a value (assessment) for each parcel of property.
- 2 Review — Opportunity for property owners to appeal their assessments.
- 3 Equalization — Application of Department of Revenue's equalization factor (multiplier) to assure that the median level of assessments in all counties is 33 1/3 percent.
- 4 Levy — Taxing districts determine the amount in property taxes needed.
- 5 Extension — County clerk apportions the levy among the properties in a taxing district according to their assessed values.
- 6 Collection and distribution — Taxpayers pay their bills and payments are allocated to the local government taxing districts.

Most property is assessed at 33 1/3 percent of its market value. Cook County "classifies" property and assesses classes at various percentages of market value according to local ordinance. Farmland in Illinois is assessed on its agricultural economic value, not on its market value. A complex formula takes into account the soil productivity, commodity prices and market conditions, production costs, and interest rates. Illinois statutes provide preferential assessments for other types of property.

By law, the department must equalize any assessment discrepancies between counties to be sure that the median level of assessments in each county is 33 1/3 percent. To do this, the department conducts an annual sales ratio study, which compares the selling price of property to its assessed value. Based on that study, the department assigns an equalization factor (commonly called a multiplier) to each county. Equalization between counties assures fairness in property taxes when taxing districts overlap county lines, allows fair distribution of state aid based on assessed value, and provides equality in determining debt and tax rate limits.

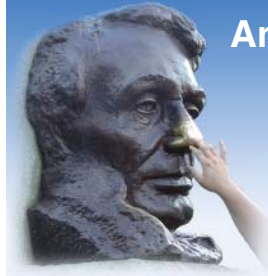
# Annual Report of Collections and Distributions 2006—2007

## Real Estate Taxes (Continued)

**Table 37: Comparison of Equalized Assessed Values and Taxes Extended, 2004 and 2005**

County	2005 Total EAV	2004 Total EAV	Amount of increase or decrease	% of increase or decrease	Total taxes extended 2005	Total taxes extended 2004	Amount of increase or decrease	% of increase or decrease
Statewide	303,038,485,640	277,898,235,860	25,140,249,780	9.05	21,139,352,308	19,944,252,268	1,195,100,040	5.99
Cook Co.	143,403,234,714	129,990,700,755	13,412,533,959	10.32	9,919,498,950	9,446,569,844	472,929,107	5.01
Collar Co.	98,146,325,604	89,746,385,226	8,399,940,378	9.36	6,414,577,512	5,957,246,672	457,330,840	7.68
Rest of State	61,488,925,322	58,161,149,879	3,327,775,443	5.72	4,805,275,846	4,540,435,752	264,840,093	5.83
Adams	808,446,044	766,065,333	42,380,711	5.53	56,435,313	54,090,105	2,345,207	4.34
Alexander	35,419,663	35,833,259	(413,596)	(1.15)	3,822,333	3,801,838	20,494	0.54
Bond	145,711,278	135,206,798	10,504,480	7.77	12,228,380	11,183,250	1,045,131	9.35
Boone	952,119,604	845,076,752	107,042,852	12.67	65,087,698	57,689,206	7,398,492	12.82
Brown	49,922,830	46,828,633	3,094,197	6.61	4,494,273	4,142,094	352,179	8.50
Bureau	511,351,272	489,982,154	21,369,118	4.36	43,207,506	41,636,354	1,571,151	3.77
Calhoun	55,063,379	49,552,617	5,510,762	11.12	3,806,650	3,658,826	147,824	4.04
Carroll	307,408,446	292,982,164	14,426,282	4.92	22,000,289	21,047,030	953,259	4.53
Cass	114,890,454	111,871,323	3,019,131	2.70	10,793,458	10,302,946	490,512	4.76
Champaign	2,935,984,432	2,703,038,219	232,946,213	8.62	222,164,436	207,276,533	14,887,903	7.18
Christian	393,835,981	384,706,614	9,129,367	2.37	29,086,577	28,287,225	799,352	2.83
Clark	153,208,362	152,193,877	1,014,485	0.67	11,795,011	11,228,524	566,487	5.05
Clay	114,833,249	111,002,754	3,830,495	3.45	9,104,389	8,698,584	405,805	4.67
Clinton	436,466,021	401,715,206	34,750,815	8.65	31,074,553	28,694,294	2,380,258	8.30
Coles	554,320,367	532,198,916	22,121,451	4.16	47,214,331	44,013,743	3,200,588	7.27
Cook	143,403,234,714	129,990,700,755	13,412,533,959	10.32	9,919,498,950	9,446,569,844	472,929,107	5.01
Crawford	249,933,080	224,381,245	25,551,835	11.39	19,513,194	17,354,551	2,158,643	12.44
Cumberland	90,628,674	88,416,027	2,212,647	2.50	7,386,272	7,071,831	314,441	4.45
DeKalb	1,770,598,231	1,592,187,358	178,410,873	11.21	139,308,681	128,419,795	10,888,885	8.48
DeWitt	349,072,012	408,241,567	(59,169,555)	(14.49)	22,945,772	25,452,711	(2,506,939)	(9.85)
Douglas	293,003,285	285,301,392	7,701,893	2.70	22,526,411	21,749,258	777,153	3.57
DuPage	35,250,147,059	32,790,524,621	2,459,622,438	7.50	2,044,491,548	1,942,352,118	10,213,430	5.26
Edgar	210,939,086	213,068,121	(2,129,038)	(1.00)	16,556,735	16,479,562	77,173	0.47
Edwards	51,888,943	50,943,055	945,888	1.86	4,247,171	4,152,143	95,028	2.29
Effingham	499,775,153	485,370,520	14,404,633	2.97	32,354,823	31,698,494	656,329	2.07
Fayette	170,527,839	160,173,982	10,353,857	6.46	13,849,049	13,227,051	621,998	4.70
Ford	182,338,409	178,747,742	3,590,667	2.01	15,515,669	15,629,209	(113,540)	(0.73)
Franklin	241,255,889	218,480,099	22,775,790	10.42	21,343,571	19,921,052	1,422,519	7.14
Fulton	327,258,416	316,475,423	10,782,993	3.41	28,527,913	27,650,877	877,036	3.17
Gallatin	41,270,672	41,081,930	188,742	0.46	3,254,629	3,179,177	75,452	2.37
Greene	131,909,418	129,269,748	2,639,670	2.04	9,899,445	9,624,877	274,567	2.85
Grundy	1,370,983,718	1,264,081,271	106,902,447	8.46	96,484,687	89,681,730	6,802,957	7.59
Hamilton	56,295,324	57,854,729	(1,559,405)	(2.70)	5,237,632	5,182,983	54,649	1.05
Hancock	224,195,566	220,728,656	3,466,910	1.57	16,629,258	16,042,468	586,790	3.66
Hardin	21,648,471	21,785,871	(137,400)	(0.63)	1,326,484	1,143,609	182,875	15.99
Henderson	84,931,645	85,327,755	(396,110)	(0.46)	7,424,834	7,324,306	100,528	1.37
Henry	643,999,451	626,187,147	17,812,304	2.84	51,355,203	50,028,268	1,326,935	2.65
Iroquois	390,084,517	390,389,220	(304,703)	(0.08)	34,786,162	34,175,621	610,541	1.79
Jackson	597,345,698	605,607,121	(8,261,423)	(1.36)	46,993,131	44,508,863	2,484,268	5.58
Jasper	209,927,115	205,086,064	4,841,051	2.36	13,646,957	13,333,258	313,699	2.35
Jefferson	358,268,819	348,848,507	9,420,312	2.70	27,183,785	26,466,306	717,479	2.71
Jersey	280,694,480	267,787,476	12,907,004	4.82	17,033,942	16,314,341	719,601	4.41
JoDaviess	598,865,217	561,161,327	37,703,890	6.72	38,069,410	36,043,277	2,026,133	5.62
Johnson	84,064,207	79,642,521	4,421,686	5.55	5,962,257	5,831,784	130,473	2.24
Kane	12,390,120,371	11,255,556,007	1,134,564,364	10.08	873,466,032	787,808,913	85,657,119	10.87
Kankakee	1,569,494,448	1,430,276,478	139,217,970	9.73	123,655,496	114,126,450	9k529k045	8.35
Kendall	2,134,462,065	1,822,975,250	311,486,815	17.09	160,354,402	136,494,117	23,860,285	17.48
Knox	610,748,261	618,600,779	(7,852,518)	(1.27)	51,194,738	49,796,966	1,397,772	2.81
Lake	25,451,478,756	23,353,025,242	2,098,453,514	8.99	1,702,971,829	1,600,101,810	102,870,020	6.43
LaSalle	2,025,599,817	1,992,229,452	33,370,365	1.68	157,155,371	151,357,961	5,797,411	3.83

**Real Estate Taxes**  
(Continued)



**Table 37: Comparison of Equalized Assessed Values and Taxes Extended, 2004 and 2005 (continued)**

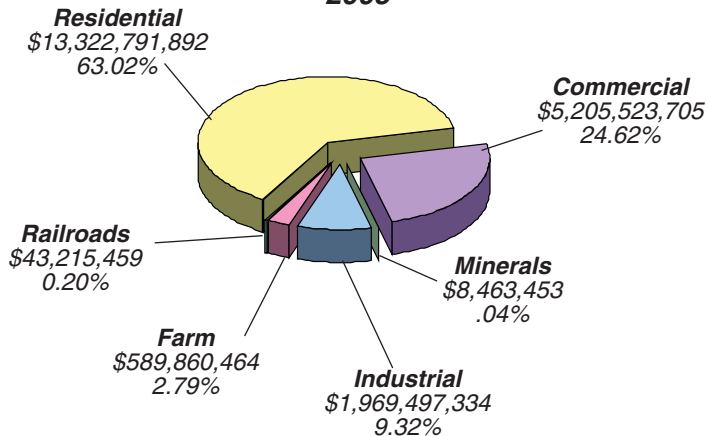
County	2005 Total EAV	2004 Total EAV	Amount of increase or decrease	% of increase or decrease	Total taxes extended 2005	Total taxes extended 2004	Amount of increase or decrease	% of increase or decrease
Lawrence	98,460,064	94,475,478	3,984,586	4.22	8,371,431	8,347,501	23,930	0.29
Lee	551,662,912	530,181,316	21,481,596	4.05	43,154,574	41,953,685	1,200,888	2.86
Livingston	525,742,908	510,504,357	15,238,551	2.98	46,993,314	45,182,881	1,810,433	4.01
Logan	380,052,287	373,162,094	6,890,193	1.85	29,863,132	29,077,092	786,040	2.70
McDonough	290,199,526	285,878,808	4,320,718	1.51	27,684,002	26,804,431	879,570	3.28
McHenry	8,593,117,436	7,726,867,783	866,249,653	11.21	612,533,575	557,832,531	54,701,044	9.81
McLean	2,972,293,592	2,828,794,847	143,498,745	5.07	223,351,158	213,869,109	9,482,049	4.43
Macon	1,405,180,517	1,338,329,248	66,851,269	5.00	116,810,781	110,551,992	6,258,788	5.66
Macoupin	454,564,842	431,943,783	22,621,059	5.24	31,950,420	30,847,914	1,102,505	3.57
Madison	3,964,951,737	3,601,672,333	363,279,404	10.09	286,678,194	264,949,938	21,728,255	8.20
Marion	308,781,011	299,143,262	9,637,749	3.22	27,520,615	26,456,237	1,064,378	4.02
Marshall	188,668,788	180,328,000	8,340,788	4.63	15,449,642	14,746,313	703,329	4.77
Mason	159,932,235	157,494,005	2,438,230	1.55	14,973,142	14,574,356	398,785	2.74
Massac	153,886,786	146,028,479	7,858,307	5.38	10,302,654	9,870,561	432,093	4.38
Menard	183,673,084	175,688,002	7,985,082	4.55	13,647,818	13,200,402	447,417	3.39
Mercer	193,018,687	186,081,794	6,936,893	3.73	16,276,348	15,504,295	772,053	4.98
Monroe	622,025,326	575,175,719	46,849,607	8.15	38,195,111	33,801,582	4,393,529	13.00
Montgomery	324,507,221	317,849,122	6,658,099	2.09	26,908,912	26,097,558	811,354	3.11
Morgan	419,574,346	405,102,368	14,471,978	3.57	30,922,816	29,502,515	1,420,301	4.81
Moultrie	181,940,108	183,262,621	(1,322,513)	(0.72)	15,268,497	14,984,767	283,730	1.89
Ogle	1,227,639,570	1,278,689,698	(51,050,128)	(3.99)	91,286,391	89,758,496	1,527,895	1.70
Peoria	2,705,866,958	2,584,251,613	121,615,345	4.71	215,582,811	202,814,629	12,768,182	6.30
Perry	143,483,128	140,262,820	3,220,308	2.30	12,162,237	12,113,356	48,881	0.40
Piatt	286,476,233	278,323,453	8,152,780	2.93	20,550,942	19,773,410	777,532	3.93
Pike	151,932,033	148,816,665	3,115,368	2.09	12,368,828	12,050,013	318,816	2.65
Pope	33,114,334	31,454,558	1,659,776	5.28	2,231,007	2,101,171	129,836	6.18
Pulaski	27,510,064	26,414,404	1,095,660	4.15	2,414,467	2,323,841	90,626	3.90
Putnam	135,659,321	123,073,224	12,586,097	10.23	9,046,395	8,445,453	600,942	7.12
Randolph	353,832,448	332,701,107	21,131,341	6.35	21,760,222	20,819,480	940,742	4.52
Richland	162,746,008	156,548,275	6,197,733	3.96	11,849,939	11,196,560	653,380	5.84
Rock Island	2,139,136,081	2,018,562,150	120,573,931	5.97	178,429,796	168,868,418	9,561,378	5.66
St. Clair	3,223,906,361	2,944,408,134	279,498,227	9.49	261,367,910	239,883,028	21,484,881	8.96
Saline	181,229,800	180,546,890	682,910	0.38	16,139,031	15,547,159	591,872	3.81
Sangamon	3,128,741,650	2,955,656,868	173,084,782	5.86	234,316,963	221,210,487	13,106,476	5.92
Schuyler	69,467,464	69,998,263	(530,799)	(0.76)	6,589,699	6,320,326	269,373	4.26
Scott	50,477,918	51,338,904	(860,986)	(1.68)	4,109,880	4,050,905	58,975	1.46
Shelby	241,692,929	311,870,046	(70,177,117)	(22.50)	19,568,324	22,896,453	(3,328,129)	(14.54)
Stark	88,334,112	87,928,883	405,229	0.46	7,657,387	7,404,745	252,642	3.41
Stephenson	587,523,281	565,932,689	21,590,592	3.82	53,151,150	51,242,734	1,908,416	3.72
Tazewell	2,000,205,223	1,875,440,757	124,764,466	6.65	142,297,019	135,543,550	6,753,468	4.98
Union	134,630,114	127,386,791	7,243,323	5.69	9,052,695	9,170,597	(117,902)	(1.29)
Vermilion	783,447,174	768,271,250	15,175,924	1.98	69,745,824	66,453,603	3,292,221	4.95
Wabash	117,043,893	109,766,427	7,277,466	6.63	8,227,528	7,841,104	386,424	4.93
Warren	207,913,942	213,804,559	(5,890,617)	(2.76)	16,750,801	16,938,085	(187,284)	(1.11)
Washington	168,139,342	162,807,464	5,331,878	3.27	13,733,877	13,250,705	483,171	3.65
Wayne	114,057,423	111,951,469	2,105,954	1.88	9,869,776	9,379,664	490,113	5.23
White	123,593,934	119,465,647	4,128,287	3.46	9,198,914	8,818,627	380,286	4.31
Whiteside	671,610,712	648,420,766	23,189,946	3.58	58,256,852	55,954,848	2,302,004	4.11
Will	16,461,461,982	14,620,411,573	1,841,050,409	12.59	1,181,114,527	1,069,151,300	111,963,227	10.47
Williamson	787,924,860	734,178,645	53,746,215	7.32	51,876,911	48,647,730	3,229,180	6.64
Winnebago	3,999,758,166	3,739,461,045	260,297,121	6.96	380,210,154	359,033,094	21,177,060	5.90
Woodford	621,725,561	593,358,327	28,367,234	4.78	47,111,284	45,046,906	2,064,378	4.58

**Note:** TIF distributions and enterprise zone abatements have not been removed.

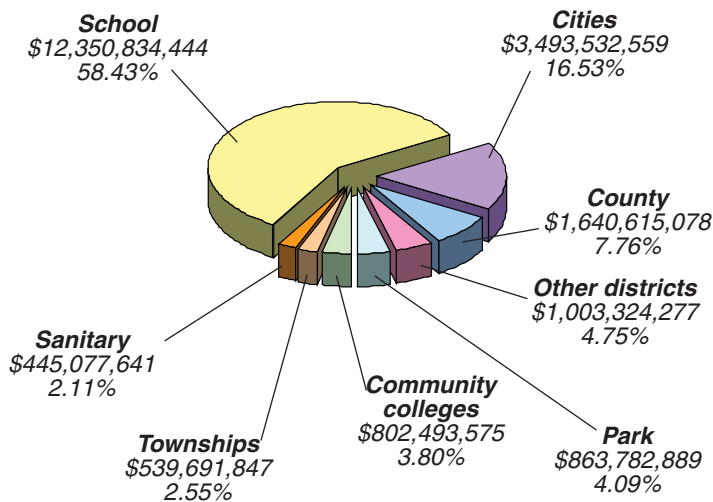
## Real Estate Taxes (Continued)



**Graph 23: Extensions by Class  
2005**



**Graph 24: Extensions by Type of District  
2005**



**Note:** TIF distributions and enterprise zones have not been removed from the totals.

### Tax Relief Provisions

**General Homestead Exemption (GHE)** — This annual exemption is available for owner-occupied residential property. The amount of exemption is the increase in the current year's equalized assessed value (EAV), above the 1977 EAV, up to a maximum of \$5,000. Beginning with the taxable year 2008 the maximum amount will be \$5,500 and increase again to \$6,000 for the taxable year 2009.

**Alternative General Homestead Exemption (AGHE)** — This annual exemption (Cook County only) is available for owner-occupied residential property. The exemption limits the increase of a property's EAV to 7 percent each year with a minimum amount as calculated for the GHE up to a maximum amount based on the tax year and property's jurisdiction. The exemption is limited to the amount calculated for the GHE for properties that receive the SCAFHE. The legislation for this exemption will be in effect for the City of Chicago until 2008, for the North suburbs until 2009, and for the South suburbs until 2010.

**Long-time Occupant Homestead Exemption (LOHE)** — This exemption is available beginning with taxable year 2007 (Cook County only) for residential property that is occupied as the primary residence for a continuous period by a qualified taxpayer. This exemption limits EAV increases to a specific annual percentage increase that is based on a total household income of less than \$100,000. The exemption amount is limited to the amount calculated for the GHE, but has no maximum exemption amount. Properties cannot receive both the LOHE and the AGHE, GHE, or SCAFHE.

**Homestead Improvement Exemption** — This exemption is limited to the fair cash value that was added to homestead property by a new improvement or the difference in an increase in assessed value between the prior structure and the residential structure following a catastrophic event, up to an annual maximum amount of \$75,000. The exemption continues for four years from date the improvement is completed and occupied.

**Senior Citizens Assessment Freeze Homestead Exemption (SCAFHE)** — This exemption allows senior citizens who have a total household income of less than \$50,000 and meet certain other qualifications to elect to maintain the equalized assessed value (EAV) of their homes at the base year EAV and prevent any increase in that value due to inflation. Beginning with the taxable year 2008 the total household income will increase to \$55,000.

**Senior Citizens Homestead Exemption** — This exemption allows a \$3,500 reduction in the EAV of property that is the primary residence of a person 65 years of age or older. Beginning with taxable year 2008 the maximum amount will be \$4,000.



## Real Estate Taxes (Continued)

**Returning Veterans' Homestead Exemption Section** — This exemption is available beginning with taxable year 2007 and provides a \$5,000 reduction in the EAV of the principal residence of a qualified veteran for the taxable year the veteran returns from active duty in an armed conflict involving the armed forces of the United States.

**Disabled Persons' Homestead Exemption** — This exemption is available beginning with taxable year 2007 and provides an annual \$2,000 reduction in the EAV of the primary residence of a qualified disabled person.

**Disabled Veterans' Standard Homestead Exemption** — This exemption is available beginning with the taxable year 2007 and provides an annual reduction in EAV to residential property owned or leased by a qualified disabled veteran with a service-connected disability certified by the U.S. Department of Veterans' Affairs. A \$2,500 reduction in EAV is available to a veteran with a service-connected disability of at least 50 percent but less than 75 percent or a \$5,000 reduction in EAV for a service-connected disability of at least 75 percent.

**Senior Citizens Real Estate Tax Deferral Program** — This program allows a person 65 and older, with a total household income below \$50,000 and meet certain other qualifications, to defer all or part of the real estate taxes and special assessments on their principle residences. The deferral is similar to a loan against the property's market value. A lien is filed on the property in order to ensure repayment of the deferral. The state pays the property taxes and then recovers the money, plus 6 percent annual interest, when the property is sold or transferred. The deferral must be repaid within one year of the taxpayer's death or 90 days after the property ceases to qualify for this program. The maximum amount that can be deferred, including interest and lien fees, is 80 percent of the taxpayer's equity interest in the property.

**Table 38: Senior Citizens Real Estate Tax Deferrals for Tax Year 2004 (paid in 2005) and 2005 (paid in 2006)**

County	2004 Deferral	2005 Deferral
Alexander	\$ 256.42	\$ 278.00
Boone	\$ 37,601.38	\$ 36,337.80
Bureau	\$ 379.28	\$ 473.40
Carroll	\$ 708.76	\$ 720.82
Cass	\$ 38.58	\$ 38.72
Champaign	\$ 13,334.76	\$ 22,501.02
Christian	\$ 1,134.22	\$ 1,156.34
Clinton	\$ 8,176.74	\$ 8,327.62
Coles	\$ 2,392.62	\$ 4,675.72
Cook	\$ 1,631,244.55	\$ 1,433,105.22
Cumberland	\$ 0.00	\$ 45.00
DeKalb	\$ 84,736.42	\$ 88,461.34
Douglas	\$ 1,690.46	\$ 1,719.40
DuPage	\$ 696,480.00	\$ 725,720.50
Edgar	\$ 1,389.54	\$ 1,374.54
Fayette	\$ 4,090.46	\$ 4,009.86
Ford	\$ 626.58	\$ 626.66
Grundy	\$ 7,784.32	\$ 2,673.10
Henry	\$ 712.54	\$ 2,410.10
Iroquois	\$ 8,197.20	\$ 10,814.18
Johnson	\$ 875.08	\$ 0.00
JoDaviess	\$ 5,373.34	\$ 2,388.74
Kane	\$ 257,703.98	\$ 272,453.86
Kankakee	\$ 49,072.82	\$ 37,238.38
Kendall	\$ 58,122.39	\$ 42,672.22
Knox	\$ 3,919.22	\$ 5,324.42
Lake	\$ 867,562.41	\$ 980,053.01
LaSalle	\$ 45,394.46	\$ 39,703.61
Lee	\$ 12,516.96	\$ 15,049.56
Livingston	\$ 968.24	\$ 997.88
Logan	\$ 351.98	\$ 353.50

County	2004 Deferral	2005 Deferral
Macon	\$ 3,827.38	\$ 3,750.70
Macoupin	\$ 10,863.52	\$ 9,540.86
Madison	\$ 30,598.25	\$ 29,757.80
McHenry	\$ 242,438.53	\$ 262,086.23
McLean	\$ 1,717.90	\$ 6,827.62
Menard	\$ 1,211.95	\$ 1,077.53
Monroe	\$ 8,090.18	\$ 5,067.76
Montgomery	\$ 454.20	\$ 461.94
Morgan	\$ 4,506.06	\$ 192.18
Moultrie	\$ 855.22	\$ 873.66
Ogle	\$ 30,247.16	\$ 32,712.24
Peoria	\$ 16,955.40	\$ 21,288.62
Perry	\$ 654.88	\$ 420.98
Piatt	\$ 913.82	\$ 946.28
Putnam	\$ 0.00	\$ 1,151.04
Rock Island	\$ 6,688.64	\$ 7,805.20
Sangamon	\$ 17,851.90	\$ 22,591.49
St. Clair	\$ 10,488.90	\$ 12,183.52
Stephenson	\$ 10,209.82	\$ 8,310.24
Tazewell	\$ 9,931.89	\$ 10,817.69
Vermilion	\$ 122.70	\$ 0.00
Whiteside	\$ 7,542.62	\$ 4,726.58
Will	\$ 225,427.10	\$ 197,515.78
Williamson	\$ 2,288.82	\$ 1,842.88
Winnebago	\$ 172,045.32	\$ 165,838.11

Total	\$ 4,618,767.87	\$ 4,549,491.45
Special assessment deferrals	\$ 0.00	\$ 0.00
Grand Total	\$ 4,618,767.87	\$ 4,549,491.45
Number of participants:	2,090	1,956

## Real Estate Taxes (Continued)

### Property Tax Extension Limitation Law

#### Statutory Reference

35 ILCS 200/18-185 to 18-245

#### Definition

The Property Tax Extension Limitation Law (PTELL), was enacted to limit the annual increases in property tax extensions (total taxes billed) for non-home rule taxing districts. Increases in property tax extensions are limited to the lesser of five percent or the increase in the consumer price index (CPI), for the year preceding the levy year. The CPI used is for all urban consumers for all items as published by the United States Department of Labor. The CPI increase for the 2006 property taxes that are payable in 2007 was 3.4 percent. The CPI increase for the 2007 property taxes that are payable in 2008 was 2.5 percent.

Although the law is commonly referred to as “tax caps,” use of this phrase can be misleading. The PTELL does not “cap” either individual property tax bills or individual property assessments. Individual tax bills may still increase or decrease. PTELL only limits increases in taxing districts’ extensions. The PTELL allows a taxing district to receive a limited inflationary increase in tax extensions on existing property, plus an additional amount for new construction, and voter approved rate increases.

The limitation slows the growth of revenues to taxing districts when property values and assessments are increasing faster than the rate of inflation. As a whole, property owners have some protection from tax bills that increase only because the market value of their property is rising rapidly. Payments

#### Tennessee Valley Authority

The Tennessee Valley Authority (TVA) makes annual payments instead of property taxes each year for its Illinois coal reserves. Federal law provides that 5 percent of the TVA’s gross proceeds from the previous year’s sale of power be divided among the states in which it owns property.

The state retains 30 percent for its General Revenue Fund and distributes the remaining 70 percent to the three counties (Franklin, Hamilton, and Jefferson) in which the TVA owns property based on the value of that property.

for bonds issued without voter approval are subject to strict limitations.

If a taxing district determines that it needs more money than is allowed under the PTELL, it can ask the voters to approve an increase.

The PTELL was originally passed in 1991. Only non-home rule taxing districts are subject to the PTELL. The following districts are subject to the PTELL:

- Non-home rule taxing districts with a majority of their 1990 EAV in DuPage, Kane, Lake, McHenry, or Will counties;
- Non-home rule taxing districts with a majority of their 1994 EAV in Cook and the collar counties that were not subject to the PTELL before 1995;
- Non-home rule taxing districts in other counties if every county in which the district is located has held a referendum asking if voters want the PTELL to be applicable, and if the majority of the EAV of the district is in counties where voters have approved the referendum;
- Non-home rule taxing districts with part of their EAV in Cook or the collar counties if every other county in which the district is located has held a referendum asking if voters want the PTELL to be applicable, and if the majority of the EAV in the district is in counties where voters have approved the referendum and in Cook and the collar counties.

**Table 39: TVA Payment**

County	FY 2005	FY 2006	FY 2007
Franklin	\$ 94,847	\$ 96,116	\$ 112,840
Hamilton	82,709	83,816	98,399
Jefferson	22,080	22,375	26,268
<b>Total paid to counties</b>	<b>\$ 199,636</b>	<b>\$ 202,307</b>	<b>\$ 237,507</b>

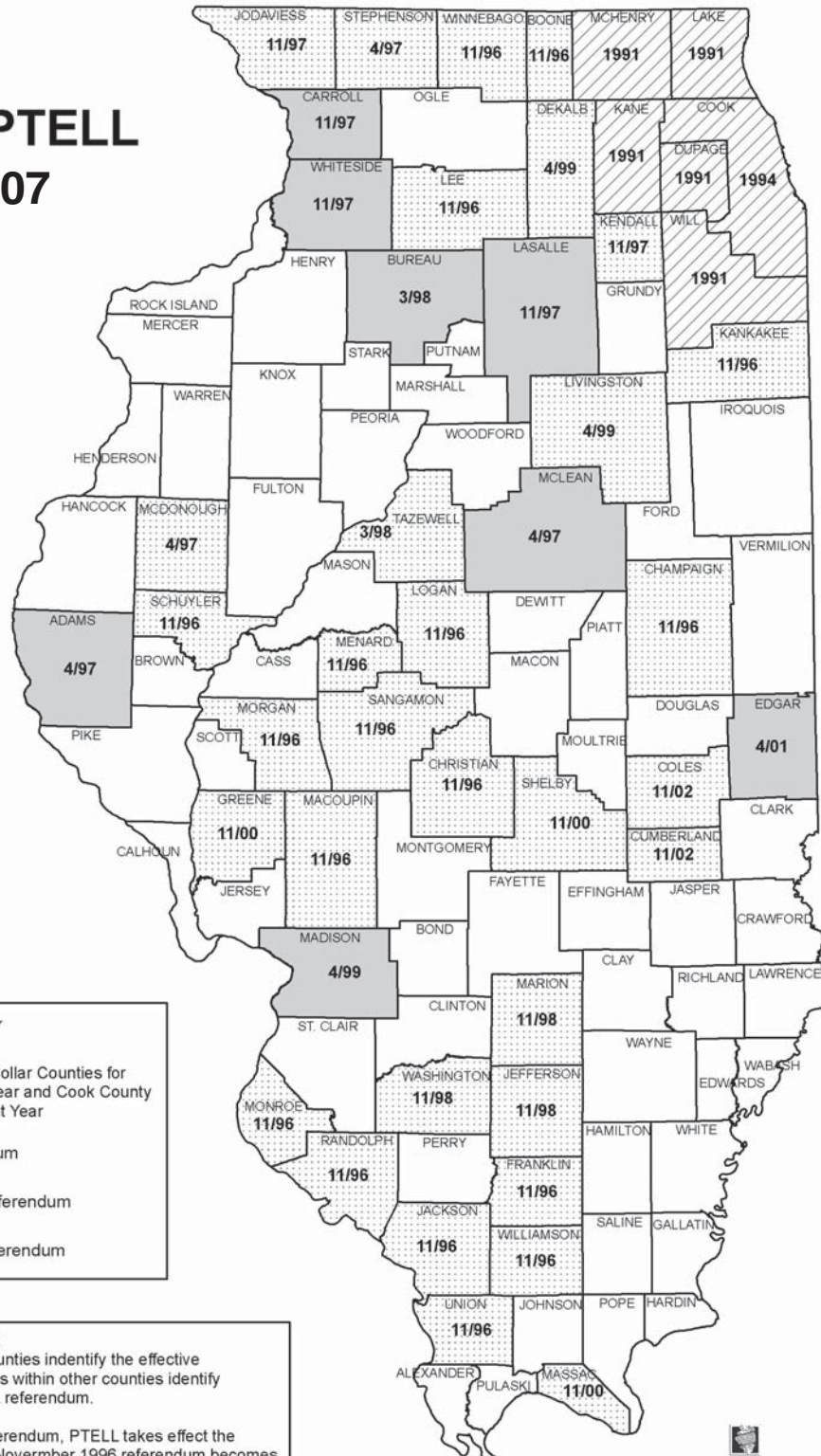
#### State of Illinois

General Revenue Fund	\$ 85,558	\$ 86,703	\$ 101,789
<b>Total TVA payments</b>	<b>\$ 285,194</b>	<b>\$ 289,010</b>	<b>\$ 339,296</b>

**Real Estate Taxes**  
(Continued)



**History of PTELL  
2006 and 2007**



**KEY**

- PTELL effective in Collar Counties for 1991 Assessment Year and Cook County for 1994 Assessment Year
- No PTELL referendum
- Approved PTELL referendum
- Rejected PTELL referendum

**NOTE**  
Dates within Cook and Collar Counties identify the effective assessment year of PTELL. Dates within other counties identify the month and year of the PTELL referendum.  
In counties that approved the referendum, PTELL takes effect the following assessment year (e.g. November 1996 referendum becomes effective for the 1997 assessment year).



## Real Estate Taxes (Continued)



### Stipends and Reimbursements

**Assessor training stipends** — The department awards \$500 per year to any chief county assessment officer (CCAO), assessor, or board of review member who has been awarded a Certified Illinois Assessing Officers certificate from the Illinois Property Assessment Institute. The department also awards \$500 per year to any CCAO, assessor, or board of review member who has earned a Certified Assessment Evaluator certificate from the International Association of Assessing Officers. In addition, the department awards \$250 per year to any CCAO, assessor, or board of review member who has been awarded a Residential Evaluation Specialist, Assessment Administration Specialist, or Cadastral Mapping Specialist certificate by the International Association of Assessing Officers, but who has not been awarded a Certified Assessment Evaluator certificate. To continue to be eligible for additional compensation, an assessor or board of review member must successfully complete a minimum number of qualified continuing education classes.

**Assessor performance stipends** — Any assessor other than in Cook County or any chief county assessing officer other than in Cook or St. Clair counties may petition the department each year to receive additional compensation of \$3,000 based on performance. To receive additional compensation, the official's assessment jurisdiction must meet certain criteria pertaining to the median level of assessments and the uniformity of assessments.

**Chief County Assessment Officer (CCAO) salary reimbursements** — Each month the department will reimburse a county 50 percent of the salary the county paid to its CCAO for the preceding month if the department determines that the total assessed value of property in the county is between 31 1/3 percent and 35 1/3 percent of the total fair cash value of property in the county.

**County Treasurer stipends** — The department pays each county treasurer a stipend of \$6,500 per year.

**State's Attorney salary** — The State shall pay 66 2/3 percent of the total annual compensation to be paid to each state's attorney in Illinois based on the salary in effect on December 31, 1988, and 100 percent of the increases in salary taking effect after December 31, 1988. These payments are made monthly to the county.

**Assistant State's Attorney stipends** — In counties where a state mental health institution is located, the State shall pay one assistant state's attorney a monthly stipend. The stipend is based on the last federal census taken previous to the appointment of the assistant state's attorney.

In counties with a population of:

- less than 10,000, the State will pay \$2,500 annually
- more than 10,000 but less than 20,000, the State will pay \$3,500 annually
- more than 20,000 but less than 30,000, the State will pay \$4,000 annually
- more than 30,000 but less than 40,000, the State will pay \$4,500 annually
- more than 40,000 but less than 70,000, the State will pay \$5,000 annually
- more than 70,000 but less than 1,000,000, the State will pay \$6,000 annually

In counties where a senior institution of higher education is located, the assistant state's attorney shall receive for their services a monthly stipend of:

- \$14,000 per year for each, limited to 2, full-time assistant state's attorneys employed in counties having a state university or state universities with combined full-time enrollment of more than 15,000 students
- \$7,200 per year for one assistant state's attorney with no limitation on other practice in counties having a state university or state universities with combined full-time enrollment of 10,000 to 15,000 students
- \$4,000 per year for one assistant state's attorney with no limitation on other practice in counties with a state university or state universities with a combined full-time enrollment of less than 10,000 students

**Public Defender salary reimbursements** — Each month the department reimburses a county two-thirds of the salary the county paid to its designated Public Defender for the preceding month.

**County Sheriff stipends** — The department pays an annual stipend of \$6,500 to each county sheriff.

**County Sheriff stipends** — The department pays an annual stipend of \$6,500 to each county sheriff.

**County Coroner stipends** — The department pays an annual stipend of \$6,500 to each county coroner.



**Real Estate Taxes**  
(Continued)

**Table 40: 2006 Stipends and Reimbursements**

County	Assessor Training Stipend	Assessor Performance Stipends	CCAO Salary Reimbursement	County Treasurer Stipends	States Attorneys and Assistant States Attorneys Salaries	Sheriff's Stipends	Coroner's Stipends	Public Defenders
Adams	2,500.00	—	23,185.74	6,500.00	122,853.00	6,500.00	6,500.00	—
Alexander	500.00	—	13,750.00	6,500.00	96,559.00	6,500.00	6,500.00	—
Bond	500.00	3,000.00	22,550.00	6,500.00	96,559.00	6,500.00	6,500.00	—
Boone	6,000.00	15,000.00	28,464.49	6,500.00	122,853.00	6,500.00	6,500.00	—
Brown	1,000.00	3,000.00	12,746.28	6,500.00	98,558.00	6,500.00	6,500.00	—
Bureau	2,000.00	3,000.00	21,345.84	6,500.00	122,853.00	6,500.00	6,500.00	—
Calhoun	1,000.00	—	14,856.96	6,500.00	98,558.00	6,500.00	6,500.00	—
Carroll	2,500.00	6,000.00	20,000.04	6,500.00	96,559.00	6,500.00	6,500.00	—
Cass	2,500.00	3,000.00	20,356.71	6,500.00	96,559.00	6,500.00	6,500.00	—
Champaign	6,500.00	21,000.00	27,836.28	6,500.00	150,853.00	6,500.00	6,500.00	—
Christian	2,000.00	6,000.00	23,053.62	6,500.00	122,853.00	6,500.00	6,500.00	—
Clark	1,000.00	3,000.00	19,742.33	6,500.00	96,559.00	6,500.00	6,500.00	—
Clay	1,000.00	—	17,110.00	6,500.00	96,559.00	6,500.00	6,500.00	—
Clinton	4,000.00	21,000.00	25,244.76	6,500.00	134,553.00	6,500.00	6,500.00	—
Coles	2,000.00	—	24,145.81	6,500.00	130,053.00	6,500.00	6,500.00	—
Cook	32,750.00	—	—	6,500.00	170,524.00	6,500.00	—	—
Crawford	1,000.00	6,000.00	17,750.04	6,500.00	96,559.00	6,500.00	6,500.00	—
Cumberland	2,000.00	3,000.00	15,250.01	6,500.00	96,559.00	6,500.00	6,500.00	—
DeKalb	2,000.00	18,000.00	38,665.29	6,500.00	150,853.00	6,500.00	6,500.00	—
DeWitt	1,000.00	12,000.00	21,302.52	6,500.00	96,559.00	6,500.00	6,500.00	—
Douglas	3,500.00	6,000.00	19,083.35	6,500.00	96,559.00	6,500.00	6,500.00	—
DuPage	16,500.00	18,000.00	51,464.56	6,500.00	122,853.00	6,500.00	6,500.00	—
Edgar	1,000.00	6,000.00	24,859.65	6,500.00	96,559.00	6,500.00	6,500.00	—
Edwards	500.00	—	17,638.08	6,500.00	98,558.00	6,500.00	6,500.00	—
Effingham	4,000.00	—	24,249.96	6,500.00	122,853.00	6,500.00	6,500.00	—
Fayette	500.00	—	22,754.18	6,500.00	95,059.00	6,500.00	6,500.00	—
Ford	1,000.00	9,000.00	19,916.66	6,500.00	96,559.00	6,500.00	6,500.00	—
Franklin	1,000.00	—	21,476.23	6,500.00	122,853.00	6,500.00	6,500.00	—
Fulton	2,000.00	3,000.00	21,583.30	6,500.00	122,853.00	6,500.00	6,500.00	—
Gallatin	500.00	—	17,792.54	6,500.00	98,558.00	6,500.00	6,500.00	—
Greene	1,000.00	—	20,947.90	6,500.00	96,559.00	6,500.00	6,500.00	—
Grundy	—	3,000.00	34,081.80	6,500.00	122,853.00	6,500.00	6,500.00	—
Hamilton	500.00	6,000.00	14,842.71	6,500.00	98,558.00	6,500.00	6,500.00	—
Hancock	1,000.00	—	19,933.78	6,500.00	95,059.00	6,500.00	6,500.00	—
Hardin	500.00	—	11,652.96	6,500.00	98,558.00	6,500.00	6,500.00	—
Henderson	500.00	6,000.00	17,581.50	6,500.00	98,558.00	6,500.00	6,500.00	—
Henry	3,000.00	—	29,518.78	6,500.00	122,853.00	6,500.00	6,500.00	—
Iroquois	2,500.00	18,000.00	19,396.74	6,500.00	122,853.00	6,500.00	6,500.00	—
Jackson	1,500.00	—	24,000.00	6,500.00	150,853.00	6,500.00	6,500.00	—
Jasper	500.00	—	21,500.04	6,500.00	96,559.00	6,500.00	6,500.00	—
Jefferson	1,000.00	6,000.00	26,260.40	6,500.00	122,853.00	6,500.00	6,500.00	—
Jersey	1,000.00	9,000.00	21,937.54	6,500.00	95,059.00	6,500.00	6,500.00	—
Jo Daviess	2,500.00	9,000.00	22,835.79	6,500.00	95,059.00	6,500.00	6,500.00	—
Johnson	—	—	25,000.00	6,500.00	96,559.00	6,500.00	6,500.00	—
Kane	16,500.00	33,000.00	40,125.00	6,500.00	128,853.00	6,500.00	6,500.00	—
Kankakee	4,500.00	9,000.00	31,185.32	6,500.00	128,853.00	6,500.00	6,500.00	—
Kendall	2,000.00	12,000.00	40,359.66	6,500.00	122,853.00	6,500.00	6,500.00	—
Knox	2,000.00	—	23,247.64	6,500.00	122,853.00	6,500.00	6,500.00	—
Lake	14,500.00	42,000.00	60,595.00	6,500.00	128,853.00	6,500.00	6,500.00	—
LaSalle	7,000.00	—	31,399.50	6,500.00	122,853.00	6,500.00	6,500.00	—

Real Estate Taxes  
(Continued)

Table 40: 2006 Stipends and Reimbursements (continued)

County	Assessor Training Stipend	Assessor Performance Stipends	CCAO Salary Reimbursement	County Treasurer Stipends	States Attorneys and Assistant Attorneys Salaries	Sheriff's Stipends	Coroner's Stipends	Public Defenders
Lawrence	—	—	14,799.96	6,500.00	96,559.00	6,500.00	6,500.00	—
Lee	1,750.00	3,000.00	26,303.57	6,500.00	127,353.00	6,500.00	6,500.00	—
Livingston	2,500.00	9,000.00	26,875.02	6,500.00	127,353.00	6,500.00	6,500.00	—
Logan	2,000.00	3,000.00	17,958.95	6,500.00	122,853.00	6,500.00	6,500.00	—
Macon	7,500.00	6,000.00	25,808.20	6,500.00	122,853.00	6,500.00	6,500.00	—
Macoupin	1,000.00	—	20,240.81	6,500.00	122,853.00	5,958.33	6,500.00	—
Madison	16,000.00	—	34,421.23	6,500.00	136,053.00	6,500.00	6,500.00	—
Marion	3,000.00	—	21,000.00	6,500.00	122,853.00	6,500.00	6,500.00	—
Marshall	1,000.00	—	20,090.12	6,500.00	96,559.00	6,500.00	6,500.00	—
Mason	1,500.00	3,000.00	24,743.33	6,500.00	96,559.00	6,500.00	6,500.00	—
Massac	1,000.00	3,000.00	15,798.96	6,500.00	96,559.00	6,500.00	6,500.00	—
McDonough	3,000.00	6,000.00	19,754.34	6,500.00	130,053.00	6,500.00	6,500.00	—
McHenry	7,000.00	21,000.00	44,036.50	6,500.00	122,853.00	6,500.00	6,500.00	—
McLean	9,000.00	12,000.00	32,139.10	6,500.00	150,853.00	6,500.00	6,500.00	—
Menard	500.00	3,000.00	24,365.83	6,500.00	96,559.00	6,500.00	6,500.00	—
Mercer	3,000.00	6,000.00	19,970.04	6,500.00	96,559.00	6,500.00	6,500.00	—
Monroe	1,500.00	3,000.00	17,625.79	6,500.00	95,059.00	6,500.00	6,500.00	—
Montgomery	2,000.00	—	21,127.71	6,500.00	122,853.00	6,500.00	6,500.00	—
Morgan	—	—	9,012.48	6,500.00	127,353.00	6,500.00	6,500.00	—
Moultrie	1,500.00	12,000.00	21,385.45	6,500.00	96,559.00	6,500.00	6,500.00	—
Ogle	4,500.00	12,000.00	27,937.54	6,500.00	122,853.00	6,500.00	6,500.00	—
Peoria	5,500.00	15,000.00	30,188.34	6,500.00	122,853.00	6,500.00	6,500.00	—
Perry	—	—	19,460.00	6,500.00	95,059.00	6,500.00	6,500.00	—
Piatt	2,000.00	15,000.00	21,178.71	6,500.00	96,559.00	6,500.00	6,500.00	—
Pike	1,000.00	6,000.00	18,492.96	6,500.00	96,559.00	6,500.00	6,500.00	—
Pope	—	—	19,003.46	6,500.00	98,558.00	6,500.00	6,500.00	—
Pulaski	500.00	—	15,127.36	6,500.00	98,558.00	6,500.00	6,500.00	—
Putnam	1,000.00	—	20,225.46	6,500.00	98,558.00	6,500.00	6,500.00	—
Randolph	3,500.00	3,000.00	22,346.62	6,500.00	127,353.00	6,500.00	6,500.00	—
Richland	1,000.00	—	19,292.04	6,500.00	96,559.00	6,500.00	6,500.00	—
Rock Island	6,000.00	6,000.00	25,500.00	6,500.00	122,853.00	6,500.00	6,500.00	—
Saline	2,500.00	—	26,596.54	6,500.00	95,059.00	6,500.00	6,500.00	—
Sangamon	7,500.00	24,000.00	29,160.03	6,500.00	128,853.00	6,500.00	6,500.00	—
Schuyler	1,000.00	3,000.00	18,581.66	6,500.00	98,558.00	6,500.00	6,500.00	—
Scott	500.00	3,000.00	16,170.21	6,500.00	98,558.00	6,500.00	6,500.00	—
Shelby	2,000.00	—	—	6,500.00	95,059.00	6,500.00	6,500.00	—
St. Clair	2,000.00	—	—	6,500.00	122,853.00	6,500.00	6,500.00	—
Stark	500.00	3,000.00	18,083.34	6,500.00	98,558.00	6,500.00	6,500.00	—
Stephenson	3,500.00	9,000.00	27,374.88	6,500.00	122,853.00	6,500.00	6,500.00	—
Tazewell	2,500.00	3,000.00	27,443.48	6,500.00	130,053.00	6,500.00	6,500.00	—
Union	—	—	21,854.52	6,500.00	100,059.00	6,500.00	6,500.00	—
Vermillion	1,750.00	—	24,508.37	6,500.00	126,853.00	6,500.00	6,500.00	—
Wabash	—	—	17,400.04	6,500.00	96,559.00	6,500.00	6,500.00	—
Warren	1,000.00	—	20,069.55	6,500.00	96,559.00	6,500.00	6,500.00	—
Washington	2,000.00	—	20,000.04	6,500.00	96,559.00	6,500.00	6,500.00	—
Wayne	1,000.00	—	15,989.28	6,500.00	96,559.00	6,500.00	6,500.00	—
White	500.00	—	20,205.96	6,500.00	96,559.00	6,500.00	6,500.00	—
Whiteside	2,500.00	—	29,859.10	6,500.00	122,853.00	6,500.00	6,500.00	—
Will	10,000.00	36,000.00	49,807.75	6,500.00	130,053.00	6,500.00	6,500.00	—
Williamson	2,000.00	—	26,408.65	6,500.00	126,853.00	6,500.00	6,500.00	—
Winnebago	13,500.00	21,000.00	34,022.83	6,500.00	132,853.00	6,500.00	6,500.00	—
Woodford	3,500.00	12,000.00	23,541.66	6,500.00	122,853.00	6,500.00	6,500.00	—
Total	315,750.00	579,000.00	2,347,865.06	663,000.00	11,454,576.00	662,458.33	656,500.00	—



**Real Estate Taxes**  
(Continued)

**Table 40: 2007 Stipends and Reimbursements**

County	Assessor Training Stipend	Assessor Performance Stipends	CCAO Salary Reimbursement	County Treasurer Stipends	States Attorneys and Assistant States Attorneys Salaries	Sheriff's Stipends	Coroner's Stipends	Public Defenders
Adams	2,500.00	3,000.00	24,506.22	6,500.00	133,156.00	6,500.00	6,500.00	92,982.72
Alexander	—	—	14,375.04	6,500.00	104,539.00	6,500.00	6,500.00	16,983.00
Bond	1,000.00	3,000.00	23,100.00	6,500.00	104,539.00	6,500.00	6,500.00	—
Boone	4,500.00	12,000.00	29,864.52	6,500.00	133,156.00	6,500.00	6,500.00	69,060.28
Brown	1,500.00	—	12,836.28	6,500.00	106,538.00	6,500.00	6,500.00	15,554.00
Bureau	1,500.00	9,000.00	21,575.04	6,500.00	133,156.00	6,500.00	6,500.00	27,530.64
Calhoun	—	—	15,414.24	6,500.00	106,538.00	6,500.00	6,500.00	14,998.56
Carroll	1,500.00	—	20,350.02	6,500.00	104,539.00	6,500.00	6,500.00	23,732.59
Cass	500.00	—	21,591.96	6,500.00	104,539.00	6,500.00	6,500.00	46,662.00
Champaign	6,500.00	30,000.00	29,940.84	6,500.00	161,156.00	6,500.00	6,500.00	93,843.90
Christian	1,000.00	15,000.00	24,134.22	6,500.00	133,156.00	6,500.00	6,500.00	86,802.00
Clark	1,000.00	—	20,565.48	6,500.00	104,539.00	6,500.00	6,500.00	—
Clay	1,500.00	—	19,027.14	6,500.00	104,539.00	6,500.00	6,500.00	68,013.55
Clinton	4,000.00	12,000.00	26,390.64	6,500.00	144,856.00	6,500.00	6,500.00	44,662.20
Coles	2,000.00	—	24,897.90	6,500.00	140,356.00	6,500.00	6,500.00	90,413.21
Cook	34,000.00	—	—	6,500.00	182,453.00	6,500.00	—	99,743.40
Crawford	—	—	19,916.65	6,500.00	104,539.00	6,500.00	6,500.00	30,830.25
Cumberland	1,500.00	3,000.00	15,399.96	6,500.00	104,539.00	6,500.00	6,500.00	40,773.70
DeKalb	2,000.00	18,000.00	40,965.60	6,500.00	161,156.00	6,500.00	6,500.00	92,982.84
DeWitt	500.00	15,000.00	21,622.02	6,500.00	104,539.00	6,500.00	6,500.00	72,014.88
Douglas	4,500.00	—	19,999.98	6,500.00	104,539.00	6,500.00	6,500.00	24,253.15
DuPage	11,250.00	12,000.00	52,963.93	6,500.00	133,156.00	6,500.00	6,500.00	96,222.48
Edgar	1,000.00	—	25,318.02	6,500.00	104,539.00	6,500.00	6,500.00	53,328.00
Edwards	500.00	—	17,905.20	6,500.00	106,538.00	6,500.00	6,500.00	—
Effingham	3,500.00	15,000.00	25,249.98	6,500.00	133,156.00	6,500.00	6,500.00	86,802.00
Fayette	500.00	—	23,306.94	6,500.00	103,039.00	6,500.00	6,500.00	67,227.24
Ford	1,500.00	9,000.00	20,250.00	6,500.00	104,539.00	6,500.00	6,500.00	26,664.00
Franklin	1,500.00	—	21,905.64	6,500.00	133,156.00	6,500.00	6,500.00	57,699.78
Fulton	1,500.00	6,000.00	21,934.80	6,500.00	133,156.00	6,500.00	6,500.00	92,982.84
Gallatin	—	—	18,080.04	6,500.00	106,538.00	6,500.00	6,500.00	29,997.00
Greene	1,000.00	—	21,802.50	6,500.00	104,539.00	6,500.00	6,500.00	46,664.34
Grundy	500.00	3,000.00	34,497.00	6,500.00	133,156.00	6,500.00	6,500.00	92,982.88
Hamilton	500.00	—	15,250.38	6,500.00	106,538.00	6,500.00	6,500.00	29,997.00
Hancock	2,000.00	—	20,180.04	6,500.00	103,039.00	6,500.00	6,500.00	31,996.80
Hardin	500.00	—	11,652.96	6,500.00	106,538.00	6,500.00	6,500.00	60,230.76
Henderson	1,000.00	3,000.00	18,721.02	6,500.00	106,538.00	6,500.00	6,500.00	22,165.16
Henry	3,500.00	6,000.00	30,507.00	6,500.00	133,156.00	6,500.00	6,500.00	92,982.72
Iroquois	4,000.00	3,000.00	23,374.98	6,500.00	133,156.00	6,500.00	6,500.00	26,664.00
Jackson	2,500.00	—	24,000.00	6,500.00	161,156.00	6,500.00	6,500.00	92,982.12
Jasper	500.00	3,000.00	22,187.52	6,500.00	104,539.00	6,500.00	6,500.00	28,330.56
Jefferson	1,000.00	3,000.00	26,850.00	6,500.00	133,156.00	6,500.00	6,500.00	84,951.48
Jersey	1,500.00	3,000.00	22,584.54	6,500.00	103,039.00	6,500.00	6,500.00	31,196.88
Jo Daviess	1,500.00	9,000.00	23,656.88	6,500.00	103,039.00	6,500.00	6,500.00	32,168.16
Johnson	—	—	24,999.96	6,500.00	104,539.00	6,500.00	6,500.00	41,192.52
Kane	19,000.00	36,000.00	48,916.68	6,500.00	139,156.00	6,500.00	6,500.00	91,993.44
Kankakee	3,000.00	9,000.00	32,867.18	6,500.00	139,156.00	6,500.00	6,500.00	41,062.15
Kendall	2,500.00	15,000.00	42,126.54	6,500.00	133,156.00	6,500.00	6,500.00	90,407.67
Knox	1,500.00	—	23,886.48	6,500.00	133,156.00	6,500.00	6,500.00	92,982.84
Lake	20,500.00	45,000.00	62,717.94	6,500.00	139,156.00	6,500.00	6,500.00	99,466.87
LaSalle	3,500.00	6,000.00	32,697.00	6,500.00	133,156.00	6,500.00	6,500.00	59,994.00

Real Estate Taxes  
(Continued)

Table 40: 2007 Stipends and Reimbursements (continued)

County	Assessor Training Stipend	Assessor Performance Stipends	CCAO Salary Reimbursement	County Treasurer Stipends	States Attorneys and Assistant Attorneys Salaries	Sheriff's Stipends	Coroner's Stipends	Public Defenders
Lawrence	—	—	14,799.96	6,500.00	104,539.00	6,500.00	6,500.00	39,996.00
Lee	500.00	3,000.00	27,545.94	6,500.00	137,656.00	6,500.00	6,500.00	36,157.80
Livingston	4,500.00	9,000.00	27,509.39	6,500.00	137,656.00	6,500.00	6,500.00	34,579.27
Logan	1,500.00	3,000.00	18,624.96	6,500.00	133,156.00	6,500.00	6,500.00	45,203.71
Macon	6,000.00	6,000.00	26,517.00	6,500.00	133,156.00	6,500.00	6,500.00	70,263.00
Macoupin	500.00	—	20,831.10	6,500.00	133,156.00	6,500.00	6,500.00	26,643.94
Madison	17,500.00	—	34,280.04	6,500.00	146,356.00	6,500.00	6,500.00	39,172.08
Marion	3,000.00	—	21,225.00	6,500.00	133,156.00	6,500.00	6,500.00	85,123.50
Marshall	1,000.00	—	20,663.76	6,500.00	104,539.00	6,500.00	6,500.00	31,086.71
Mason	1,500.00	6,000.00	25,423.02	6,500.00	104,539.00	6,500.00	6,500.00	39,996.00
Massac	1,000.00	—	16,557.68	6,500.00	104,539.00	6,500.00	6,500.00	23,233.50
McDonough	2,500.00	6,000.00	20,297.04	6,500.00	140,356.00	6,500.00	6,500.00	53,047.08
McHenry	8,000.00	27,000.00	45,559.14	6,500.00	133,156.00	6,500.00	6,500.00	86,801.28
McLean	6,500.00	18,000.00	33,681.93	6,500.00	161,156.00	6,500.00	6,500.00	94,144.80
Menard	1,000.00	3,000.00	24,881.22	6,500.00	104,539.00	6,500.00	6,500.00	—
Mercer	4,000.00	6,000.00	20,619.72	6,500.00	104,539.00	6,500.00	6,500.00	28,104.77
Monroe	1,500.00	3,000.00	27,467.46	6,500.00	103,039.00	6,500.00	6,500.00	34,302.16
Montgomery	3,500.00	—	21,804.96	6,500.00	133,156.00	6,500.00	6,500.00	86,801.64
Morgan	1,000.00	3,000.00	25,437.48	6,500.00	137,656.00	6,500.00	6,500.00	48,884.00
Moultrie	2,000.00	9,000.00	21,874.98	6,500.00	104,539.00	6,500.00	6,500.00	43,690.05
Ogle	5,500.00	9,000.00	29,125.02	6,500.00	133,156.00	6,500.00	6,500.00	30,949.58
Peoria	4,000.00	9,000.00	31,417.02	6,500.00	133,156.00	6,500.00	6,500.00	39,996.00
Perry	—	—	19,710.06	6,500.00	103,039.00	6,500.00	6,500.00	52,217.00
Piatt	2,000.00	6,000.00	21,903.00	6,500.00	104,539.00	6,500.00	6,500.00	15,045.12
Pike	2,000.00	3,000.00	19,378.80	6,500.00	104,539.00	6,500.00	6,500.00	48,661.80
Pope	—	—	19,363.98	6,500.00	106,538.00	6,500.00	6,500.00	27,783.88
Pulaski	—	—	15,883.26	6,500.00	106,538.00	6,500.00	6,500.00	25,108.57
Putnam	1,500.00	—	21,001.98	6,500.00	106,538.00	6,500.00	6,500.00	20,004.12
Randolph	3,500.00	—	23,175.24	6,500.00	137,656.00	6,500.00	6,500.00	32,243.98
Richland	1,000.00	—	19,292.04	6,500.00	104,539.00	6,500.00	6,500.00	39,996.00
Rock Island	7,500.00	18,000.00	30,933.32	6,500.00	133,156.00	6,500.00	6,500.00	86,801.76
Saline	—	—	27,245.28	6,500.00	103,039.00	6,500.00	6,500.00	48,902.92
Sangamon	5,500.00	21,000.00	30,254.10	6,500.00	139,156.00	6,500.00	6,500.00	90,100.32
Schuyler	500.00	3,000.00	19,039.98	6,500.00	106,538.00	6,500.00	6,500.00	25,275.25
Scott	1,000.00	—	16,614.48	6,500.00	106,538.00	6,500.00	6,500.00	39,996.00
Shelby	2,500.00	—	—	6,500.00	103,039.00	6,500.00	6,500.00	45,828.75
St. Clair	3,500.00	—	—	6,500.00	133,156.00	6,500.00	6,500.00	15,758.10
Stark	500.00	3,000.00	18,685.02	6,500.00	106,538.00	6,500.00	6,500.00	13,332.00
Stephenson	4,000.00	9,000.00	28,749.96	6,500.00	133,156.00	6,500.00	6,500.00	91,415.16
Tazewell	4,500.00	6,000.00	4,573.92	6,500.00	140,356.00	6,500.00	6,500.00	85,868.28
Union	—	—	23,177.28	6,500.00	108,039.00	6,500.00	6,500.00	18,864.72
Vermillion	1,750.00	3,000.00	25,175.04	6,500.00	137,156.00	6,500.00	6,500.00	92,982.96
Wabash	—	3,000.00	17,525.04	6,500.00	104,539.00	6,500.00	6,500.00	33,330.00
Warren	1,500.00	—	20,688.68	6,500.00	104,539.00	6,500.00	6,500.00	37,262.88
Washington	1,500.00	—	21,125.04	6,500.00	104,539.00	6,500.00	6,500.00	32,830.08
Wayne	1,000.00	—	16,226.94	6,500.00	104,539.00	6,500.00	6,500.00	59,994.00
White	—	—	20,205.96	6,500.00	104,539.00	6,500.00	6,500.00	54,994.50
Whiteside	2,000.00	—	30,529.44	6,500.00	133,156.00	6,500.00	6,500.00	92,982.84
Will	10,000.00	27,000.00	50,619.00	6,500.00	140,356.00	6,500.00	6,500.00	92,990.64
Williamson	2,000.00	—	27,133.98	6,500.00	137,156.00	6,500.00	6,500.00	92,982.72
Winnebago	11,500.00	24,000.00	37,928.21	6,500.00	143,156.00	6,500.00	6,500.00	86,468.76
Woodford	3,000.00	12,000.00	24,398.46	6,500.00	133,156.00	6,500.00	6,500.00	33,028.87
Total	313,000.00	564,000.00	2,443,546.21	663,000.00	12,386,312.00	663,000.00	656,500.00	5,304,401.41



# Real Estate Taxes (Continued)

## Real Estate Transfer Tax Stamps

### Statutory Reference

35 ILCS 200/31-1 to 31-70

### Definition

The tax is imposed on the privilege of transferring title to real estate or a beneficial interest in a land trust in Illinois. If the property transferred remains subject to an existing mortgage, only the owner's equity (not the amount of the mortgage outstanding) is included in the base for computing the tax.

The recorder of deeds or registrar of titles in each county collects the tax through the sale of revenue stamps which counties purchase from the Department of Revenue. The same stamp may also provide evidence of the payment of a county real estate transfer tax.

The state rate is 50 cents for each \$500 of value. Counties may impose a tax of 25 cents per \$500 of value on real estate transactions. Home rule units of government may also impose an additional real estate transfer tax.

### Distribution

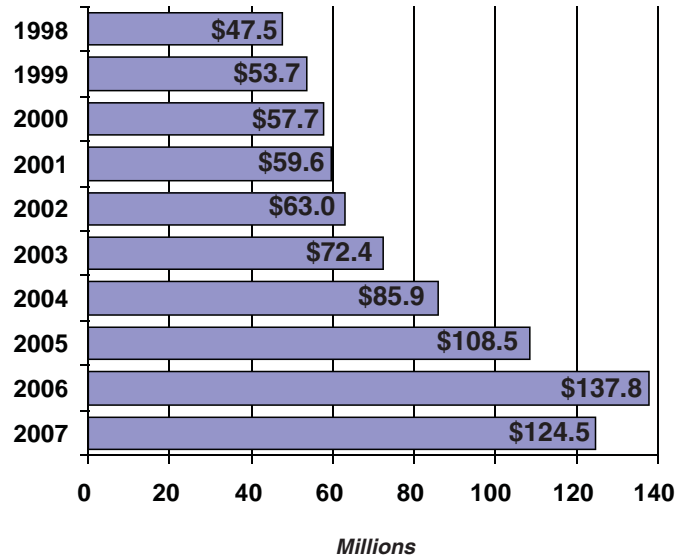
Collections are deposited as follows: 50 percent into the Illinois Affordable Housing Trust Fund; 35 percent into the Open Space Lands Acquisition and Development Fund; and 15 percent into the Natural Areas Acquisition Fund.

**Table 41: Real Estate Transfer Tax Rate History**

Effective date	Rate
January 1, 1968	50 cents per \$500 of value *
May 17, 1979 (state)	25 cents per \$500 of value *
May 17, 1979 (counties)	25 cents per \$500 of value *
September 15, 1989 (state)	50 cents per \$500 of value *
September 15, 1989 (counties)	25 cents per \$500 of value *

\* or fraction thereof

**Graph 25: Real Estate Transfer Tax Stamps Collections**



**Note:** 2006-2007 includes the Rental Housing Support Program Surcharge



**Real Estate Taxes**  
(Continued)

**Table 42: Real Estate Stamp Sales by County**

County	FY04	FY05	FY06	FY07	County	FY04	FY05	FY06	FY07
Adams	210,000	235,000	225,000	250,000	Lee	136,000	93,950	186,550	122,800
Alexander	5,488	11,280	11,001	13,670	Livingston	100,000	155,000	130,000	130,000
Bond	36,115	42,605	42,385	45,818	Logan	80,000	60,000	80,000	90,000
Boone	339,561	409,837	453,334	479,775	Macon	275,000	350,000	410,000	360,000
Brown	16,500	17,454	24,541	17,716	Macoupin	69,225	124,350	111,400	123,350
Bureau	120,000	100,000	180,000	120,000	Madison	1,120,000	1,210,000	1,320,000	1,160,000
Calhoun	12,900	17,225	26,850	18,028	Marion	65,000	89,000	73,000	75,000
Carroll	52,470	69,975	81,385	63,320	Marshall	46,599	47,460	59,880	47,935
Cass	19,688	31,925	24,648	40,055	Mason	36,450	37,375	41,750	54,350
Champaign	893,000	980,000	887,270	878,200	Massac	26,103	30,610	28,873	24,778
Christian	72,000	96,100	90,000	90,000	McDonough	75,000	79,969	84,803	90,000
Clark	30,000	34,045	29,010	56,680	McHenry	2,920,000	3,000,000	3,630,000	2,600,000
Clay	17,321	26,275	37,954	30,188	McLean	900,000	830,578	955,124	927,432
Clinton	100,830	94,373	124,148	69,897	Menard	23,260	54,655	38,360	70,820
Coles	90,000	180,000	90,000	180,000	Mercer	45,000	55,000	70,000	55,000
Cook	40,440,489	53,952,208	57,668,426	48,831,961	Monroe	165,000	194,427	200,000	179,641
Crawford	26,643	32,300	38,045	37,659	Montgomery	66,611	100,000	50,000	99,762
Cumberland	23,500	27,050	19,200	30,875	Morgan	90,000	125,000	125,000	80,000
DeKalb	650,000	905,000	800,000	760,000	Moultrie	42,850	47,284	59,296	53,203
DeWitt	39,648	70,314	58,456	83,559	Ogle	213,650	269,100	295,075	309,100
Douglas	74,675	73,650	64,330	72,305	Peoria	630,200	652,950	778,550	882,400
DuPage	8,800,000	10,800,000	11,000,000	9,600,000	Perry	35,891	49,590	32,973	37,225
Edgar	64,759	53,344	42,307	52,655	Piatt	59,549	129,760	49,598	89,515
Edwards	10,460	11,204	9,001	11,532	Pike	53,158	69,810	93,165	83,885
Effingham	82,085	106,715	97,338	100,378	Pope	9,710	12,515	11,955	10,270
Fayette	42,013	37,410	40,555	68,260	Pulaski	4,133	7,820	4,676	6,954
Ford	38,860	55,013	46,906	50,505	Putnam	18,823	14,780	29,685	30,830
Franklin	45,000	60,000	75,000	80,000	Randolph	54,793	66,444	46,200	60,305
Fulton	50,000	75,000	100,000	100,000	Richland	33,374	28,079	33,507	31,809
Gallatin	8,000	6,000	21,060	22,050	Rock Island	359,875	540,000	358,567	480,000
Greene	30,000	30,000	30,000	52,000	St. Clair	977,340	1,135,424	1,312,099	1,168,856
Grundy	373,724	513,993	500,000	400,000	Saline	31,455	52,338	45,373	61,010
Hamilton	14,305	20,238	13,440	18,155	Sangamon	725,500	797,000	824,049	835,008
Hancock	42,960	57,097	43,172	57,978	Schuyler	23,363	30,248	32,669	20,543
Hardin	6,501	6,330	9,420	9,104	Scott	13,835	12,903	13,325	17,568
Henderson	22,713	18,468	21,730	23,865	Shelby	58,055	64,648	70,173	61,430
Henry	140,430	143,310	185,790	159,725	Stark	17,742	16,417	18,439	29,201
Iroquois	95,000	80,000	93,000	98,000	Stephenson	128,544	140,118	198,980	170,435
Jackson	118,337	139,500	120,000	139,940	Tazewell	450,000	500,000	550,000	500,000
Jasper	17,900	24,008	13,110	31,858	Union	28,209	30,371	27,967	31,875
Jefferson	65,000	100,000	80,000	120,000	Vermillion	149,000	175,000	230,000	159,000
Jersey	80,000	61,000	57,000	95,000	Wabash	20,415	20,883	40,270	21,170
JoDaviess	155,363	191,528	149,718	153,347	Warren	43,300	51,000	56,876	51,678
Johnson	21,268	29,250	26,518	32,796	Washington	40,850	37,650	39,181	42,370
Kane	4,711,608	5,510,044	5,709,892	4,815,309	Wayne	32,819	31,940	29,743	34,820
Kankakee	460,000	500,000	740,000	540,000	White	27,928	24,243	23,302	32,453
Kendall	1,126,750	1,696,705	2,108,192	1,946,699	Whiteside	157,000	146,700	165,300	175,000
Knox	120,000	130,000	120,000	145,000	Will	6,665,850	8,299,061	8,600,000	6,932,463
Lake	7,010,000	8,180,000	650,000	440,000	Williamson	166,330	199,224	272,339	220,000
LaSalle	350,000	530,000	8,820,000	7,110,000	Winnebago	1,200,000	1,200,001	1,500,000	1,400,001
Lawrence	23,030	25,733	23,630	24,192	Woodford	140,216	142,539	151,076	166,953
<b>Total</b>	<b>\$86,249,892</b>	<b>\$108,231,713</b>	<b>\$115,511,899</b>	<b>\$99,166,243</b>					

**Note:** Due to a lapse in time between real estate stamp sales and collections, stamps sales figures do not match stamp collection figures in Table 1.

\*Totals may not balance due to rounding.



## Disbursements to Local Governments

**Table 43: Taxes Disbursed to Local Governments**

Section 1: Taxes Collected for Local Governments <sup>(1)</sup>	FY2005	FY2006	FY 2007
<b>Automobile Renting Taxes</b>			
1 County Automobile Renting Tax	34,987	40,587	47,364
2 MPEA Automobile Renting Tax	24,283,491	25,057,199	28,426,275
3 Municipal Automobile Renting Tax	4,950,855	5,420,299	5,824,087
<b>A. Total Automobile Renting Taxes</b>	<b>\$ 29,269,334</b>	<b>\$ 30,518,085</b>	<b>\$ 34,297,726</b>
<b>B. Chicago Soft Drink Tax</b>	<b>\$ 8,054,748</b>	<b>\$ 8,070,596</b>	<b>\$ 8,370,576</b>
<b>C. County Motor Fuel Tax</b>	<b>\$ 30,344,002</b>	<b>\$ 30,005,960</b>	<b>\$ 29,743,676</b>
<b>D. County Water Commission Tax<sup>(2)</sup></b>	<b>\$ 33,589,611</b>	<b>\$ 34,953,731</b>	<b>\$ 36,716,563</b>
<b>Home Rule and Non-home Rule Taxes<sup>(3)</sup></b>			
1 Chicago Home Rule Vehicle Use Tax	22,415,125	27,924,419	31,320,073
2 County Home Rule	292,594,525	303,468,553	321,053,502
3 Municipal Home Rule	539,389,127	620,101,578	688,226,396
4 Municipal Non-home Rule	22,684,647	30,888,472	48,919,366
<b>E Total Home Rule and Non-home Rule Taxes</b>	<b>\$ 877,083,424</b>	<b>\$ 982,383,022</b>	<b>\$ 1,089,519,337</b>
<b>Hotel Taxes</b>			
1 Illinois Sport Facilities Tax <sup>(4)</sup>	21,723,124	31,086,722	35,454,825
2 MPEA Hotel Tax	32,197,375	36,241,389	41,333,812
3 Municipal Hotel Tax	13,949,852	15,701,974	17,908,304
<b>F Total Hotel Taxes</b>	<b>\$ 67,870,351</b>	<b>\$ 83,030,085</b>	<b>\$ 94,696,941</b>
<b>Mass Transit District Sales and Use Taxes</b>			
1 RTA	546,643,036	567,479,229	602,370,345
2 MED	25,685,227	26,699,823	28,186,643
3 MED Fee <sup>(5)</sup>	365,801	470,496	494,178
<b>G Total Mass Transit District Sales and Use Taxes</b>	<b>\$ 572,694,064</b>	<b>\$ 594,649,548</b>	<b>\$ 631,051,166</b>
<b>H Metro-East Park and Recreation District Tax</b>	<b>\$ 3,894,725</b>	<b>\$ 4,080,099</b>	<b>\$ 4,275,483</b>
<b>I MPEA Food and Beverage Tax</b>	<b>\$ 25,979,009</b>	<b>\$ 28,999,846</b>	<b>\$ 31,226,068</b>
<b>J Municipal Simplified Telecommunication Tax</b>	<b>\$ 272,108,620</b>	<b>\$ 279,285,931</b>	<b>\$ 272,295,836</b>
<b>K Tennessee Valley Authority (TVA)</b>	<b>\$ 199,636</b>	<b>\$ 202,307</b>	<b>\$ 237,413</b>
<b>L Special County ROT for Public Safety</b>	<b>\$ 60,620,323</b>	<b>\$ 65,741,266</b>	<b>\$ 72,588,438</b>
<b>M Municipal Business District Tax</b>	<b>\$ 0</b>	<b>\$ 67,753</b>	<b>\$ 476,834</b>
<b>Total Section 1: Taxes Collected for Local Governments (A+B+C+D+E+F+G+H+I+J+K+L+M)</b>	<b>\$ 1,981,707,846</b>	<b>\$ 2,141,988,229</b>	<b>\$ 2,305,496,058</b>



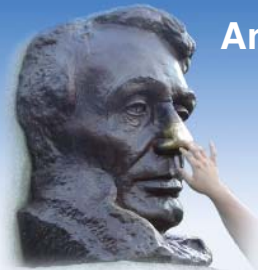
Disbursements to  
Local Governments  
(Continued)

Table 43: Taxes Disbursed to Local Governments (continued)

Section 2: Revenue-sharing with Local Governments	FY2005	FY2006	FY 2007
<b>Gaming Taxes</b>			
1 Charitable Games	58,725	90,399	130,947
2 Pull Tabs and Jar Games	1,236,717	1,191,498	1,132,867
<b>A. Total Gaming Taxes</b>	<b>\$ 1,295,442</b>	<b>\$ 1,281,897</b>	<b>\$ 1,263,814</b>
<b>Fund Transfers to Local Governments</b>			
1 <b>Total Income Tax (LGDF)</b>	<b>\$ 900,772,019</b>	<b>\$ 1,000,966,119</b>	<b>\$ 1,107,581,954</b>
2 Local Share of Use Tax (State and Local Sales Tax Reform Fund)			
Build Illinois	37,800,000	37,800,000	37,800,000
City of Chicago (Chicago Use Tax)	39,769,954	41,350,010	47,748,978
Metro-East Public Transportation Fund	1,193,099	1,346,168	1,432,554
Local Use Tax (subsequently deposited into the LGDF)	100,176,188	117,901,548	127,898,746
RTA Occupation and Use Tax Replacement Fund	19,884,977	20,674,337	22,857,125
<b>Total Local Share of Use Tax</b>	<b>\$ 198,824,218</b>	<b>\$ 219,072,064</b>	<b>\$ 237,737,404</b>
3 Sales Tax Transfers for Local Transportation			
Public Transportation Fund	172,750,950	179,295,167	189,804,324
Downstate Public Transportation Fund	55,444,100	72,220,845	75,074,305
Metro-East Public Transportation Fund	17,757,919	7,928,316	8,056,254
<b>Total Sales Tax Transfers for Local Transportation</b>	<b>\$ 245,952,969</b>	<b>\$ 259,444,328</b>	<b>\$ 272,934,883</b>
<b>B. Total Fund Transfers to Local Governments</b>	<b>\$ 1,345,549,207</b>	<b>\$ 1,479,482,510</b>	<b>\$ 1,618,254,240</b>
<b>Local Share of Sales and Use Taxes</b>			
1 County Share of State Taxes <sup>(2)</sup>	53,419,280	56,147,076	57,382,466
2 Countywide Share of State Taxes <sup>(2)</sup>	194,035,844	205,454,457	214,385,220
3 Municipal Share of State Taxes <sup>(2)</sup>	1,420,245,974	1,486,302,399	1,567,703,675
4 RTA Share of State Taxes <sup>(2)</sup>	115,593,402	120,168,409	126,896,410
<b>C. Total Local Share of Sales and Use Taxes</b>	<b>\$ 1,783,294,500</b>	<b>\$ 1,868,072,342</b>	<b>\$ 1,966,367,771</b>
<b>D. Replacement Taxes</b>	<b>\$ 992,143,111</b>	<b>\$ 1,273,813,984</b>	<b>1,415,837,638</b>
<b>E. Tax Increment Financing Districts</b>	<b>\$ 18,143,798</b>	<b>\$ 19,404,624</b>	<b>20,156,609</b>
<b>Total Section 2: Revenue-sharing with Local Governments (A+B+C+D+E)</b>	<b>\$ 4,140,426,058</b>	<b>\$ 4,642,055,357</b>	<b>\$ 5,021,880,072</b>
<b>Disbursements Grand Total (Section 1 + Section 2)</b>	<b>\$ 6,122,133,905</b>	<b>\$ 6,623,763,204</b>	<b>\$ 7,003,587,918</b>

Table 44 Footnotes

- (1) The amount disbursed may not agree with collection figures reported in Table 1 because these amounts may include interest or advance payments or are net of any statutory administrative fees. Totals may not balance due to rounding.
- (2) Excludes hardship refunds.
- (3) Amounts include any interest or advance payments
- (4) Payments exclude \$8 million dollars advance to the authority from the General Revenue Fund.
- (5) Imposed July 1, 2004



## Disbursements to Local Governments (Continued)

### Automobile Renting Occupation and Use Taxes

#### Statutory References

County Automobile Renting Occupation Tax 55 ILCS 5/5-1032; County Automobile Renting Use Tax, 55 ILCS 5/5-1033; Metro-East Mass Transit District (MED) Automobile Renting Occupation Tax, 70 ILCS 3610/5.02; Metro-East Mass Transit District (MED) Automobile Renting Use Tax, 70 ILCS 3610/5.02; Metropolitan Pier and Exposition Authority (MPEA) Automobile Renting Occupation Tax, 70 ILCS 210/13(d); Metropolitan Pier and Exposition Authority (MPEA) Automobile Renting Use Tax, 70 ILCS 210/13(e); Municipal Automobile Renting Occupation Tax, 65 ILCS 5/8-11-7; Municipal Automobile Renting Use Tax, 65 ILCS 5/8-11-8; Regional Transportation Authority (RTA) Automobile Renting Occupation Tax, 70 ILCS 3615/4.03.1; Regional Transportation Authority (RTA) Automobile Renting Use Tax, 70 ILCS 3615/4.03.1

#### Definition

Local governments may impose automobile renting taxes on the same base as that used for the state automobile renting occupation and use taxes.

County and municipal governments and the Metro-East Mass Transit District (MED) may impose taxes of up to 1 percent.

The Regional Transportation Authority (RTA) may levy such taxes at a rate not to exceed 1 percent in Cook County or 0.25 percent in DuPage, Kane, Lake, McHenry, and Will counties.

The Metropolitan Pier and Exposition Authority (MPEA) imposes a 6 percent tax on automobiles rented within the corporate boundaries of Cook County.

Local occupation and use taxes on automobile rentals were authorized in 1982. In FY04 and FY05, 307 municipal and 4 county governments had imposed the taxes. The MPEA automobile renting tax became effective October 1, 1992.

#### Distribution

Collections, minus an administrative fee of 1.6 percent for municipalities and 2 percent for counties, are distributed monthly to municipalities and counties. Collections are certified to the State Treasurer for distribution to the MPEA; no administrative fee is retained.

### Chicago Home Rule Municipal Soft Drink Retailers' Occupation Tax

#### Statutory Reference

65 ILCS 5/8-11-6b

#### Definition

The Chicago Home Rule Municipal Soft Drink Occupation Tax is imposed on persons who sell canned or bottled soft drinks at retail in Chicago. "Soft drinks" include (but are not limited

to) soda water, carbonated water, colas, and drinks containing less than 50 percent natural fruit or vegetable juice.

Effective April 1, 1994, the rate is 3 percent of gross receipts from soft drinks sold at retail.

#### Distribution

Collections, minus a 2 percent administrative fee, are distributed monthly to Chicago based on sales of soft drinks occurring in the municipality.

### County Motor Fuel Tax

#### Statutory Reference

55 ILCS 5/5-1035.1

#### Definition

DuPage, Kane, and McHenry counties may impose a tax on the retail sale of motor fuel at a rate not exceeding 4 cents per gallon. DuPage and McHenry counties levy the tax at the maximum rate, while Kane County imposes the tax at 2 cents per gallon.

The County Motor Fuel Tax Law was enacted in 1989. DuPage County approved its ordinance in January 1990, Kane County in June 1991, and McHenry County in August 1991.

#### Distribution

Collections and earned interest, minus an administrative fee not to exceed 2 percent of the previous year's receipts, are distributed monthly to the three counties imposing the tax.

## Disbursements to Local Governments (Continued)

### DuPage Water Commission Taxes

#### Statutory Reference

70 ILCS 3720/4

#### Definition

The DuPage Water Commission Tax of 0.25 percent is imposed on sales of general merchandise within the boundaries serviced by the DuPage Water Commission (most of DuPage County and certain municipalities serviced by the Commission in Cook and Will Counties). A “use” tax is also imposed at the same rate.

Legislation creating water commission districts became effective in 1985. DuPage County imposed its water commission tax on July 1, 1986.

#### Distribution

Collections are distributed monthly to the DuPage Water Commission.



### Home Rule and Non-home Rule Sales and Use Taxes

#### Statutory References

Home Rule County Retailers' Occupation Tax, 55 ILCS 5/5-1006; Home Rule County Service Occupation Tax, 55 ILCS 5/5-1007; Home Rule Municipal Retailers' Occupation Tax, 65 ILCS 5/8-11-1 and Non-home Rule Municipal Retailers' Occupation Tax, 65 ILCS 5/8-11-1.6; Home Rule Municipal Service Occupation Tax, 65 ILCS 5/8-11-5

#### Definition

Home rule units of local government are authorized to impose a **home rule sales tax** (in 0.25 percent increments) to be collected by the department. The tax is imposed on the same general merchandise base as the state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes), and qualifying food, drugs and medical appliances.

Certain non-home rule units of local government are authorized to impose a **non-home rule sales tax** (in 0.25 percent increments) to be collected by the department. The tax is imposed on the same general merchandise base as the state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes), and qualifying food, drugs and medical appliances.

The department administers the 1 percent **Chicago Home Rule Use Tax** on automobiles and other titled or registered items sold by dealers located in the counties of Cook, Kane, Lake, McHenry, DuPage, and Will selling items that will be registered to an address within the corporate limits of Chicago.

Before Illinois Sales Tax Reform, most municipalities imposing a home rule sales tax did so at a 1 percent rate. The department did not collect these sales taxes.

New home rule provisions became effective with the enactment of Sales Tax Reform. The department began collecting home rule sales taxes on September 1, 1990. Effective September 1, 1991, home rule units could no longer impose a sales tax on qualifying food, drugs, and medical appliances. However, home rule units could continue to impose and collect their own excise taxes on utilities, hotels and motels, real estate transfers, restaurants, alcohol and cigarettes, and use tax on titled or registered tangible personal property such as vehicles, watercraft, aircraft, trailers, and mobile homes.

In FY 92, the department began administering the 1 percent Chicago Home Rule Use Tax on automobiles and other titled items. The department began administering non-home rule sales tax on January 1, 1994.

#### Distribution

Collections are distributed monthly to the units of local government imposing the tax based on sales occurring within the local government's boundaries. (Chicago Home Rule Use Tax collections, minus a 2 percent administrative fee, are distributed to Chicago.)



## Disbursements to Local Governments (Continued)

**Table 44: 2007 Home Rule, Non-home Rule, and Special County ROT for Public Safety Sales Tax Disbursements**

Municipality	Net Collected	Interest	Advanced Payment	Total
<b>Municipal Home Rule</b>				
Addison	4,470,124.55	3,489.90	32,752.30	4,506,366.75
Algonquin	2,590,712.18	1,380.99	0	2,592,093.17
Alsip	1,866,420.42	1,517.12	7,692.55	1,875,630.09
Alton	1,860,324.33	1,463.17	5,485.82	1,867,273.32
Arlington Heights	5,979,126.32	4,683.02	46,956.09	6,030,765.43
Aurora	19,468,078.32	14,901.92	258,945.33	19,741,925.57
Bedford Park	2,461,136.17	1,873.44	0	2,463,009.61
Belleville	1,960,719.90	1,522.36	13,044.09	1,975,286.35
Bellwood	914,553.51	652.03	0	915,205.54
Benton	441,845.69	352.78	0	442,198.47
Berkeley	133,219.54	107.48	0	133,327.02
Berwyn	1,960,970.71	1,538.19	2,462.50	1,964,971.40
Bloomington	3,965,927.03	2,905.50	13,127.84	3,981,960.37
Bloomington	12,311,091.66	9,504.59	45,619.47	12,366,215.72
Bolingbrook	11,480,145.30	8,996.93	258,549.34	11,747,691.57
Bridgeview	3,137,528.01	2,411.15	0	3,139,939.16
Buffalo Grove	4,472,378.67	3,596.45	66,388.57	4,542,363.69
Burbank	2,105,523.66	1,620.49	7,482.55	2,114,626.70
Burnham	54,242.09	41.35	0	54,283.44
Cahokia	749,257.07	566.69	4,939.61	754,763.37
Calumet City	4,258,974.21	3,250.52	0	4,262,224.73
Calumet Park	895,060.06	717.55	0	895,777.61
Carbondale	4,400,411.29	3,380.13	18,328.20	4,422,119.62
Carlock	13,489.50	10.78	0	13,500.28
Carol Stream	2,218,321.12	1,772.56	0	2,220,093.68
Carpentersville	2,705,341.24	2,055.16	8,185.13	2,715,581.53
Cartersville	262,298.44	208.47	0	262,506.91
Champaign	14,142,748.55	10,843.49	204,357.09	14,357,949.13
Channahon	5,604,750.68	4,115.63	0	5,608,866.31
Chicago	211,881,847.10	164,935.69	2,780,662.46	214,827,445.25
Chicago Ridge	2,535,054.79	1,907.66	0	2,536,962.45
Christopher	146,489.11	118.72	0	146,607.83
Cicero	5,051,313.04	3,790.66	33,301.88	5,088,405.58
Country Club Hills	925,699.99	602.43	0	926,302.42
Countryside	158,713.90	71.09	0	158,784.99
Crainville	114,161.64	90.12	0	114,251.76
Danville	4,593,080.27	3,585.78	26,460.85	4,623,126.90
Darien	1,662,909.89	1,305.96	0	1,664,215.85
Decatur	10,086,579.21	7,890.24	14,166.15	10,108,635.60
Deerfield	1,850,533.37	1,448.93	0	1,851,982.30
DeKalb	5,111,540.37	3,946.91	26,802.45	5,142,289.73
Des Plaines	5,223,436.65	3,849.74	11,527.56	5,238,813.95
Dolton	509,679.11	408.33	245.98	510,333.42
Downers Grove	4,596,789.59	3,533.67	0	4,600,323.26
DuQuoin	910,407.11	661.61	0	911,068.72
East Dundee	949,457.62	703.49	0	950,161.11
East Hazelcrest	21,707.82	15.48	0	21,723.30
East St. Louis	862,135.53	614	4,351.35	867,100.88
Elgin	5,202,434.05	4,098.83	23,307.54	5,229,840.42
Elk Grove Village	6,896,694.13	5,420.74	63,554.77	6,965,669.64
Elmhurst	1,654,266.94	1,319.10	0	1,655,586.04
Elmwood Park	903,815.42	705.43	2,452.72	906,973.57
Elwood	159,671.54	111.51	0	159,783.05
Evanston	5,707,307.92	4,491.36	1,232.18	5,713,031.46
Evergreen Park	2,114,385.57	1,662.92	9,604.70	2,125,653.19
Fairview Heights	3,773,910.90	2,851.08	116,686.74	3,893,448.72
Flora	54,685.42	23.08	0	54,708.50
Forest View	513,801.91	410.53	0	514,212.44
Freeport	592,817.17	463.73	0	593,280.90
Galesburg	3,085,068.05	2,391.18	0	3,087,459.23
Glendale Heights	2,569,621.36	2,016.50	33,973.55	2,605,611.41
Glenview	4,522,285.00	3,497.76	0	4,525,782.76
Granite City	2,820,524.04	2,197.35	8,953.64	2,831,675.03

**Disbursements to  
Local Governments  
(Continued)**

**Table 44: 2007 Home Rule, Non-home Rule, and Special County ROT for Public Safety Sales Tax Disbursements (continued)**

Municipality	Net Collected	Interest	Advanced Payment	Total
Gurnee	4,756,662.75	3,656.26	0	4,760,319.01
Hanover Park	895,854.67	701.46	0	896,556.13
Harvey	1,033,944.63	834.82	0	1,034,779.45
Harwood Heights	979,441.95	746.34	0	980,188.29
Hazel Crest	259,911.50	140.99	0	260,052.49
Herrin	1,065,981.50	842.92	0	1,066,824.42
Highland Park	4,722,182.10	3,712.80	26,949.00	4,752,843.90
Hillside	1,220,488.33	983.58	0	1,221,471.91
Hoffman Estates	3,223,314.89	2,499.46	49,191.11	3,275,005.46
Jacksonville	1,638,086.66	1,279.43	0	1,639,366.09
Joliet	17,000,685.83	13,088.62	88,982.13	17,102,756.58
Lake Bluff	680,998.00	531.02	0	681,529.02
Lake Forest	149,685.93	72.64	0	149,758.57
Lake In The Hills	554,457.11	298.02	0	554,755.13
Lansing	2,031,149.93	1,565.07	0	2,032,715.00
Lincolnwood	2,864,278.93	2,213.77	16,473.24	2,882,965.94
Marion	5,034,988.95	3,804.70	60,125.13	5,098,918.78
Markham	744,676.29	408.27	0	745,084.56
Mascoutah	61,298.45	47.12	0	61,345.57
McCook	271,620.07	223.39	0	271,843.46
Moline	6,577,684.17	5,060.89	7,907.47	6,590,652.53
Monee	396,064.18	324.43	45,000.67	441,389.28
Monmouth	586,494.98	455.49	0	586,950.47
Mortgon Grove	2,756,116.49	2,139.62	0	2,758,256.11
Mount Prospect	3,930,672.49	3,063.64	18,792.25	3,952,528.38
Mount Vernon	3,536,671.63	2,731.43	0	3,539,403.06
Mundelein	3,526,112.32	2,622.20	35,321.56	3,564,056.08
Murphysboro	645,476.95	516.59	3,625.71	649,619.25
Nauvoo	45,333.59	37.27	0	45,370.86
Niles	9,618,730.61	7,362.55	56,903.63	9,682,996.79
Normal	6,440,345.62	5,008.33	27,724.55	6,473,078.50
Norridge	4,591,545.68	3,414.89	11,975.31	4,606,935.88
Northbrook	3,390,286.30	2,456.53	5,012.79	3,397,755.62
Northlake	2,178,240.16	1,739.06	3,814.94	2,183,794.16
Oak Lawn	2,343,589.97	1,829.16	5,674.58	2,351,093.71
Oak Park	2,093,383.10	1,632.47	0	2,095,015.57
Oakbrook Terrace	1,804,312.74	1,444.70	0	1,805,757.44
Orland Park	10,240,659.55	7,759.79	17,742.88	10,266,162.22
Palatine	4,566,928.13	3,624.85	25,967.55	4,596,520.53
Park City	187,169.02	141.19	0	187,310.21
Park Ridge	1,239,610.89	920.80	0	1,240,531.69
Pekin	3,641,627.37	2,712.14	12,313.21	3,656,652.72
Peoria	22,939,598.78	17,717.37	60,288.80	23,017,604.95
Peoria Heights	470,638.76	363.56	0	471,002.32
Posen	94,011.77	73.44	0	94,085.21
Quincy	7,859,269.44	6,050.21	25,449.22	7,890,768.87
Rantoul	755,663.31	602.06	0	756,265.37
Rock Island	1,239,534.12	971.91	0	1,240,506.03
Rolling Meadows	2,363,714.71	1,869.12	2,944.45	2,368,528.28
Romeoville	2,745,186.65	2,182.07	0	2,747,368.72
Rosemont	3,393,725.39	2,565.16	28,239.71	3,424,530.26
Round Lake Beach	1,154,536.98	911.06	0	1,155,448.04
Sauget	49,954.69	40.98	0	49,995.67
Schaumburg	21,541,546.71	16,354.66	0	21,557,901.37
Schiller Park	1,120,399.21	887.71	0	1,121,286.92
Sesser	102,432.74	84.39	0	102,517.13
Sherman	95,221.69	77.82	0	95,299.51
Skokie	10,480,936.95	7,974.15	13,032.61	10,501,943.71
South Barrington	190,892.11	152.96	0	191,045.07
South Holland	592,029.85	477.62	0	592,507.47
Springfield	24,291,506.82	18,535.16	222,174.99	24,532,216.97
St. Charles	6,044,733.40	4,673.75	70,691.09	6,120,098.24
Stickney	280,723.27	222.00	0	280,945.27
Stone Park	232,324.47	183.66	0	232,508.13



## Disbursements to Local Governments (Continued)

**Table 44: 2007 Home Rule, Non-home Rule, and Special County ROT for Public Safety Sales Tax Disbursements (continued)**

Municipality	Net Collected	Interest	Advanced Payment	Total
Streamwood	2,446,556.12	1,902.65	26,581.02	2,475,039.79
Sycamore	9,125,971.85	7,291.01	338,958.00	9,472,220.86
Tilton	204,340.55	144.54	0	204,485.09
Tuscola	370,020.12	286.06	0	370,306.18
University Park	226,526.91	177.91	0	226,704.82
Urbana	2,574,770.06	1,973.56	9,148.74	2,585,892.36
Warrenville	1,480,635.74	1,057.65	0	1,481,693.39
Washington	1,543,999.49	1,136.71	19,150.52	1,564,286.72
Watseka	1,325,923.13	1,028.59	494.72	1,327,446.44
Waukegan	5,145,674.52	3,986.70	0	5,149,661.22
West Dundee	3,954,998.08	2,983.46	0	3,957,981.54
West Frankfort	426,204.27	223.48	0	426,427.75
Wheaton	2,108,042.29	1,629.39	0	2,109,671.68
Wheeling	4,069,585.90	3,184.46	26,070.33	4,098,840.69
Wilmette	590,603.46	458.18	0	591,061.64
Woodridge	379,452.81	170.41	0	379,623.22
<b>Total</b>	<b>\$682,186,197.28</b>	<b>\$525,875.73</b>	<b>\$5,514,322.91</b>	<b>\$688,226,395.92</b>
<b>County Home Rule</b>				
<b>Cook</b>	<b>\$318,364,156.18</b>	<b>\$1,352,053.00</b>	<b>\$1,337,292.93</b>	<b>\$321,053,502.11</b>
<b>Municipal Non-Home Rule</b>				
Arcola	95,748.49	178.43	0	95,926.92
Batavia	2,127,636.03	3,945.89	0	2,131,581.92
Bensenville	2,492,391.60	3,377.56	0	2,495,769.16
Broadview	992,786.65	1,817.64	0	994,604.29
Brookfield	358,978.25	474.02	0	359,452.27
Canton	550,499.40	1,012.15	0	551,511.55
Carbon Cliff	27,441.45	50.87	0	27,492.32
Carthage	93,370.77	175.42	0	93,546.19
Charleston	675,352.22	1,250.52	0	676,602.74
Chillicothe	166,928.12	308.96	0	167,237.08
Clinton	284,253.50	522.35	0	284,775.85
Dixon	638,960.72	1,172.90	0	640,133.62
Duquoin	38.24	0.16	0	38.40
East Dubuque	97,616.63	180.26	0	97,796.89
East Moline	392,524.12	733.22	0	393,257.34
East Peoria	4,819,024.09	9,134.21	0	4,828,158.30
Forest Park	1,073,772.36	2,025.02	0	1,075,797.38
Forest View	0	0	0	0
Forsyth	1,058,050.70	1,959.09	0	1,060,009.79
Galena	368,552.76	684.08	0	369,236.84
Greenville	318,395.96	590.26	0	318,986.22
Havana	186,525.72	335.53	0	186,861.25
Highland	1,002,082.22	1,346.36	0	1,003,428.58
Highwood	376,427.49	619.01	0	377,046.50
Itasca	2,458,779.39	4,592.29	0	2,463,371.68
Jerseyville	612,266.86	1,141.50	0	613,408.36
LaGrange	165,484.12	222.29	0	165,706.41
Lake Forest	606,302.54	1,271.10	0	607,573.64
LaSalle	583,427.98	1,073.00	0	584,500.98
Lincoln	669,052.11	1,224.95	0	670,277.06
Litchfield	772,143.57	1,428.33	0	773,571.90
Lombard	1,816,329.30	1,337.06	0	1,817,666.36
Long Grove	42,037.92	27.93	0	42,065.85
Macomb	874,946.44	1,616.98	0	876,563.42
Mattoon	1,340,321.53	2,494.00	0	3,342,815.53
McLean	9,175.97	6.95	0	9,182.92
Melrose Park	2,598,430.77	3,501.61	0	2,601,932.38
Merrionette Park	170,478.70	261.69	0	170,740.39
Mokena	1,232,914.73	2,344.59	0	1,235,259.32
North Aurora	744,465.94	1,338.04	0	745,803.98
North Riverside	3,404,013.34	5,454.79	0	3,409,468.13

Disbursements to  
Local Governments  
(Continued)

Table 44: 2007 Home Rule, Non-home Rule, and Special County ROT for Public Safety Sales Tax Disbursements (continued)

Municipality	Net Collected	Interest	Advanced Payment	Total
Oak Brook	2,638,178.56	4,711.03	0	2,642,889.59
Ofallon	1,828,966.69	3,387.97	0	1,832,354.66
Ottawa	1,170,149.44	2,139.11	0	1,172,288.55
Palos Park	180,584.50	341.97	0	180,926.47
Paris	381,970.98	711.87	0	382,682.85
Princeton	549,126.20	1,016.00	0	550,142.20
Prospect Heights	329,229.91	607.04	0	329,836.95
Richton Park	111,103.02	204.77	0	111,307.79
Riverside	166,697.90	234.44	0	166,932.34
Riverwoods	95,773.47	181.64	0	95,955.11
Rock Falls	362,325.73	678.97	0	363,004.70
Salem	614,734.58	1,141.55	0	615,876.13
Silvis	240,235.77	444.74	0	240,680.51
Sleepy Hollow	7,955.01	15.05	0	7,970.06
South Chicago Heights	341,731.22	464.90	0	342,196.12
Sparta	401,793.97	745.59	0	402,539.56
Sterling	1,163,616.98	2,155.82	0	1,165,772.80
Streator	873,595.28	1,458.82	0	875,054.10
Swansea	407,508.50	757.95	0	408,266.45
Tilton	0	0.68	0	0.68
Vandalia	349,874.96	473.93	0	350,348.89
Villa Park	322,932.45	247.15	0	323,179.60
<b>Total</b>	<b>\$48,836,013.82</b>	<b>\$83,352.00</b>	<b>\$0.00</b>	<b>\$48,919,365.82</b>

<b>Chicago Home Rule Vehicle Use Tax</b>				
Chicago	31,296,026.42	\$24,046.26	\$0.00	\$31,320,072.68

**County Public Safety or Transportation**

Boone	1,533,252.39	0	7,856.68	1,541,109.07
Brown	57,277.51	0	0	57,277.51
Carroll	285,372.80	0	0	285,372.80
Champaign	4,273,226.27	0	15,726.02	4,288,952.29
Clark	756,185.82	0	0	756,185.82
Clay	306,958.82	0	0	306,958.82
Effingham	1,353,316.24	0	0	1,353,316.24
Fulton	900,389.94	0	0	900,389.94
Henderson	153,809.14	0	0	153,809.14
Jefferson	2,079,669.57	0	0	2,079,669.57
Jersey	721,210.89	0	0	721,210.89
Kendall	3,640,330.19	0	21,408.71	3,661,738.90
Knox	904,461.43	0	913.19	905,374.62
LaSalle	2,649,704.10	0	10,498.36	2,660,202.46
Logan	819,288.43	0	0	819,288.43
McDonough	1,064,108.48	0	2,704.81	1,066,813.29
Macon	2,441,804.23	0	4,556.56	2,446,360.79
Marion	594,833.40	0	3,150.33	597,983.73
Menard	369,974.48	0	0	369,974.48
Peoria	4,609,587.13	0	18,665.36	4,628,252.49
Perry	525,168.14	0	40,609.65	565,777.79
Pike	397,271.10	0	0	397,271.10
Richland	553,430.31	0	1,140.25	554,570.56
Saline	1,171,889.60	0	0	1,171,889.60
Stephenson	1,565,286.80	0	0	1,565,286.80
Tazewell	5,738,700.49	0	28,605.12	5,767,305.61
Union	222,577.00	0	0	222,577.00
Vermilion	1,299,390.49	0	0	1,299,390.49
Wayne	524,270.49	0	0	524,270.49
Winnebago	29,400,326.65	0	0	29,400,326.65
Woodford	1,516,084.41	0	3,446.62	1,519,531.03
<b>Total</b>	<b>\$72,429,156.74</b>	<b>\$0.00</b>	<b>\$159,281.66</b>	<b>\$72,588,438.40</b>



# Disbursements to Local Governments (Continued)

## Hotel Taxes

### Illinois Sports Facilities Tax

#### Statutory Reference

70 ILCS 3205/19

#### Definition

The Illinois Sports Facilities Authority imposes a 2 percent of 98 percent tax on gross receipts from hotel operators within the City of Chicago. Receipts from permanent guests (occupants of 30 days or longer) are not taxed. Proceeds are used for the corporate purposes of the Authority, including construction costs for Comiskey Baseball Park.

The Illinois Sports Facilities Tax was enacted in 1988.

#### Distribution

Collections, minus a 4 percent administrative fee, are distributed monthly to the Authority.

### Metropolitan Pier and Exposition Authority (MPEA) Hotel Tax

#### Statutory Reference

70 ILCS 210/13(c)

#### Definition

Effective October 1, 1992, the Metropolitan Pier and Exposition Authority (MPEA) imposes a 2.5 percent tax on the gross receipts from hotel operators within the City of Chicago.

#### Distribution

Collections are certified to the State Treasurer for distribution to the MPEA to pay for the expansion of McCormick Place in Chicago.

## Municipal Hotel Tax (Chicago)

#### Statutory Reference

65 ILCS 5/8-3-13

#### Definition

Chicago imposes a 1 percent of 99 percent tax on gross hotel receipts in the city. Receipts from permanent guests (occupants of 30 days or longer) are not taxed. Proceeds are used to promote tourism. This tax was enacted in 1967.

#### Distribution

Collections, minus a 4 percent administrative fee, are distributed monthly to Chicago.





## Disbursements to Local Governments (Continued)



### Mass Transit District Taxes

#### Metro-East Mass Transit (MED) Taxes and Regional Transportation Authority (RTA) Taxes

##### Statutory References

Metro-East Mass Transit District (MED) Retailers' Occupation Tax, 70 ILCS 3610/5.01(b); Metro-East Mass Transit District (MED) Service Occupation Tax, 70 ILCS 3610/5.01(c); Metro-East Mass Transit District (MED) Use Tax, 70 ILCS 3610/5.01(d); Regional Transportation Authority (RTA) Retailers' Occupation Tax, 70 ILCS 3615/4.03(e); Regional Transportation Authority (RTA) Service Occupation Tax, 70 ILCS 3615/4.03(f); Regional Transportation Authority (RTA) Use Tax, 70 ILCS 3615/4.03(g).

##### Definition

The **Regional Transportation Authority (RTA)** is authorized to impose a sales tax in Cook, DuPage, Kane, Lake, McHenry, and Will counties. The **Metro-East Mass Transit District (MED)** imposes a sales tax in parts of Madison and St. Clair counties.

The **RTA** imposes taxes at the following rates:

- 0.75 percent sales tax on general merchandise in Cook County
- 1.00 percent sales tax on qualifying food, drugs, and medical appliances in Cook County
- 0.25 percent sales tax on general merchandise and qualifying food, drugs, and medical appliances in DuPage, Kane, Lake, McHenry, and Will counties

The RTA also receives 0.25 percent from the state sales tax rate of 6.25 percent on general merchandise sold anywhere in Cook County and 0.25 percent from the state sales tax rate of 6.25 percent on purchases of titled or registered general merchandise for which the title or registration address of record is within Cook County. Collections are distributed monthly.

The RTA sales tax on general merchandise became effective November 1, 1979. It replaced the former 5 percent tax on the sale and use of motor fuel, which expired October 31, 1979, when the new sales tax took effect.

The **MED** imposes taxes at the following rates:

- **Madison County** — 0.25 percent sales tax on general merchandise (including items that must be titled or registered) and sales of qualifying food, drugs, and medical appliances

#### ■ St. Clair County

- 0.75 percent sales tax on general merchandise (excluding items that are titled or registered) and sales of qualifying food, drugs, and medical
- 0.25 percent sales tax on sales of general merchandise (including items that must be titled or registered)

The MED ordinances became effective on February 1, 1981. Monroe County rescinded its ordinance effective July 1, 1981. Effective July 1, 2004, the Department began administering a fee on vehicle sales imposed by the Metro-East Mass Transit District. The fee rate is 0.5 percent of the total price minus any trade-in, or \$20.00, whichever is less.

##### Distribution

Collections are distributed monthly to each mass transit district based on the sales occurring within the district's boundaries.

**Table 45**  
**2006 Regional Transportation Authority Payments**

RTA Sales Tax		
County	Payment	Percent of total
Cook	\$ 455,414,407.42	66.23%
DuPage	43,355,008.09	6.30%
Kane	15,081,328.11	2.19%
Lake	26,752,664.87	3.89%
McHenry	8,476,182.42	1.23%
Will	17,167,748.89	2.50%
<b>Total</b>	<b>\$ 566,247,339.80</b>	<b>82.35%</b>
Share of State Taxes		
(revenue-sharing)	\$ 120,168,408.99	17.48%
Advanced Payment	\$ 1,231,889.69	0.18%
<b>Total</b>	<b>\$ 687,647,638.48</b>	<b>100.0%</b>

**2007 Regional Transportation Authority Payments**

RTA Sales Tax		
County	Payment	Percent of total
Cook	\$ 483,979,393.01	66.37%
DuPage	45,524,137.26	6.24%
Kane	15,602,962.50	2.14%
Lake	27,989,970.56	3.84%
McHenry	9,000,791.96	1.23%
Will	18,619,825.33	2.55%
<b>Total</b>	<b>\$ 600,717,080.62</b>	<b>82.37%</b>
Share of State Taxes		
(revenue-sharing)	\$ 126,896,409.98	17.40%
Advanced Payment	\$ 1,653,264.79	0.23%
<b>Total</b>	<b>\$ 729,266,755.39</b>	<b>100.0%</b>



## Disbursements to Local Governments (Continued)

**Table 46: 2006 Metro-East Mass Transit District Payments**

County	Payment	Percent of total
Madison	\$ 7,286,379.03	26.82%
St. Clair	19,413,443.60	71.45%
St Clair MED Vehicle Fee	470,496.11	1.73%
<b>Total</b>	<b>\$ 27,170,318.74</b>	<b>100.00%</b>

**2007 Metro-East Mass Transit District Payments**

County	Payment	Percent of total
Madison	\$ 7,598,638.07	26.49%
St. Clair	20,588,004.58	71.78%
St Clair MED Vehicle Fee	494,178.02	1.72%
<b>Total</b>	<b>\$ 28,680,820.67</b>	<b>100.00%</b>

### Metro-East Park and Recreation District Tax

#### Statutory Reference

Metro-East Park and Recreation District Act, 70 ILCS 1605

#### Definition

The Metro-East Park and Recreation District tax of 0.10 percent is imposed on sales of general merchandise within the district's boundaries. The tax is imposed on the same general merchandise base as the state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes), and qualifying food, drugs and medical appliances.

#### Distribution

Funds are distributed monthly.

### Metropolitan Pier and Exposition Authority Food and Beverage Tax

#### Statutory Reference

70 ILCS 210/13(b)

#### Definition

A retailers' occupation tax on the gross receipts from food prepared for immediate consumption, alcoholic beverages, and soft drinks is imposed on sales within Chicago's Metropolitan Pier and Exposition Authority (MPEA) boundaries. Effective October 1, 1992, the tax rate is 1 percent.

#### Distribution

Collections, minus a 2 percent administrative fee, are certified to the State Treasurer for distribution to the MPEA to pay for the expansion of Chicago's McCormick Place.

### Municipal Simplified Telecommunications Tax

#### Statutory Reference

35 ILCS 636/5 to 636/99-99

#### Definition

Municipalities may impose the Simplified Municipal Telecommunications Tax (.25 percent increments up to a maximum amount of 6 percent) on the privilege of originating or receiving telecommunications. Telecommunication service providers who have customers who have a service address that is located in a municipality with a population of 500,000 or less report and pay the municipal taxes directly to the department. The Chicago Department of Revenue administers and collects the City of Chicago's tax.

#### Distribution

Collections, minus a 0.5 percent administrative fee, are distributed monthly to each municipality imposing this tax.

## Disbursements to Local Governments (Continued)

### Special County Retailers’ Occupation Tax for Public Safety

#### Statutory Reference

55 ILCS 5/5-1006.5

#### Definition

County governments are authorized to impose, with voter referendum approval, a countywide tax (in 0.25 percent increments) to be collected by the department. The tax is imposed on the same general merchandise base as the state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes) and qualifying food, drugs and medical appliances.

This tax was enacted in July 1995 and was originally limited to counties with a population greater than 180,000 residents. The law was amended in March 1997 to remove the population requirement. Revenues generated must be used exclusively for public safety purposes in the county that imposes the tax.

#### Distribution

Collections are distributed monthly to the counties imposing the tax and are based on sales occurring in each county.

### Gaming Taxes

#### Statutory Reference

**Charitable Games Tax** — 230 ILCS 30/1

**Pull Tabs and Jar Games Act** — 230 ILCS 20/1

#### Charitable Games Tax and license fees, Pull Tabs and Jar Games Tax and license fees

**Charitable Games Tax** — Revenues received from the operator license fees and the 3 percent tax on gross proceeds of charitable games are deposited into the Illinois Gaming Law Enforcement (IGLE) Fund. Two-thirds of the amount deposited into the IGLE Fund is appropriated to the Department of Revenue, the Department of the State Police, and the Office of the Attorney General. The remaining one-third is distributed for law enforcement purposes to municipalities and counties annually in proportion to the number of licenses issued in each municipality or county.

**Pull Tab and Jar Games Tax** — Revenues received from the operator license fees and the 5 percent tax on gross proceeds of pull tabs and jar games are divided equally between the Common School Fund and the Illinois Gaming Law Enforcement (IGLE) Fund. Two-thirds of the amount deposited into the IGLE Fund is appropriated to the Department of Revenue, the Department of the State Police, and the Office of the Attorney General. The remaining one-third is distributed for law enforcement purposes to municipalities and counties annually in proportion to the number of licenses issued in each municipality or county.



## Disbursements to Local Governments (Continued)

**Table 47: 2007 Charitable Games Distributions to Municipalities and Counties**

County	Number of licenses	Allocation	Municipality	Number of licenses	Allocation
Cook County	2	735.66	Flossmoor	3	1,103.49
DuPage County	1	367.83	Forest Park	1	367.83
Kankakee County	1	367.83	Fox Lake	2	735.66
Knox County	1	367.83	Frankfort	1	367.83
Lake County	1	367.83	Franklin Park	3	1,103.49
McHenry County	1	367.83	Freeburg	1	367.83
<b>Total</b>	<b>7</b>	<b>\$ 2,574.81</b>	Galesburg	1	367.83
			Geneseo	1	367.83
			Genoa	1	367.83
<b>Municipality</b>			Glen Ellyn	2	735.66
Addison	2	\$ 735.66	Glencoe	1	367.83
Alsip	1	367.83	Glenview	3	1,103.49
Anna	1	367.83	Granite City	2	735.66
Antioch	1	367.83	Harvard	1	367.83
Arlington Heights	8	2,942.64	Herrick	1	367.83
Aurora	3	1,103.49	Highland Park	1	367.83
Aviston	1	367.83	Highwood	2	735.66
Bannockburn	1	367.83	Hillside	1	367.83
Belleville	6	2,206.98	Hoffman Estates	6	2,206.98
Bethalto	1	367.83	Itasca	6	2,206.98
Bloomington	3	1,106.49	Jacksonville	1	367.83
Blue Island	1	367.83	Joliet	5	1,839.15
Bolingbrook	1	367.83	Kankakee	1	367.83
Bradley	1	367.83	Kaskaskia	1	367.83
Breese	2	735.66	Lake Villa	1	367.83
Brookfield	1	367.83	Lemont	2	735.66
Burbank	2	735.66	Lena	1	367.83
Cahokia	2	735.66	Lexington	1	367.83
Carrollton	1	367.83	Libertyville	1	367.83
Channahon	1	367.83	Lincolnshire	1	367.83
Charleston	1	367.83	Lisle	1	367.83
Chicago	56	20,598.48	Lockport	1	367.83
Cicero	1	367.83	Lombard	2	735.66
Collinsville	1	367.83	Lon Grove	2	735.66
Columbia	2	735.66	Loves Park	2	735.66
Crystal Lake	2	735.66	Machesney Park	5	1,839.15
Danville	2	735.66	Macomb	2	735.66
Darien	1	367.83	Manhattan	2	735.66
Decatur	4	1,471.32	Marissa	1	367.83
Deerfield	1	367.83	Marseilles	1	367.83
DeKalb	1	367.83	Mascoutah	1	367.83
Des Plaines	2	735.66	McHenry	3	1,103.49
DeWitt	1	367.83	Metropolis	1	367.83
Dixon	2	735.66	Midlothian	1	367.83
East Moline	3	1,103.49	Minooka	1	367.83
Edwardsville	1	367.83	Mount Prospect	4	1,471.32
Effingham	2	735.66	Mount Vernon	1	367.83
Elburn	1	367.83	Mundelein	5	1,839.15
Elk Grove	5	1,839.15	Murphysboro	2	735.66
Elmhurst	7	2,574.81	Naperville	1	367.83
Evergreen Park	1	367.83	Nashville	1	367.83
			New Baden	1	367.83

**Disbursements to  
Local Governments**  
(Continued)

*Table 47: 2007 Charitable Games Distributions to Municipalities and Counties (continued)*

Municipality	Number of licenses	Allocation
Niles	1	367.83
Northbrook	5	1,839.15
Oak Brook	4	1,471.32
Oak Forest	1	367.83
Oak Lawn	1	367.83
Oakbrook Terrace	2	735.66
Ofallon	1	367.83
Orland Park	1	367.83
Oswego	1	367.83
Ottawa	3	1,103.49
Palatine	3	1,103.49
Pacatonica	1	367.83
Peoria	2	735.66
Pinckneyville	1	367.83
Prospect Heights	1	367.83
Random	1	367.83
River Forest	1	367.83
River Grove	1	367.83
Rochelle	1	367.83
Rock Island	2	735.66
Rockford	20	7,356.60
Rolling Meadows	4	1,471.32
Roscoe	2	735.66
Rosemont	2	735.66
Round Lake Heights	1	367.83
Salem	1	367.83
Savoy	1	367.83
Shorewood	2	735.66
Skokie	1	367.83
South Beloit	5	1,839.15
South Elgin	1	367.83
Spring Valley	2	735.66
Springfield	5	1,839.15
St Charles	3	1,103.49
Streamwood	2	735.66
Tinley Park	7	2,574.81
Union	2	735.66
Vernon Hills	1	367.83
Villa Park	1	367.83
Village of Schaumburg	4	1,471.32
Virden	1	367.83
Wauconda	1	367.83
Waukegan	1	367.83
Wheaton	1	367.83
Willow Springs	1	367.83
Winnetka	1	367.83
Wood Dale	1	367.83
Woodridge	7	2,574.81
<b>Total Municipality</b>	<b>349</b>	<b>\$ 128,372.67</b>
<b>Grand Total</b>	<b>356</b>	<b>\$ 130,947.48</b>





## Disbursements to Local Governments (Continued)

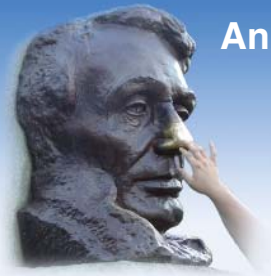
**Table 48: 2007 Pull Tabs and Jar Games Distributions to Municipalities and Counties**

County	Number of licenses	Allocation	Municipality	Number of licenses	Allocation
Cass	1	\$ 1,247.65	Abingdon	1	1,247.65
Champaign	1	1,247.65	Albion	2	2,495.30
Clinton	1	1,247.65	Aledo	1	1,247.65
Cook	7	8,733.55	Algonquin	1	1,247.65
Crawford	1	1,247.65	Alsip	1	1,247.65
Cumberland	1	1,247.65	Altamont	1	1,247.65
DeKalb	1	1,247.65	Alton	3	3,742.95
DuPage	3	3,742.95	Antioch	2	2,495.30
Franklin	1	1,247.65	Arlington Heights	2	2,495.30
Henderson	1	1,247.65	Aurora	11	13,724.15
Jefferson	1	1,247.65	Bartlett	1	1,247.65
Jersey	1	1,247.65	Bartonville	1	1,247.65
Kane	6	7,485.90	Batavia	1	1,247.65
Kendall	2	2,495.30	Beckemeyer	2	2,495.30
Lake	3	3,742.95	Beecher	1	1,247.65
LaSalle	3	3,742.95	Belleville	4	4,990.60
Lawrence	1	1,247.65	Bellwood	2	2,495.30
Lee	1	1,247.65	Belvidere	5	6,238.25
Macon	2	2,495.30	Elburn	1	1,247.65
Macoupin	2	2,495.30	Elgin	6	7,485.90
Madison	3	3,742.95	Elk Grove	1	1,247.65
Mason	1	1,247.65	Elmhurst	3	3,742.95
McHenry	2	2,495.30	Eureka	1	1,247.65
Monroe	1	1,247.65	Evergreen Park	2	2,495.30
Perry	2	2,495.30	Fairbury	1	1,247.65
Randolph	2	2,495.30	Fairfield	3	3,742.95
Sangamon	1	1,247.65	Fairmont	1	1,247.65
St. Clair	3	3,742.95	Fairview Heights	3	3,742.95
Tazewell	4	4,990.60	Farina	1	1,247.65
Union	1	1,247.65	Farmer	1	1,247.65
Washington	1	1,247.65	Farmington	1	1,247.65
Williamson	2	2,495.30	Fayetteville	1	1,247.65
Winnebago	2	2,495.30	Flora	5	6,238.25
Woodford	3	3,742.95	Forest Park	1	1,247.65
<b>Total County</b>	<b>68</b>	<b>\$84,840.20</b>	Fox Lake	2	2,495.30
			Franklin Park	1	1,247.65
			Freeburg	1	1,247.65
			Freeport	3	3,742.95
			Galesburg	5	6,238.25
			Gardner	1	1,247.65

**Disbursements to  
Local Governments**  
(Continued)

**Table 48: 2007 Pull Tabs and Jar Games Distributions to Municipalities and Counties (continued)**

Municipality	Number of licenses	Allocation	Municipality	Number of licenses	Allocation
Geneseo	1	1,247.65	Lake Villa	1	1,247.65
Geneva	1	1,247.65	Lake Zurich	1	1,247.65
Genoa	1	1,247.65	LaSalle	5	6,238.25
Germantown	3	3,742.95	Lawrenceville	4	4,990.60
Gilberts	1	1,247.65	Lemont	2	2,495.30
Glendale Heights	2	2,495.30	Libertyville	2	2,495.30
Glenview	1	1,247.65	Lincoln	3	3,742.95
Godfrey	1	1,247.65	Litchfield	3	3,742.95
Granite City	10	12,476.50	Lockport	4	4,990.60
Grayslake	1	1,247.65	Lombard	3	3,742.95
Grayville	2	2,495.30	Loves Park	5	6,238.25
Greenup	2	2,495.30	Lynwood	1	1,247.65
Grundy	1	1,247.65	Lyons	1	1,247.65
Gurnee	1	1,247.65	Macomb	4	4,990.60
Hamilton	1	1,247.65	Macon	1	1,247.65
Hanna	1	1,247.65	Manteno	1	1,247.65
Harrisburg	2	2,495.30	Maple Park	1	1,247.65
Harvard	1	1,247.65	Marion	4	4,990.60
Harvey	1	1,247.65	Marseilles	2	2,495.30
Harwood Heights	1	1,247.65	Marshall	2	2,495.30
Havana	1	1,247.65	Maryville	1	1,247.65
Hecker	1	1,247.65	Mascoutah	2	2,495.30
Herrin	4	4,990.60	Matteson	1	1,247.65
Hickory Hills	2	2,495.30	Mattoon	4	4,990.60
Highland	2	2,495.30	Mazon	1	1,247.65
Hillsboro	1	1,247.65	McHenry	1	1,247.65
Hillside	1	1,247.65	Melrose Park	4	4,990.60
Hometown	2	2,495.30	Mendota	3	3,742.95
Hoopeston	1	1,247.65	Metropolis	2	2,495.30
Huntley	1	1,247.65	Midlothian	3	3,742.95
Itasca	1	1,247.65	Milan	2	2,495.30
Jacksonville	6	7,485.90	Millstadt	4	4,990.60
Jerseyville	2	2,495.30	Moline	4	4,990.60
Joliet	15	18,714.75	Monmouth	2	2,495.30
Kankakee	2	2,495.30	Montgomery	1	1,247.65
Kewanee	2	2,495.30	Morris	3	3,742.95
Kincaid	3	3,742.95	Morrisonville	2	2,495.30
Lacon	1	1,247.65	Morton Grove	1	1,247.65
LaGrange	2	2,495.30	Mount Carmel	6	7,485.90
Lake In The Hills	1	1,247.65	Mount Morris	1	1,247.65



## Disbursements to Local Governments (Continued)

**Table 48: 2007 Pull Tabs and Jar Games Distributions to Municipalities and Counties (continued)**

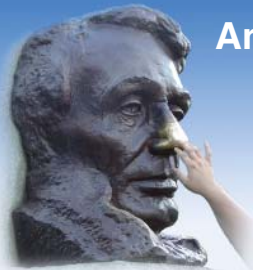
Municipality	Number of licenses	Allocation	Municipality	Number of licenses	Allocation
Mount Olive	1	1,247.65	Pittsfield	1	1,247.65
Mount Prospect	1	1,247.65	Plainfield	1	1,247.65
Mount Vernon	4	4,990.60	Plano	2	2,495.30
Mount Zion	10	12,476.50	Polo	1	1,247.65
Mundelein	2	2,495.30	Pontiac	2	2,495.30
Murphysboro	4	4,990.60	Pontoon Beach	1	1,247.65
Naperville	1	1,247.65	Posen	1	1,247.65
Neoga	1	1,247.65	Princeton	2	2,495.30
New Baden	1	1,247.65	Quincy	3	3,742.95
New Berlin	1	1,247.65	Rantoul	2	2,495.30
New Lenox	2	2,495.30	Red Bud	3	3,742.95
Newark	1	1,247.65	River Grove	3	3,742.95
Niles	2	2,495.30	Riverton	1	1,247.65
Norridge	1	1,247.65	Robinson	3	3,742.95
North Aurora	1	1,247.65	Rochelle	2	2,495.30
North Pekin	1	1,247.65	Rock Falls	4	4,990.60
North Riverside	2	2,495.30	Rock Island	10	12,476.50
Northbrook	1	1,247.65	Rockdale	3	3,742.95
Northlake	2	2,495.30	Rockford	33	41,172.45
Oak Forest	2	2,495.30	Rockton	1	1,247.65
Oak Lawn	6	7,485.90	Rolling Meadows	2	2,495.30
Ofallon	3	3,742.95	Roscoe	1	1,247.65
Oglesby	1	1,247.65	Roselle	1	1,247.65
Okawville	1	1,247.65	Rosemont	1	1,247.65
Olney	3	3,742.95	Rond Lake Park	1	1,247.65
Oregon	1	1,247.65	Round Lake	2	2,495.30
Orient	1	1,247.65	Salem	4	4,990.60
Orland Park	2	2,495.30	Sandwich	1	1,247.65
Oswego	2	2,495.30	Sauk	1	1,247.65
Ottawa	4	4,990.60	Savanna	2	2,495.30
Palestine	2	2,495.30	Savoy	1	1,247.65
Palos Hills	1	1,247.65	Schaumburg	1	1,247.65
Pana	4	4,990.60	Schiller Park	2	2,495.30
Paris	3	3,742.95	Shelbyville	2	2,495.30
Pekin	4	4,990.60	Shiloh	1	1,247.65
Peoria	11	13,724.15	Sims	1	1,247.65
Peoria Heights	2	2,495.30	Skokie	1	1,247.65
Peotone	1	1,247.65	Smithton	1	1,247.65
Peru	5	6,238.25	South Beloit	2	2,495.30
Pickneyville	1	1,247.65	South Chicago Heights	1	1,247.65



**Disbursements to  
Local Governments**  
(Continued)

**Table 48: 2007 Pull Tabs and Jar Games Distributions to Municipalities and Counties (continued)**

Municipality	Number of licenses	Allocation	Municipality	Number of licenses	Allocation
South Elgin	1	1,247.65	Westville	1	1,247.65
South Roxana	1	1,247.65	Wheeling	1	1,247.65
Sparta	2	2,495.30	Will	8	9,981.20
Springfield	11	13,724.15	Willowbrook	1	1,247.65
St Charles	2	2,495.30	Wilmette	1	1,247.65
St Jacob	1	1,247.65	Wilmington	2	2,495.30
Staunton	2	2,495.30	Winthrop Harbor	1	1,247.65
Steeleville	1	1,247.65	Wood Dale	2	2,495.30
Steger	2	2,495.30	Wood River	3	3,742.95
Sterling	2	2,495.30	Woodridge	1	1,247.65
Stickney	1	1,247.65	Woodstock	5	6,238.25
Streamwood	3	3,742.95	Worth	2	2,495.30
Streator	6	7,485.90	Wyanet	1	1,247.65
Sugar Grove	1	1,247.65	Yorkville	1	1,247.65
Sullivan	1	1,247.65	Zeigler	3	3,742.95
Summit	3	3,742.95	Zion	1	1,247.65
Swansea	2	2,495.30	<b>Total Municipalities</b>	<b>840</b>	<b>\$1,048,026.00</b>
Sycamore	3	3,742.95	<b>Total</b>	<b>908</b>	<b>\$1,132,866.20</b>
Taylor Springs	2	2,495.30			
Taylorville	3	3,742.95			
Teutopolis	1	1,247.65			
Tilton	1	1,247.65			
Tinley Park	3	3,742.95			
Toledo	1	1,247.65			
Troy	1	1,247.65			
Tuscola	1	1,247.65			
Union	1	1,247.65			
Urbana	2	2,495.30			
Vandalia	4	4,990.60			
Villa Grove	1	1,247.65			
Villa Park	8	9,981.20			
Virden	1	1,247.65			
Warrenville	1	1,247.65			
Washington	1	1,247.65			
Waterloo	1	1,247.65			
Wauconda	2	2,495.30			
West Chicago	1	1,247.65			
West Dundee	1	1,247.65			
West Frankfort	4	4,990.60			
Westchester	1	1,247.65			



## Disbursements to Local Governments (Continued)

### Fund Transfers to Local Governments

#### Statutory Reference

State and Local Sales Tax Reform Fund 30 ILCS 105/62-17; Local Government Distributive Fund 60 ILCS 115/1; Income Taxes, 35 ILCS 5/901(b); Local Use Tax, 35 ILCS 110/9; Public Transportation Fund, 70 ILCS 3615/4.09; Downstate Public Transportation, 30 ILCS 740/2-3(a); Metro-East Public Transportation Fund, 30 ILCS 740/2-3-(b).

#### Population-based disbursements

#### Local Government Distributive Fund and State and Local Sales Tax Reform Fund

#### Income Taxes

One-tenth of the net collections (gross collections minus refunds) is transferred from the General Revenue Fund to the Local Government Distributive Fund and is distributed to municipal and county governments in proportion to their population as compared to the total state population.

**Table 49: Income Tax Revenue-sharing History**

Date	Amount
August 1, 1969 - June 30, 1994	1/12 (8.3 percent) and a portion of collections from the 1989 surcharge
July 1, 1994 - June 30, 1995	1/11 (9.1 percent)
July 1, 1995	1/10 (10 percent)

#### Local Use Tax

The State and Local Sales Tax Reform Fund was established to receive collections generated when the state use tax on general merchandise was increased from 5 percent to 6.25 percent and a 1 percent use tax was imposed on qualifying food, drugs, and medical appliances as part of Sales Tax Reform in 1990.

The "local" share of use tax, 1.25 percent on general merchandise (excluding titled or registered tangible personal property such as vehicles, watercraft, aircraft, trailers, and mobile homes) and 1 percent on qualifying food, drugs, and medical appliances is deposited in the State and Local Sales Tax Reform Fund.

#### Distribution

Distributions from the State and Local Sales Tax Reform Fund are made as follows:

- 20 percent to Chicago
- 10 percent to the RTA Occupation and Use Tax Replacement Fund
- 0.6 percent to the Metro-East Public Transportation Fund
- \$37,800,000 annually to the Build Illinois Fund
- the remaining balance is transferred into the LGDF and paid to counties and municipalities with fewer than 1 million residents based on relative share of population.

**Table 50: 2006 Summary of Income Tax/Sales Tax Distributions to Local Governments**

Distribution	FY 2006	Percent of total
<b>Income Tax</b>		
Counties	\$135,505,058.73	12.19%
Municipalities	865,461,060.11	75.52%
<b>Subtotal</b>	<b>\$1,000,966,118.84</b>	<b>87.71%</b>
<b>Local Use Tax</b>		
Counties	20,705,587.89	2.22%
Municipalities	97,195,960.35	10.07%
<b>Subtotal</b>	<b>117,901,548.24</b>	<b>12.30%</b>
<b>Total</b>	<b>\$1,118,867,667.08</b>	<b>100.00%</b>

**2007 Summary of Income Tax/Sales Tax Distributions to Local Governments**

Distribution	FY 2007	Percent of total
<b>Income Tax</b>		
Counties	\$148,104,022.25	11.99%
Municipalities	959,477,931.33	77.66%
<b>Subtotal</b>	<b>\$1,107,581,953.58</b>	<b>89.65%</b>
<b>Local Use Tax</b>		
Counties	22,135,770.86	1.79%
Municipalities	105,762,975.45	8.56%
<b>Subtotal</b>	<b>127,898,746.31</b>	<b>10.35%</b>
<b>Total</b>	<b>\$1,235,480,699.89</b>	<b>100.00%</b>

The total amount distributed for 2006 is \$98.85 per capita.  
The total amount distributed for 2007 is \$99.47 per capita.

\*Figure does not include the 20 percent distribution to the City of Chicago.

## Disbursements to Local Governments (Continued)

### Sales Tax Transfers for Local Transportation

#### *Public Transportation Fund, Downstate Public Transportation Fund, Metro-East Public Transportation Fund*

Qualified municipalities, mass transit districts, and unincorporated areas organized in accordance with the Local Mass Transit District Act are eligible to receive state sales and use taxes collected by the department and transferred to various funds for distribution by the Department of Transportation.

The **Public Transportation Fund**, which receives a transfer of state sales taxes equal to 25 percent of the collections from local RTA taxes, became effective in 1974. The **Downstate Public Transportation Fund**, also established in 1974, includes participants not served by RTA or MED and receives 2/32 of the State's share of sales tax (5 percent) generated within each participant's boundaries (up to an appropriated balance). The **Metro-East Public Transportation Fund**, which replaced the Bi-State Public Transportation Fund in 1989, receives 2/32 of state sales taxes (5 percent) generated within the participants boundaries, **and** 0.6 percent of transfers from the State and Local Sales Tax Reform Fund.

#### Distribution

State sales and use tax collections are transferred to the proper fund on the basis of where the taxes were collected. Within MED, 73.3 percent of the amount paid into the fund is distributed to St. Clair County; 26.7 percent goes to Madison County.

*Table 51: 2006 Sales Tax Transfers for Local Transportation*

Fund	Payment	Percent
Public Transportation Fund	\$ 179,295,166.96	69.11%
Downstate Public Transportation Fund	72,220,845.00	27.84%
Metro-East Public Transportation Fund*	7,928,315.63	3.06%
<b>Total</b>	<b>\$ 259,444,327.59</b>	<b>100.00%</b>

\* Total of two separate fund transfers:

- 2/32 of all state sales taxes
- 0.6 percent transfer from State and Local Sales Tax Reform Fund

*2007 Sales Tax Transfers for Local Transportation*

Fund	Payment	Percent
Public Transportation Fund	\$ 189,804,323.55	69.54%
Downstate Public Transportation Fund	75,074,305.00	27.51%
Metro-East Public Transportation Fund*	8,056,254.00	2.95%
<b>Total</b>	<b>\$ 272,934,882.55</b>	<b>100.00%</b>

\* Total of two separate fund transfers:

- 2/32 of all state sales taxes
- 0.6 percent transfer from State and Local Sales Tax Reform Fund



## Disbursements to Local Governments (Continued)

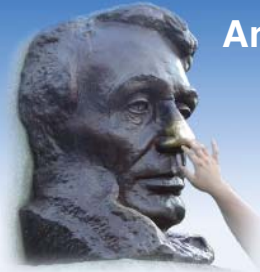
**Table 52: 2007 Population-based Distributions of Tax Revenues Shared With Local Governments**

County	Unincorporated			Incorporated			Total for county
	Income tax	Local Use Tax	Total	Income Tax	Local Use Tax	Total	
Adams	\$ 1,811,282.43	\$ 270,570.23	\$ 2,081,852.66	\$ 4,105,041.32	\$ 613,212.45	\$ 4,718,253.77	6,800,106.43
Alexander	297,042.29	44,372.27	341,414.56	533,948.08	79,761.19	613,709.27	955,123.83
Bond	636,457.36	95,074.29	731,531.65	891,473.06	133,168.14	1,024,641.20	1,756,172.85
Boone	1,667,527.09	249,095.99	1,916,623.08	2,512,295.19	375,287.61	2,887,582.80	4,804,205.88
Brown	353,799.24	52,850.65	406,649.89	248,430.43	37,110.46	285,540.89	692,190.78
Bureau	811,753.97	121,260.17	933,014.14	2,264,643.33	338,292.44	2,602,935.77	3,535,949.91
Calhoun	289,243.63	43,207.32	332,450.95	151,293.73	22,600.08	173,893.81	506,344.76
Carroll	587,672.42	87,786.75	675,459.17	857,159.16	128,042.53	985,201.69	1,660,660.86
Cass	322,084.67	48,113.13	370,197.80	864,611.31	129,155.77	993,767.08	1,363,964.88
Champaign	2,933,727.54	441,192.62	3,374,920.16	12,878,430.54	1,911,348.90	14,789,779.44	18,164,699.60
Christian	912,443.35	136,301.21	1,048,744.56	2,152,603.00	321,556.14	2,474,159.14	3,522,903.70
Clark	727,355.11	108,652.63	836,007.74	746,418.36	111,500.16	857,918.52	1,693,926.26
Clay	565,489.57	84,473.06	649,962.63	696,160.13	103,992.49	800,152.62	1,450,115.25
Clinton	1,162,087.17	173,593.11	1,335,680.28	1,919,249.74	286,697.72	2,205,947.46	3,541,627.74
Coles	965,994.17	144,300.64	1,110,294.81	3,643,534.34	544,272.70	4,187,807.04	5,298,101.85
Cook	8,975,553.61	1,341,113.29	10,316,666.90	459,277,252.03	31,117,741.08	490,394,993.11	500,711,660.01
Crawford	824,838.38	123,214.72	948,053.10	947,363.75	141,517.37	1,088,881.12	2,036,934.22
Cumberland	560,377.09	83,709.38	644,086.47	414,715.20	61,950.12	476,665.32	1,120,751.79
DeKalb	1,401,246.13	209,318.82	1,610,564.95	6,854,472.28	1,023,337.57	7,877,809.85	9,488,374.80
DeWitt	446,516.66	66,700.84	513,217.50	1,009,059.78	150,733.47	1,159,793.25	1,673,010.75
Douglas	538,627.50	80,460.38	619,087.88	1,168,649.00	177,411.14	1,365,060.14	1,984,148.02
DuPage	8,737,305.55	1,305,279.52	10,042,585.07	71,227,203.11	10,637,435.39	81,864,638.50	91,907,223.57
Edgar	616,267.51	92,058.29	708,325.80	1,091,118.97	162,991.48	1,254,110.45	1,962,436.25
Edwards	251,463.45	37,563.67	289,027.12	352,585.85	52,669.21	405,255.06	694,282.18
Effingham	1,284,872.78	191,934.90	1,476,807.68	1,684,163.69	251,580.76	1,935,744.45	3,412,552.13
Fayette	914,089.73	136,547.16	1,050,636.89	975,092.24	145,659.42	1,120,751.66	2,171,388.55
Ford	315,239.17	47,090.53	362,329.70	918,768.44	137,245.61	1,056,014.05	1,418,343.75
Franklin	1,056,371.97	157,801.33	1,214,173.30	2,326,859.74	347,586.65	2,674,446.39	3,888,619.69
Fulton	837,662.84	125,130.46	962,793.30	2,476,767.03	369,979.67	2,846,746.70	3,809,540.00
Gallatin	193,146.79	28,852.32	221,999.11	365,323.56	54,571.83	419,895.39	641,894.50
Greene	431,179.28	64,409.71	495,588.99	847,887.31	126,657.39	974,544.70	1,470,133.69
Grundy	1,045,887.11	156,235.09	1,202,122.20	2,599,639.63	388,334.76	2,987,974.39	4,190,096.59
Hamilton	421,474.28	62,959.99	484,434.27	325,550.52	48,630.66	374,181.18	858,615.45
Hancock	579,267.19	86,531.18	665,798.37	1,164,599.23	173,967.68	1,338,566.91	2,004,365.28
Hardin	250,683.58	37,447.17	288,130.75	165,244.77	24,684.18	189,928.95	478,059.70
Henderson	345,653.95	51,633.90	397,287.85	366,016.64	54,675.38	420,692.02	817,979.87
Henry	1,311,301.57	195,882.84	1,507,184.41	3,109,672.11	464,523.69	3,574,195.80	5,081,380.21
Iroquois	1,013,825.95	151,445.78	1,165,271.73	1,701,320.01	254,143.08	1,955,463.09	3,120,734.82
Jackson	1,709,986.48	255,438.59	1,965,425.07	3,465,811.18	517,724.11	3,983,535.29	5,948,960.36
Jasper	530,222.28	79,204.84	609,427.12	346,433.44	51,750.08	398,183.52	1,007,610.64
Jefferson	1,555,659.63	232,385.17	1,788,044.80	1,914,310.85	285,960.16	2,200,271.01	3,988,315.81
Jersey	1,012,699.48	151,277.50	1,163,976.98	864,871.14	129,194.50	994,065.64	2,158,042.62
Jo Daviess	932,286.62	139,265.38	1,071,552.00	999,094.64	149,244.75	1,148,339.39	2,219,891.39
Johnson	850,920.58	127,110.88	978,031.46	264,980.76	39,582.58	304,563.34	1,282,594.80
Kane	5,374,799.79	806,938.73	6,181,738.52	32,854,361.41	4,894,591.20	37,748,952.61	43,930,691.13
Kankakee	2,598,364.07	388,527.51	2,986,891.58	6,771,899.92	1,011,206.18	7,783,106.10	10,769,997.68
Kendall	1,881,137.25	282,011.74	2,163,148.99	5,228,004.01	775,438.86	6,003,442.87	8,166,591.86
Knox	833,156.95	124,457.35	957,614.30	4,005,131.78	598,287.80	4,603,419.58	5,561,033.88
Lake	7,110,752.15	1,062,662.83	8,173,414.98	51,748,290.99	7,711,531.82	59,459,822.81	67,633,237.79
LaSalle	2,724,765.65	407,026.82	3,131,792.47	6,937,687.80	1,036,354.04	7,974,041.84	11,105,834.31
Lawrence	570,861.98	85,275.58	656,137.56	918,335.39	137,181.07	1,055,516.46	1,711,654.02
Lee	1,104,463.73	164,985.29	1,269,449.02	2,020,372.56	301,803.68	2,322,176.24	3,591,625.26

## Disbursements to Local Governments (Continued)

**Table 52: 2007 Population-based Distributions of Tax Revenues Shared With Local Governments (continued)**

County	Unincorporated			Incorporated			Total for county
	Income tax	Local Use Tax	Total	Income Tax	Local Use Tax	Total	
Livingston	1,084,447.17	161,995.22	1,246,442.39	2,353,721.82	351,599.40	2,705,321.22	3,951,763.61
Logan	834,023.46	124,586.81	958,610.27	1,868,038.83	279,047.90	2,147,086.73	3,105,697.00
Macon	1,302,289.75	194,536.65	1,496,826.40	8,637,190.30	1,290,227.19	9,927,417.49	11,424,243.89
Macoupin	1,405,752.03	209,991.89	1,615,743.92	2,852,878.68	425,532.37	3,278,411.05	4,894,154.97
Madison	4,722,978.81	705,553.82	5,428,532.63	18,126,154.38	2,706,606.00	20,832,760.38	26,261,293.01
Marion	1,224,043.21	182,848.13	1,406,891.34	2,388,555.95	356,802.96	2,745,358.91	4,152,250.25
Marshall	406,830.13	60,772.44	467,602.57	735,239.92	109,830.03	845,069.95	1,312,672.52
Mason	543,306.69	81,159.38	624,466.07	846,414.22	126,437.28	972,851.50	1,597,317.57
Massac	625,279.28	93,404.49	718,683.77	688,448.33	102,840.61	791,288.94	1,509,972.71
McDonough	605,955.97	90,517.96	696,473.93	2,374,865.15	354,758.07	2,729,623.22	3,426,097.15
McHenry	5,763,550.46	861,267.42	6,624,817.88	19,485,391.58	2,908,684.92	22,394,076.50	29,018,894.38
McLean	1,752,879.13	261,845.93	2,014,725.06	12,648,474.70	1,889,434.43	14,537,909.13	16,552,634.19
Menard	576,407.69	86,104.01	662,511.70	505,526.26	75,515.51	581,041.77	1,243,553.47
Mercer	663,752.70	99,151.67	762,904.37	805,601.02	120,340.50	925,941.52	1,688,845.89
Monroe	904,558.03	135,123.28	1,039,681.31	1,694,648.83	253,147.14	1,947,795.97	2,987,477.28
Montgomery	873,883.30	130,541.07	1,004,424.37	1,789,185.04	267,268.33	2,056,453.37	3,060,877.74
Morgan	703,699.18	105,118.89	808,818.07	2,469,142.29	368,841.21	2,837,983.50	3,646,801.57
Moultrie	493,395.29	73,703.59	567,098.88	744,598.46	111,228.12	855,826.58	1,422,925.46
Ogle	1,971,852.10	294,583.05	2,266,435.15	2,581,143.83	385,111.38	2,966,255.21	5,232,690.36
Peoria	3,162,443.87	472,407.41	3,634,851.28	13,213,618.04	1,973,856.22	15,187,474.26	18,822,325.54
Perry	778,739.64	116,328.47	895,068.11	1,222,396.50	182,601.92	1,404,998.42	2,300,066.53
Piatt	443,917.09	66,312.49	510,229.58	974,485.69	145,568.80	1,120,054.49	1,630,284.07
Pike	515,491.46	77,004.33	592,495.79	990,428.93	147,949.88	1,138,378.81	1,730,874.60
Pope	306,227.39	45,744.36	351,971.75	76,166.80	11,377.73	87,544.53	439,516.28
Pulaski	288,983.70	43,168.47	332,152.17	347,733.22	51,944.13	399,677.35	731,829.52
Putnam	227,807.53	34,029.94	261,837.47	299,554.92	44,747.37	344,302.29	606,139.76
Randolph	864,264.96	129,104.29	993,369.25	2,072,623.46	309,608.79	2,382,232.25	3,375,601.50
Richland	528,922.49	79,010.66	607,933.15	870,416.99	130,023.05	1,000,440.04	1,608,373.19
Rock Island	1,699,328.31	253,846.47	1,953,174.78	11,290,728.12	1,686,613.90	12,977,342.02	14,930,516.80
Saline	771,894.13	115,305.89	887,200.02	1,544,567.82	230,727.97	1,775,295.79	2,662,495.81
Sangamon	3,214,781.56	480,225.63	3,695,007.19	13,337,282.90	1,991,855.76	15,329,138.66	19,024,145.85
Schuyler	307,873.78	45,990.28	353,864.06	315,065.67	47,064.48	362,130.15	715,994.21
Scott	187,601.08	28,023.90	215,624.98	292,189.44	43,647.04	335,836.48	551,461.46
Shelby	907,504.20	135,563.39	1,043,067.59	1,076,214.66	160,764.86	1,236,979.52	2,280,047.11
St Clair	4,946,811.73	738,960.97	5,685,772.70	18,261,485.51	2,726,883.64	20,988,369.15	26,674,141.85
Stark	216,109.52	32,282.51	248,392.03	332,569.34	49,679.17	382,248.51	630,640.54
Stephenson	1,294,577.76	193,384.62	1,487,962.38	2,949,539.84	440,603.20	3,390,143.04	4,878,105.42
Tazewell	2,161,442.34	322,877.29	2,484,319.63	9,237,269.98	1,378,361.59	10,615,631.57	13,099,951.20
Union	772,760.64	115,435.33	888,195.97	812,360.25	121,350.47	933,710.72	1,821,906.69
Vermilion	2,015,780.65	301,118.28	2,316,898.93	5,257,423.12	785,355.40	6,042,778.52	8,359,677.45
Wabash	336,035.60	50,197.11	386,232.71	784,978.37	117,260.22	902,238.59	1,288,471.30
Warren	541,487.00	80,887.56	622,374.56	1,081,934.04	161,619.55	1,243,553.59	1,865,928.15
Washington	597,550.74	89,262.38	686,813.12	715,049.76	106,813.74	821,863.50	1,508,676.62
Wayne	775,880.12	115,901.29	891,781.41	710,284.21	106,102.14	816,386.35	1,708,167.76
White	504,140.09	75,308.65	579,448.74	827,783.93	123,654.28	951,438.21	1,530,886.95
Whiteside	1,828,266.19	273,107.28	2,101,373.47	3,427,251.15	511,963.95	3,939,215.10	6,040,588.57
Will	8,028,100.32	1,201,473.68	9,229,574.00	44,389,216.73	6,618,570.82	51,007,787.55	60,237,361.55
Williamson	1,639,329.15	244,900.33	1,884,229.48	3,680,566.81	549,568.80	4,230,135.61	6,114,365.09
Winnebago	5,324,834.03	795,450.46	6,120,284.49	19,435,656.96	2,901,460.83	22,337,117.79	28,457,402.28
Woodford	1,269,362.08	189,617.89	1,458,979.97	1,862,666.10	278,245.20	2,140,911.30	3,599,891.27
<b>Total</b>	<b>\$148,104,022.25</b>	<b>\$22,135,770.86</b>	<b>\$170,239,793.11</b>	<b>\$959,477,931.33</b>	<b>\$105,762,975.45</b>	<b>\$1,065,240,906.78</b>	<b>\$1,235,480,699.89</b>



## Disbursements to Local Governments (Continued)

### Motor Fuel Taxes

#### Collected by the Department of Revenue and distributed by the Department of Transportation

Collections from motor fuel taxes (excluding the Underground Storage Tank Tax and the Environmental Impact Fee) are divided among state and local governments according to a formula set by law. The 2.5 cents additional tax on diesel fuel goes directly into the State Construction Account Fund. The Grade Crossing Protection Fund receives \$2.25 million per month, and \$420,000 per month is transferred to the Boating Act Fund. The Vehicle Inspection Fund receives a transfer of \$25 million annually. Department of Transportation and Department of Revenue administrative costs, along with the cost of refunds, are deducted. The remainder is distributed as follows:

- 45.6 percent is distributed to the Illinois Department of Transportation. Of this amount, 63 percent is allocated to the Road Fund (includes \$1.25 million reserved for use in accordance with provisions of the Illinois Highway Code) and 37 percent to the state Construction Fund.
- 54.4 percent is shared by local governments and is distributed as follows: 49.1 percent to municipalities, 16.74 percent to counties with more than 1,000,000 residents (Cook County), 18.27 percent to all other counties, and 15.89 percent to road districts.

### Local Share of State Sales and Use Taxes

The local governments' 20 percent share of general merchandise and 100 percent of the amount from sales of qualifying food, drugs, and medical appliances from sales tax and the 20 percent share of titled or registered items of tangible personal property from Use Tax, is disbursed as shown below.

- **Municipal share of state sales tax** — Municipalities receive the equivalent of 16 percent of the total general merchandise collections and 100 percent of the tax collected on qualifying food, drugs, and medical appliances sold within their incorporated boundaries.

Municipalities also receive the equivalent of 16 percent of the total use tax on out-of-state purchases of titled or registered general merchandise for which the title or registration address of record is within their boundaries.

**Distribution** — Collections are distributed monthly based on sales occurring in each municipality. Prior to Illinois Sales Tax Reform, municipalities could impose local sales taxes of up to 1 percent. The department collected these taxes and deducted a 1.6 percent administrative fee. After Sales Tax Reform in 1990, a uniform state tax rate and base were imposed, and the department's administrative fee was eliminated.

- **County share of state taxes** — Counties receive the equivalent of 16 percent of the total general merchandise collections and 100 percent of the tax collected on qualifying food, drugs, and medical appliances sold within their unincorporated areas.

Counties also receive the equivalent of 16 percent of the total use tax on out-of-state purchases of titled or registered general merchandise for which the title or registration address of record is within their unincorporated areas.

**Distribution** — Collections are distributed monthly based on sales occurring in the unincorporated areas of each county. Prior to Illinois Sales Tax Reform, counties could impose a local sales tax of up to 1 percent. The department collected these taxes and deducted a 2 percent administrative fee. After Sales Tax Reform in 1990, a uniform state tax rate and base were imposed, and the department's administrative fee was eliminated.

- **Countywide share of state sales tax** — All counties but Cook County receive the equivalent of 4 percent of the total general merchandise collections on general merchandise sold anywhere in the county.

All counties but Cook County also receive the equivalent of 4 percent on out-of-state purchases of titled or registered general merchandise for which the title or registration address of record is within their boundaries.

**Note:** The Regional Transportation Authority (RTA) receives a distribution equal to 4 percent of the total general merchandise sold anywhere in Cook County and 4 percent on out-of-state purchases of titled or registered general merchandise for which the title or registration address of record is within Cook County.

**Distribution** — Collections are distributed monthly. On July 1, 1986, counties (except Cook County) were allowed to impose a county supplementary sales tax. Ninety-six counties imposed this tax. With Sales Tax Reform in 1990, the tax was incorporated into the 6.25 percent state sales tax rate.

## Disbursements to Local Governments (Continued)

**Table 53: 2007 Municipal and County 1 Percent Share State Sales Taxes**

County	Unincorporated	Incorporated	Total	County	Unincorporated	Incorporated	Total
Adams	454,832.92	8,115,014.67	8,569,847.59	Livingston	372,146.97	3,952,407.03	4,324,554.00
Alexander	57,015.21	218,190.25	275,205.46	Logan	126,205.74	2,391,612.01	2,517,817.75
Bond	91,038.84	1,102,860.61	1,193,899.45	Macon	458,252.65	13,818,643.90	14,276,896.55
Boone	874,559.70	3,805,071.99	4,679,631.69	Macoupin	825,943.89	3,022,289.90	3,848,333.79
Brown	71,157.22	255,523.35	326,680.57	Madison	948,091.56	29,963,719.35	30,911,810.91
Bureau	224,357.26	2,648,168.24	2,872,525.50	Marion	210,343.01	3,301,320.14	3,511,663.15
Calhoun	81,454.60	198,482.78	279,937.38	Marshall	115,277.14	706,863.80	822,140.94
Carroll	538,248.14	1,014,370.47	1,552,618.61	Mason	90,972.10	899,646.14	990,618.24
Cass	95,541.48	1,138,913.07	1,234,454.55	Massac	105,823.98	775,917.72	881,741.70
Champaign	893,633.97	23,289,642.22	24,183,276.19	McDonough	119,327.33	3,069,319.96	3,188,647.29
Christian	316,685.49	3,145,012.28	3,461,697.77	McHenry	2,123,803.61	33,774,196.76	35,898,000.37
Clark	114,602.46	1,070,866.76	1,185,469.22	McLean	347,413.01	22,196,609.55	22,844,022.56
Clay	127,767.01	1,043,792.57	1,171,559.58	Menard	108,928.82	446,049.73	554,978.55
Clinton	411,714.19	3,449,560.53	3,861,274.72	Mercer	120,601.88	771,059.25	891,661.13
Coles	303,539.26	6,250,208.71	6,553,747.97	Monroe	239,695.84	3,293,833.85	3,533,529.69
Cook	5,188,135.21	605,213,650.32	610,401,785.53	Montgomery	113,811.18	3,412,673.31	3,526,484.49
Crawford	200,290.89	1,513,065.19	1,713,356.08	Morgan	133,902.14	3,632,307.03	3,766,209.17
Cumberland	29,651.39	402,441.01	432,092.40	Moultrie	323,447.95	875,341.35	1,198,789.30
DeKalb	412,680.27	21,361,266.10	21,773,946.37	Ogle	430,634.04	3,634,028.12	4,064,662.16
DeWitt	173,499.81	1,486,095.72	1,659,595.53	Peoria	1,292,876.00	24,762,739.39	26,055,615.39
Douglas	346,764.78	1,710,642.16	2,057,406.94	Perry	66,690.69	1,488,778.69	1,555,469.38
DuPage	4,791,683.79	177,030,541.06	181,822,224.85	Piatt	1,053,657.53	986,124.07	2,039,781.60
Edgar	91,413.35	1,451,588.45	1,543,001.80	Pike	161,948.09	1,165,024.31	1,326,972.40
Edwards	72,134.88	392,393.82	464,528.70	Pope	35,630.44	87,828.39	123,458.83
Effingham	274,709.75	7,070,472.83	7,345,182.58	Pulaski	50,464.09	217,124.08	267,588.17
Fayette	153,350.27	1,805,699.11	1,959,049.38	Putnam	89,363.98	3,519,079.93	3,608,443.91
Ford	88,622.75	1,136,833.24	1,225,455.99	Randolph	1,581,114.28	3,103,604.67	4,684,718.95
Franklin	286,922.25	3,122,789.99	3,409,712.24	Richland	98,008.37	1,548,372.85	1,646,381.22
Fulton	195,453.89	2,522,876.38	2,718,330.27	Rock Island	721,357.93	16,445,579.32	17,166,937.25
Gallatin	36,982.25	155,380.65	192,362.90	Saline	131,135.53	2,371,602.24	2,502,737.77
Greene	60,636.81	681,104.27	741,741.08	Sangamon	2,065,507.47	26,125,076.21	28,190,583.68
Grundy	502,214.99	12,623,767.24	13,125,982.23	Schuyler	41,784.93	366,780.84	408,565.77
Hamilton	86,077.39	319,473.55	405,550.94	Scott	53,555.33	187,818.52	241,373.85
Hancock	125,752.67	858,437.94	984,190.61	Shelby	208,199.29	1,108,331.68	1,316,530.97
Hardin	46,554.60	107,923.06	154,477.66	St Clair	1,245,331.67	30,360,547.24	31,605,878.91
Henderson	66,815.03	196,354.77	263,169.80	Stark	74,076.51	439,373.30	513,449.81
Henry	171,328.82	4,912,346.76	5,083,675.58	Stephenson	442,374.61	4,456,504.97	4,898,879.58
Iroquois	186,416.89	3,109,609.29	3,296,026.18	Tazewell	485,782.99	17,170,142.23	17,655,925.22
Jackson	502,044.73	7,223,871.13	7,725,915.86	Union	135,463.44	1,335,179.14	1,470,642.58
Jasper	97,899.10	661,194.61	759,093.71	Vermilion	423,545.09	7,240,751.58	7,664,296.67
Jefferson	644,980.08	5,249,247.53	5,894,227.61	Wabash	86,659.79	932,497.30	1,019,157.09
Jersey	125,222.68	2,204,899.92	2,330,122.60	Warren	192,888.51	1,054,529.06	1,247,417.57
Jo Daviess	384,426.54	2,180,437.27	2,564,863.81	Washington	140,313.41	1,375,582.61	1,515,896.02
Johnson	123,529.60	483,002.82	606,532.42	Wayne	233,240.18	1,288,784.30	1,522,024.48
Kane	2,359,265.42	59,827,566.62	62,186,832.04	White	191,052.34	1,194,716.00	1,385,768.34
Kankakee	803,190.56	35,329,488.64	36,132,679.20	Whiteside	403,515.30	5,598,895.83	6,002,411.13
Kendall	954,440.11	9,359,150.13	10,313,590.24	Will	5,927,820.49	68,415,792.26	74,343,612.75
Knox	244,247.92	5,132,060.93	5,376,308.85	Williamson	367,464.36	8,438,001.86	8,805,466.22
Lake	3,936,918.69	107,687,767.35	111,624,686.04	Winnebago	1,245,270.77	39,591,816.24	40,837,087.01
LaSalle	979,673.10	14,296,309.23	15,275,982.33	Woodford	318,201.06	2,476,603.43	2,794,804.49
Lawrence	345,476.80	717,803.91	1,063,280.71	<b>Total</b>	<b>\$57,382,465.82</b>	<b>\$1,567,703,675.30</b>	<b>\$1,625,086,141.12</b>
Lee	457,992.70	2,628,922.36	3,086,915.06				



## Disbursements to Local Governments (Continued)

**Table 54: Countywide .25 percent Share of State Sales Taxes (Excludes**

County	2006 Amount	2007 Amount	County	2006 Amount	2007 Amount
Adams	\$ 1,762,265.41	\$ 1,812,424.65	Livingston	825,576.79	891,541.90
Alexander	57,588.05	58,634.98	Logan	498,798.86	488,108.26
Bond	251,558.48	253,399.37	Macon	2,926,980.46	2,975,538.16
Boone	1,030,096.41	985,839.61	Macoupin	843,631.03	829,453.73
Brown	67,299.72	61,661.69	Madison	6,143,175.13	6,301,860.53
Bureau	600,110.44	584,709.86	Marion	674,637.39	731,562.51
Calhoun	58,297.09	56,274.96	Marshall	148,724.97	165,061.21
Carroll	337,564.41	347,891.59	Mason	193,755.18	202,425.13
Cass	244,340.27	250,899.69	Massac	165,681.91	177,909.58
Champaign	4,729,365.76	4,975,147.44	McDonough	615,194.40	636,484.13
Christian	685,566.34	685,921.69	McHenry	6,986,579.66	7,353,673.74
Clark	237,297.60	245,474.56	McLean	4,888,634.95	4,852,557.87
Clay	216,046.44	235,284.50	Menard	104,395.60	116,640.58
Clinton	766,801.13	799,534.21	Mercer	196,656.91	192,116.63
Coles	1,320,764.58	1,351,417.49	Monroe	685,442.55	694,819.21
Cook*	0.00	0.00	Montgomery	688,612.57	726,005.34
Crawford	328,476.52	350,327.85	Morgan	729,432.71	763,980.14
Cumberland	84,100.95	92,834.01	Moultrie	241,240.37	254,498.25
DeKalb	4,601,665.27	4,972,700.94	Ogle	829,653.50	852,216.12
DeWitt	323,627.87	345,767.67	Peoria	5,215,039.31	5,459,948.32
Douglas	453,925.12	444,358.79	Perry	283,022.25	305,259.28
DuPage	37,687,598.17	39,419,642.49	Piatt	244,254.38	464,008.03
Edgar	294,195.89	298,829.33	Pike	249,494.40	272,015.60
Edwards	86,782.97	98,645.31	Pope	22,059.23	23,971.48
Effingham	1,572,131.05	1,596,935.00	Pulaski	53,178.30	55,449.39
Fayette	374,125.98	396,555.82	Putnam	811,426.40	888,691.73
Ford	240,861.37	246,126.00	Randolph	945,898.09	1,015,302.14
Franklin	653,788.75	679,743.94	Richland	315,729.72	321,226.08
Fulton	541,373.47	531,631.09	Rock Island	3,340,950.47	3,503,122.64
Gallatin	42,267.12	42,966.09	Saline	477,159.93	485,709.61
Greene	142,909.42	144,449.98	Sangamon	5,726,723.54	5,903,727.19
Grundy	2,393,740.56	2,911,711.29	Schuyler	82,999.23	78,396.95
Hamilton	78,942.25	82,720.92	Scott	51,596.14	53,330.96
Hancock	213,588.80	210,132.66	Shelby	247,168.12	273,818.90
Hardin	28,242.02	29,046.76	St Clair	6,391,118.47	6,747,842.29
Henderson	63,795.35	58,882.39	Stark	62,696.31	122,715.58
Henry	1,033,461.25	1,063,914.12	Stephenson	945,408.66	978,002.72
Iroquois	754,770.71	726,038.14	Tazewell	3,559,430.79	3,647,825.27
Jackson	1,576,561.01	1,626,792.92	Union	283,508.12	273,050.91
Jasper	169,822.15	163,103.54	Vermillion	1,528,327.49	1,539,396.19
Jefferson	1,196,985.93	1,257,789.76	Wabash	191,067.85	215,550.94
Jersey	443,071.85	453,412.28	Warren	253,646.56	260,458.14
Jo Daviess	537,702.10	553,981.29	Washington	341,544.64	339,829.30
Johnson	121,888.57	130,745.16	Wayne	296,011.93	311,977.13
Kane	12,767,038.60	13,049,891.68	White	262,478.31	276,110.16
Kankakee	7,623,556.76	7,718,527.58	Whiteside	1,190,774.40	1,234,207.93
Kendall	1,959,807.02	2,086,928.10	Will	14,563,445.20	15,699,855.78
Knox	1,062,096.52	1,083,411.23	Williamson	1,725,833.48	1,837,735.81
Lake	22,848,435.91	23,768,047.55	Winnebago	8,201,097.53	8,575,802.02
LaSalle	3,121,989.37	3,226,673.85	Woodford	625,906.52	598,892.56
Lawrence	205,946.54	223,628.92	<b>Total</b>	<b>\$205,454,457.48</b>	<b>\$214,385,219.92</b>
Lee	584,421.45	624,125.13			

\* In Cook County, this portion of tax collections is allocated to the Regional Transportation Authority (RTA), rather than to the county. See Table 45.



## Disbursements to Local Governments (Continued)

### Replacement Taxes

#### Statutory References

- **Personal Property Tax Replacement Income Tax**  
— 35 ILCS 5/201
- **Electricity Distribution Tax and Invested Capital Taxes**  
(Electricity Invested Capital Tax, Gas Revenue Invested Capital Tax, Water Company Invested Capital Tax) —  
35 ILCS 620/2a.1 (electricity); 35 ILCS 615/2a.1 (gas);  
35 ILCS 625/3 (water)
- **Telecommunications Infrastructure Maintenance Fees**  
— 35 ILCS 635/1 to 635/905

#### Definition

The 1970 Illinois Constitution directed the legislature to abolish personal property taxes and replace the revenue lost by local governments and school districts.

The General Assembly enacted, effective July 1, 1979, the **Personal Property Tax Replacement Income Tax**. This tax was imposed on the income of corporations (other than S corporations) at the rate of 2.85 percent until December 31, 1980, after which the rate became 2.5 percent. The income of partnerships, trusts, and S corporations is taxed at the rate of 1.5 percent.

Payment of personal property replacement taxes mirrors the procedures and requirements established for calculating and remitting business income taxes. (See “Income Tax” in this section.) The only credit allowed is the Replacement Tax Investment Credit allowed to manufacturers, retailers, and miners of coal or fluorite.

In addition to the income tax component, the General Assembly enacted a tax on regulated utilities (*i.e.*, gas, electric, messages, and water) equal to 0.8 percent of invested capital. Effective January 1, 1998, the invested capital tax on electric suppliers was replaced with the electric distribution tax and the invested capital tax on telecommunications was replaced by the telecommunications infrastructure maintenance fee.

Electricity Distribution Tax is imposed on electric utilities or alternative retail electric suppliers who

- distribute electricity for use or consumption (not for resale); and
- are not electric cooperatives, school districts, or units of local government.

The tax rate is based on the kilowatt-hours (kwhs) distributed at the following monthly rates:

- \$0.00031 for the first 500 million kwhs
- \$0.0005 for the next 1 billion kwhs
- \$0.0007 for the next 2.5 billion kwhs
- \$0.0014 for the next 4 billion kwhs
- \$0.0018 for the next 7 billion kwhs
- \$0.00142 for the next 3 billion kwhs
- \$0.00131 for all kwhs distributed in excess of 18 billion kwhs

**Invested Capital Taxes** are imposed on

- electric cooperatives that are required to file reports with the Rural Utilities Service;
- persons engaged in the business of distributing, supplying, furnishing, or selling natural gas who are subject to the Gas Revenue Tax; and
- water companies subject to taxes imposed by the Illinois Income Tax Act.

The tax rate is 0.8 percent of invested capital.

A state **telecommunications infrastructure maintenance fee** (TIMFs) of 0.5 percent of gross charges is imposed on persons in the business of transmitting, supplying, or furnishing telecommunications and all associated services in Illinois for compensation (*i.e.*, telecommunications retailers).

#### Distribution

Net collections from these taxes are deposited into the Personal Property Tax Replacement Fund (30 ILCS 115/12) and are distributed eight times annually to local taxing districts. Distributions are made in January, March, April, May, July, August, October, and December.

The formula for distributing collections is as follows:

- 51.65 percent is distributed to Cook County taxing districts, which is then distributed to the taxing districts in the county on the basis of each district’s share of personal property tax collection for the 1976 tax year.
- 48.35 percent is distributed to taxing bodies in downstate counties, which is distributed based on each district’s share of personal property tax collection for the 1977 tax year.



## Disbursements to Local Governments (Continued)

### Collections and Payments

In FY 2006, the Department collected \$1,433,753,490 of which \$1,232,779,968 came from income taxes and \$200,973,522 came from invested capital taxes.

The Refund Fund percentage for replacement tax collections was 20.0 percent for FY 2006. Distributions to local governments (reflecting collections from May 2005 through April 2006) totaled \$1,273,813,566. Another \$206,385,072 was allocated to refunds.

In FY 2007, the department collected \$1,685,148,219 of which \$1,496,402,696 came from income taxes and \$188,745,523 came from invested capital taxes.

The Refund Fund percentage for Replacement Tax collections was 17.5 percent for FY 2007. Distributions to local governments (reflecting collections from May 2006 through April 2007) totaled \$1,415,837,641. Another \$169,223,475 was allocated to refunds.

**Table 55: 2006 Replacement Tax Payments by Type of District**

District type	Statewide		Cook County		Collar counties		Rest of state	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent
County	\$ 110,058,417.89	8.64%	\$ 48,991,030.69	7.46%	\$ 12,421,109.09	7.82%	\$ 48,646,278.11	10.61%
Municipality	258,303,186.29	20.28%	173,872,634.85	26.48%	18,822,141.63	11.85%	65,608,409.81	14.31%
Township	22,980,257.55	1.80%	5,620,904.66	0.86%	4,012,735.13	2.53%	13,346,617.76	2.91%
Park	67,992,829.12	5.34%	50,221,941.67	7.65%	6,786,354.73	4.27%	10,984,532.72	2.40%
Sanitary	48,097,133.73	3.78%	37,944,916.20	5.78%	3,545,634.27	2.23%	6,606,583.26	1.44%
Fire Protection	9,104,885.43	0.71%	1,650,999.05	0.25%	3,218,061.72	2.03%	4,235,824.66	0.92%
Public Health	550,757.64	0.04%	284,295.18	0.04%	0	0.00%	266,462.46	0.06%
Hospital	1,386,734.77	0.11%	0	0.00%	0	0.00%	1,386,734.77	0.30%
T. B. Sanitarium	615,888.63	0.05%	610,828.48	0.09%	0	0.00%	5,060.15	0.00%
Mosquito Abatement	565,212.22	0.04%	471,587.28	0.07%	39,469.84	0.02%	54,155.10	0.01%
Airport Authority	2,900,772.45	0.23%	0	0.00%	54,942.82	0.03%	2,845,829.63	0.62%
Public Library	3,118,103.49	0.24%	1,387,475.48	0.21%	1,002,502.08	0.63%	728,125.93	0.16%
Water Authority	16,549.56	0.00%	0	0.00%	0	0.00%	16,549.56	0.00%
Cemetery	25,399.86	0.00%	0	0.00%	528.43	0.00%	24,871.43	0.01%
Forest Preserve	11,725,054.86	0.92%	7,533,418.78	1.15%	3,163,807.50	1.99%	1,027,828.58	0.22%
Street Lighting	4,961.56	0.00%	852.02	0.00%	1,042.54	0.00%	3,067.00	0.00%
Mass Transit	744,138.47	0.06%	0	0.00%	0	0.00%	744,138.47	0.16%
River Conservation	232,157.21	0.02%	25,601.82	0.00%	0	0.00%	206,555.39	0.05%
Soil and Water Cons	1,461.52	0.00%	0	0.00%	0	0.00%	1,461.52	0.00%
Conservation	661,919.17	0.05%	0	0.00%	177,065.58	0.11%	484,853.59	0.11%
Junior College	46,178,998.15	3.63%	19,974,207.86	3.04%	6,150,780.27	3.87%	20,054,010.02	4.37%
Road District	22,610,530.40	1.78%	2,171,019.30	0.33%	3,845,288.54	2.42%	16,594,222.56	3.62%
School (K-12)	665,938,633.98	52.28%	305,819,374.56	46.58%	95,558,704.65	60.18%	264,560,554.77	57.71%
<b>Total</b>	<b>\$1,273,813,983.95</b>		<b>\$656,581,087.88</b>		<b>\$158,800,168.82</b>		<b>\$458,432,727.25</b>	

Percent of state total                      100.00%                      51.54%                      12.47%                      35.99%

**Note:** Percentages for each category may not add to 100 due to rounding.

Disbursements to  
Local Governments  
(Continued)

Table 55 (Continued): 2007 Replacement Tax Payments by Type of District

District type	Statewide		Cook County		Collar counties		Rest of state	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent
County	\$122,329,401.71	8.64%	\$54,453,294.79	7.46%	\$13,806,002.97	7.82%	\$54,070,103.95	10.61%
Municipality	287,103,459.60	20.28%	193,258,596.59	26.48%	20,920,699.05	11.85%	72,924,163.96	14.31%
Township	25,542,424.24	1.80%	6,247,608.52	0.86%	4,460,135.82	2.53%	14,834,679.90	2.91%
Park	75,573,679.97	5.34%	55,821,446.35	7.65%	7,542,991.79	4.27%	12,209,241.83	2.40%
Sanitary	53,458,727.60	3.78%	42,175,580.99	5.78%	3,940,951.86	2.23%	7,342,194.75	1.44%
Fire Protection	10,119,987.33	0.71%	1,835,077.54	0.25%	3,576,860.13	2.03%	4,708,049.66	0.92%
Public Health	612,164.47	0.04%	315,992.73	0.04%	0	0.00%	296,171.74	0.06%
Hospital	1,541,349.00	0.11%	0	0.00%	0	0.00%	1,541,349.00	0.30%
T. B. Sanitarium	684,557.23	0.05%	678,932.91	0.09%	0	0.00%	5,624.32	0.00%
Mosquito Abatement	628,230.68	0.04%	524,166.97	0.07%	43,870.56	0.02%	60,193.15	0.01%
Airport Authority	3,224,194.62	0.23%	0	0.00%	61,068.69	0.03%	3,163,125.93	0.62%
Public Library	3,465,757.08	0.24%	1,542,172.28	0.21%	1,114,276.29	0.63%	809,308.51	0.16%
Water Authority	18,394.74	0.00%	0	0.00%	0	0.00%	18,394.74	0.00%
Cemetery	28,231.85	0.00%	0	0.00%	587.35	0.00%	27,644.50	0.01%
Forest Preserve	13,032,342.04	0.92%	8,373,358.71	1.15%	3,516,556.81	1.99%	1,142,426.52	0.22%
Street Lighting	5,469.90	0.00%	947.01	0.00%	1,143.90	0.00%	3,378.99	0.00%
Mass Transit	827,106.32	0.06%	0	0.00%	0	0.00%	827,106.32	0.16%
River Conservation	258,037.04	0.02%	28,456.30	0.00%	0	0.00%	229,580.74	0.05%
Soil and Water Cons	1,608.70	0.00%	0	0.00%	0	0.00%	1,608.70	0.00%
Conservation	735,719.96	0.05%	0	0.00%	196,807.54	0.11%	538,912.42	0.11%
Junior College	51,327,734.06	3.63%	22,201,235.91	3.04%	6,836,562.64	3.87%	22,289,935.51	4.37%
Road District	25,131,470.54	1.78%	2,413,077.49	0.33%	4,274,019.69	2.42%	18,444,373.36	3.62%
School (K-12)	740,187,589.32	52.28%	339,916,762.62	46.58%	106,213,040.33	60.18%	294,057,786.37	57.71%
<b>Total</b>	<b>\$1,415,837,638.00</b>		<b>\$729,786,707.71</b>		<b>\$176,505,575.42</b>		<b>\$509,545,354.87</b>	
Percent of state total		100.00%		99.99%		99.98%		99.99%

**Note:** Percentages for each category may not add to 100 due to rounding.



## Disbursements to Local Governments (Continued)

**Table 56: Replacement Tax Payments by County**

County	2006 Amount	2007 Amount	County	2006 Amount	2007 Amount
Adams	10,583,017.39	11,762,965.75	Livingston	4,119,091.94	4,578,347.24
Alexander	745,215.02	828,302.94	Logan	2,567,806.18	2,854,100.93
Bond	788,597.05	876,521.79	Macon	8,476,212.73	9,421,269.83
Boone	3,975,996.25	4,419,294.41	Macoupin	1,796,873.19	2,003,274.02
Brown	239,801.24	266,537.94	Madison	37,283,390.10	41,434,220.57
Bureau	2,404,350.66	2,672,409.10	Marion	4,882,770.51	5,427,175.96
Calhoun	104,412.28	116,053.72	Marshall	936,325.96	1,040,721.82
Carroll	1,149,026.73	1,277,139.23	Mason	2,652,177.53	2,947,882.56
Cass	867,642.66	964,380.64	Massac	1,991,104.00	2,213,102.51
Champaign	11,880,407.39	13,204,993.66	McDonough	1,360,162.22	1,508,429.31
Christian	2,480,097.32	2,756,609.63	McHenry	9,889,529.45	10,992,151.98
Clark	885,385.77	984,102.05	McLean	12,482,061.57	13,873,743.30
Clay	1,031,895.91	1,146,947.34	Menard	511,073.77	568,056.08
Clinton	1,569,696.15	1,744,709.83	Mercer	1,635,723.18	1,818,098.44
Coles	3,906,528.20	4,342,087.31	Monroe	1,220,159.62	1,356,201.48
Cook	656,581,087.88	729,786,707.71	Montgomery	2,765,514.98	3,073,847.99
Crawford	2,162,511.25	2,403,605.99	Morgan	4,099,324.50	4,556,372.93
Cumberland	467,684.45	519,829.00	Moultrie	539,908.65	600,102.25
DeKalb	5,202,967.00	5,783,062.32	Ogle	4,414,491.96	4,906,676.13
DeWitt	2,025,359.75	2,251,177.60	Peoria	34,769,950.52	38,646,632.64
Douglas	2,844,911.31	3,162,105.25	Perry	1,718,279.96	1,909,857.93
DuPage	42,093,889.67	46,787,138.97	Piatt	10,598,228.23	11,779,879.81
Edgar	1,258,352.11	1,398,652.28	Pike	850,297.18	945,086.40
Edwards	319,023.60	354,593.26	Pope	93,506.96	103,914.46
Effingham	1,808,087.02	2,009,680.09	Pulaski	780,067.69	867,036.57
Fayette	1,224,168.15	1,360,649.09	Putnam	3,294,869.30	3,662,231.34
Ford	1,299,721.32	1,444,634.01	Randolph	4,191,538.13	4,658,865.60
Franklin	1,988,871.62	2,210,619.64	Richland	1,570,166.15	1,745,232.10
Fulton	8,959,453.00	9,958,374.98	Rock Island	26,578,805.96	29,542,209.60
Gallatin	526,243.22	584,916.73	Saline	1,277,533.93	1,419,972.76
Greene	538,495.17	598,529.14	Sangamon	16,088,608.89	17,882,399.14
Grundy	4,398,953.66	4,889,411.55	Schuyler	204,827.67	231,042.26
Hamilton	459,353.62	510,567.61	Scott	326,554.88	362,958.55
Hancock	755,332.57	839,541.35	Shelby	1,038,057.58	1,153,778.56
Hardin	446,629.04	496,426.04	St Clair	19,828,763.43	22,039,575.03
Henderson	333,336.06	370,503.04	Stark	427,273.50	474,912.44
Henry	3,297,367.66	3,664,999.65	Stephenson	3,741,451.08	4,158,601.95
Iroquois	1,769,327.73	1,966,967.08	Tazewell	21,812,199.53	24,244,142.51
Jackson	4,447,577.31	4,943,460.77	Union	1,111,170.23	1,235,056.05
Jasper	1,346,690.77	1,496,829.46	Vermilion	10,695,050.39	11,887,497.00
Jefferson	3,241,835.52	3,603,279.31	Wabash	1,154,041.45	1,282,711.52
Jersey	827,910.29	920,204.10	Warren	1,255,701.94	1,395,706.64
Jo Daviess	1,406,518.91	1,563,339.05	Washington	1,045,087.28	1,161,592.76
Johnson	949,802.83	1,055,701.28	Wayne	843,293.17	937,306.41
Kane	25,029,828.72	27,820,534.20	White	852,652.55	947,702.08
Kankakee	8,921,731.24	9,916,095.31	Whiteside	9,419,843.49	10,470,107.03
Kendall	4,691,793.25	5,214,905.64	Will	43,533,089.79	48,386,812.79
Knox	4,447,201.63	4,943,043.16	Williamson	2,933,285.86	3,260,333.11
Lake	38,253,831.19	42,518,937.48	Winnebago	47,924,689.26	53,268,053.79
LaSalle	15,961,095.37	17,740,680.63	Woodford	2,258,630.21	2,510,443.28
Lawrence	554,132.98	615,916.21			
Lee	4,519,618.83	5,023,536.24			
			<b>Total</b>	<b>\$1,273,813,983.95</b>	<b>\$1,415,837,638.00</b>

## Disbursements to Local Governments (Continued)

### Tax Increment Financing (TIF)

#### Statutory Reference

Tax Increment Allocation Redevelopment Act 65 ILCS 5/11-74.4-1

#### Illinois Tax Increment Fund

IDOR distributes state sales tax collections to municipalities that have tax TIF districts for either state sales tax, state utility tax, or both that produced an incremental growth in retail sales, or gas and electricity consumption. Funds are prorated to each municipality based on its share of the overall TIF net state increment.

Overall TIF funding is 0.27 percent of net state sales tax revenues.

**Table 57: Tax Increment Financing Allocations**

Sales Tax TIF district	2006 Amount	2007 Amount
Aledo	26,031.36	15,315.09
Arlington Heights #1	282,635.11	77,714.93
Arlington Heights #2	27,308.11	36,580.66
Aurora	5,993.96	1,381.40
Bartlett	6,586.96	5,625.26
Belleville #3	151,088.52	157,827.20
Bellevue	0.00	1,858.49
Belvidere	383.62	3,256.73
Bloomington Market Square	391,754.13	488,593.35
Bourbonnais	627,561.42	670,755.73
Breese	152,096.74	164,002.58
Buffalo Grove	106,876.96	0.00
Carbon Cliff	781.39	1,004.97
Champaign #2	10,144.77	7,067.40
Charleston	0.00	60.29
Chicago Chatham Ridge	1,032,195.07	1,106,517.12
Chicago Edgewater	24,469.75	13,365.60
Chicago Ridge #2	5,695.43	1,266.10
Chicago Ryan/Garfield	206,380.68	200,659.68
Cicero	2,077,615.01	2,398,903.54
Collinsville	714,186.42	724,986.84
Creve Coeur	108,016.39	113,369.68
DeKalb	682,365.70	819,114.43
East Peoria #2	256,253.18	280,245.48
East St. Louis	3,929.32	859.10
Effingham	1,624,466.22	2,063,962.97
Elgin #1	167,833.81	57,799.65
Elgin #2	34,952.33	47,234.89
Elmhurst	48,050.48	92,034.41
Elmwood Park	184,517.37	175,827.06
Galena	54,200.82	34,063.52
Galesburg #1	40,087.10	12,619.66
Galesburg #2	25,832.21	17,249.37
Galva	576.61	0.00
Gardner	35,845.13	19,792.63
Geneva	4,636.14	0.00
Granite City	91,447.24	37,077.04
Havana	36,885.99	17,477.13
Heyworth	12,798.46	8,206.31
Hodgkins	2,897,853.21	3,091,624.38
Hoffman Estates	10,720.61	6,586.46
Justice	4,752.37	6,971.41
La Grange	81,279.81	52,728.78
Le Roy	120,983.62	171,998.61

### Distribution

Funds are allocated quarterly to all eligible TIF municipalities. Each TIF district is subject to a reduced allocation in order to determine the net state sales tax increment (the maximum amount available to each municipality for each TIF district):

- 80 percent of the increment up to and including \$100,000
- 60 percent of the increment exceeding \$100,000 but not exceeding \$500,000
- 40 percent of all amounts exceeding \$500,000

For each quarterly distribution, each eligible municipality receives a prorated share of the available distribution amount.

Sales Tax TIF district	2006 Amount	2007 Amount
Libertyville	34,675.80	25,317.84
Manteno	29,261.96	22,068.01
Mendota	207,597.94	210,090.78
Moline	201,936.60	250,081.69
Morris	187,112.68	382,953.17
Mt. Zion	6,239.66	2,060.05
Niles Lawrencewood	759,660.58	712,075.08
North Pekin	437,800.48	119,572.39
Oak Park	76,530.85	46,483.92
Oglesby	207,791.99	243,134.28
Palos Heights	19.40	0.00
Pekin #1	173,759.97	186,677.66
Peoria Campustown	123,136.10	148,323.95
Peoria Southtown	67,945.73	56,851.00
Pontiac #1	50,192.10	12,828.76
Pontiac #2	107,181.17	25,474.47
River Forest	448,431.95	502,659.59
Rock Island	26,908.37	14,722.10
Rosemont #2	175,759.70	90,133.12
Rosemont #3	361,268.89	372,862.69
Round Lake Beach	380,010.69	779,735.17
Salem	67,170.50	0.00
Silvis	214,838.33	226,660.96
Springfield	106,952.48	39,925.76
Sterling	795.16	0.00
Sullivan	213,503.57	260,478.37
Summit	50,275.27	57,608.88
Tuscola	232,156.95	263,541.98
University Park	1,253.83	1,832.30
Urbana #2	310,114.56	293,406.55
Warrenville	324,360.86	377,248.51
Watseka	505,042.17	571,979.66
Wood River	631,456.36	653,064.81
<b>Total Sales Tax TIFs</b>	<b>\$19,399,212.18</b>	<b>\$20,153,439.43</b>
Utility Tax TIF District	2006 Amount	2007 Amount
Braidwood Utility TIF	0.00	266.08
Canton Utility TIF 4a	1,052.08	666.44
Canton Utility TIF 4b	144.05	0.00
East St. Louis Utility TIF	343.65	55.93
University Park Utility TIF	3,871.88	2,181.34
<b>Total Utility Tax TIFs</b>	<b>\$5,411.66</b>	<b>\$3,169.79</b>
<b>Total for all TIF Districts</b>	<b>\$19,404,623.84</b>	<b>\$20,156,609.22</b>



## Report on Areas of Recurrent Non-compliance

### Areas of Recurrent Non-compliance

The Illinois Department of Revenue is the major tax collector for the State of Illinois. The enforcement programs used to collect these debts are identified in Table 58.

Generally, the department has three years from the date the return is filed, or the date the tax liability is final, to file a lien against a delinquent taxpayer's property. Whether or not a lien is filed, the department generally has 20 years to take collection actions. For sales and withholding taxes, the department has three years from the filing date of the return to assess a liability against the officers or responsible party. This time period can be extended under certain circumstances. If use tax is owed and a return is not filed, the statute of limitations is six years. Otherwise, no statute of limitations exists in cases of fraud or failure to file returns.

#### Audit Bureau

The Audit Bureau helps promote voluntary compliance from taxpayers who are expected to self-assess taxes administered by the department. Auditors deter tax evasion at a minimal cost through the systematic selection of taxpayer accounts and the use of efficient verification techniques. Auditors not only identify deficiencies and delinquencies but also overpayments and refunds, which may be applied to taxpayers' accounts. Through auditor contacts, taxpayer education is provided to ensure returns are completed properly, on time and taxes are remitted appropriately.

#### Bureau of Criminal Investigations

The Bureau of Criminal Investigation consists of sworn peace officers charged with the enforcement of Illinois' criminal tax laws through the prosecution of tax scofflaws. These professional law enforcement officers develop and evaluate forensic evidence of financial tax crimes and evasion where fraud is employed to circumvent Illinois' tax laws. The publicized criminal prosecution of tax scofflaws assists the Department of Revenue in encouraging voluntary tax compliance. Criminal prosecution is usually the last enforcement tool the Department employs after all other reasonable tax collection efforts have been exhausted.

### Collection Services Bureau

The Collection Bureau's primary functions are collecting delinquent state taxes and improving voluntary compliance.

**Table 58:**

#### 2006 Major Enforcement Program Totals

Program Area	Number of cases	Amount collected
Audits*	46,327	\$ 214,020,181
Certificate of Registration Revocation	7,561	36,408,990
Comptroller Offsets	14,003	26,402,751
Corporate Officer 100 Percent Penalty	228	3,105,984
Delinquent Child Support	36,192	25,172,573
Field Compliance	30,851	69,367,697
Levies (Asset and Wage)	18,882	14,789,814
License Holds	9,268	9,367,752
Liens	12,317	2,934,298
Liquor License Programs	5,598	26,537,555
Outside Collection Agencies	57,076	26,585,106
Payment Agreements	2,828	18,057,281
Pub. of Delinquent Taxpayer Names	12,986	3,771,291
Seizure	54	913,603
Service and Call Unit	83,687	29,685,955

#### 2007 Major Enforcement Program Totals

Program Area	Number of cases	Amount collected
Audits*	49,353	\$ 290,791,333
Certificate of Registration Revocation	8,034	37,862,256
Comptroller Offsets	12,695	23,253,793
Corporate Officer 100 Percent Penalty	507	2,829,856
Delinquent Child Support	29,008	24,368,809
Field Compliance	29,544	99,922,783
Levies (Asset and Wage)	17,763	14,458,228
License Holds	9,168	12,078,549
Liens	14,153	6,527,050
Liquor License Programs	6,162	35,563,439
Outside Collection Agencies	51,007	27,194,176
Payment Agreements	3,310	20,262,615
Pub. of Delinquent Taxpayer Names	20,394	7,415,178
Seizure	74	619,620
Service and Call Unit	90,136	33,386,342

## Report on Areas of Recurrent Non-compliance (Continued)

### Tax Shelter Voluntary Compliance Law

#### Statutory Reference

35 ILCS 20/35-1 to 99-99

#### Definition

The Tax Shelter Voluntary Compliance Program was conducted from October 15, 2004, to January 31, 2005, and applied to tax liabilities under Section 201 of the Illinois Income Tax Act and applicable to taxable years beginning before January 1, 2004. Taxpayers who underreported their taxable income by participating in tax shelters were encouraged to come forward and pay the associated income tax liability without incurring any of the new penalties that have been put into effect for participating in tax shelters. Taxpayers participating in and promoters of tax shelter activities are mandated to follow specific filing procedures and registration requirements.

**Table 59: Voluntary Compliance Program Receipts**

Payments with VCP application	\$	70 million
Additional penalty and interest on payments		22 million
Atypical business income tax payments from shelter users		28 million
Atypical individual income tax payments from shelter users		12 million
Received after legislation passed but before program began		8 million
<b>Total for VCP</b>	<b>\$</b>	<b>140 million</b>

### Tax Delinquency Amnesty Act

#### Statutory Reference

35 ILCS 745/1 to 999

#### Definition

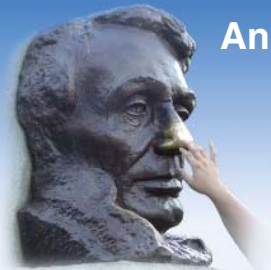
The Illinois Tax Delinquency Amnesty Act provided an opportunity for taxpayers to pay outstanding tax liabilities and to have penalties and interest forgiven. Only taxpayers that had an outstanding tax liability for a period ending after June 30, 1983, and prior to July 1, 2002, and were not a party to a criminal investigation or pending litigation for any tax collected by the Illinois Department of Revenue were eligible. Taxpayers were required to make a full payment of tax liabilities during the amnesty payment period of October 1, 2003, through November 17, 2003. Taxpayers that were eligible but failed to participate in the Amnesty Program were subject to a 200 percent increase of all penalty and interest charges for each year of eligibility.

#### Distribution

All money collected under the Tax Delinquency Amnesty Act that would otherwise be deposited into the General Revenue Fund is deposited as follows: (i) one-half into the Common School Fund; (ii) one-half into the General Revenue Fund. Two percent of all money collected under the Act is deposited by the State Treasurer into the Tax Compliance and Administration Fund, and, subject to appropriation, shall be used by the Department of Revenue to cover costs associated with the administration of the Tax Delinquency Amnesty Act.

**Table 60: 2004 Amnesty Program Comptroller Received Deposits**

Tax Source	Total Received Deposits
Automobile Renting Tax	13,267.32
Bingo Tax	506.20
Business Income Tax	353,162,632.63
Cigarette Tax	26.40
Electricity Excise Tax	11,888,463.79
Hotel Operators' Tax	319,179.74
Individual Income Tax	40,140,818.36
Liquor Gallonage Tax	17,009.66
Motor Fuel Tax	1,497,509.92
Private Vehicle Use Tax	187,334.58
Pull Tabs/Jar Games	977.75
Replacement Vehicle Tax	2,225.04
Retailers Occupational Tax	\$105,415,180.23
Underground Storage Tank	507,345.18
<b>Total</b>	<b>\$513,151,499.05</b>



## Legislation Recap for Calendar Year 2006

### Miscellaneous / Tax Administration

#### **P.A. 94-742**

Public Act 94-742 amends the Coin-Operated Amusement Device and Redemption Machine Tax Act which provides that all privilege tax decals must be securely affixed to the device and that a decal that is attached to a device behind a transparent plate or covering that is screwed, bolted, or otherwise securely fastened to the device is deemed to be securely affixed.

#### **P.A. 94-775**

Public Act 94-775 creates the Cigarette Fire Safety Standard Act which requires that all cigarettes sold in Illinois be low ignition cigarettes that extinguish themselves if not inhaled after a short time. The act provides a certification process and a testing method for cigarettes to certify that the burn time complies with requirements and performance standards. Written certification must be filed by the manufacturer with the Office of the State Fire Marshal (OSFM) and with the Office of the Attorney General (OAG). The OSFM may use an alternative test as long as the test method and performance standards are the same.

A manufacturer is exempt from the definition of a “retail dealer.” A retail or wholesale dealer may sell cigarette inventories if they can establish that tax stamps were affixed before the effective date and that the inventory was purchased before January 1, 2008. The act provides for the marking of cigarette packaging to indicate compliance and requires dealers to permit the OSFM, OAG, and the IDOR to inspect cigarette packaging. The act allows civil penalties for violations, and adds manufacturers to the list of persons who are subject to civil penalties. The Cigarette Fire Safety Standard Act Fund is created as a special fund and amends the State Finance Act accordingly. The Fund shall consist of civil penalties assessed and collected by the OAG and subject to appropriations will be used for fire safety and prevention programs.

### Income Tax

#### **P.A. 94-773**

Public Act 94-773 amends the Illinois Income Tax Act to create a tax check-off for the Supplemental Low-Income Energy Assistance Fund.

#### **P.A. 94-776**

Public Act 94-776 amends the Illinois Income Tax Act setting forth procedures for calculating the deduction for the depreciation of property for which a bonus depreciation deduction was taken from the taxpayer’s federal adjusted gross income.

#### **P.A. 94-789**

Public Act 94-789 amends the Illinois Income Tax Act to provide that a corporate income tax deduction for certain amounts paid or incurred by an interinsurer or reciprocal insurer to an attorney-in-fact: (i) applies on and after July 20, 1999; and (ii) is exempt from the Act’s sunset provisions.

#### **P.A. 94-817**

Public Act 94-817 amends the Film Production Services Tax Credit Act to set forth Illinois production spending requirements for accredited productions commencing on or after May 1, 2006. Provides that the enhanced credit of 10 percent of the Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment applies only to those productions approved after January 1, 2005 and commenced prior to May 1, 2006. Provides that, for an accredited production commencing on or after May 1, 2006, the credit is the amount equal to: (i) 20 percent of the Illinois production spending; plus (ii) 15 percent of the Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment. Defines “Illinois production spending” as the expenses incurred by the applicant for an accredited production. Defines “qualified production facility.” Provides that, to qualify as an “Illinois labor expenditure,” for an accredited production commencing on or after May 1, 2006, the expenditure is: (i) limited to the first \$100,000 (previously \$20,000) of wages paid or incurred to each employee, and (ii) not exclusive of the salary or wages paid to or incurred for the 2 highest paid employees of the production. Provides that the Department of Commerce and Economic Opportunity (DCEO) must make an annual report to the General Assembly concerning the participation of minority-owned businesses or female-owned businesses. Provides that the Act is repealed on January 1, 2008 (previously January 1, 2007).



## Legislation Recap for Calendar Year 2006 (continued)



### **P.A. 94-836**

Public Act 94-836 amends the Illinois Income Tax Act clarifying a provision concerning notices of decrease in net loss, that in order for certain notice requirements to apply, the taxpayer must incur the loss in a taxable year ending prior to December 31, 2002. In a provision concerning limitations on refunds, limits claims for refunds based on net loss for which no return was filed within 3 years of the due date (including extensions) of the return for the loss year.

### **P.A. 94-876**

Public Act 94-876 amends the Illinois Income Tax Act to create a tax check-off for the Heart Saver AED Fund.

### **P.A. 94-966**

Public Act 94-966 creates the Business Location Efficiency Incentive Act which authorizes companies applying to the Department of Commerce and Economic Opportunity (DCEO) for certain economic development assistance tax credits to seek increased or extended tax credits if: (i) the company's proposed project site is located in an area that capitalizes upon affordable workforce housing or accessible mass transit, (ii) the company submits to the Department of Commerce and Economic Opportunity an approved remediation plan to improve housing or access to mass transit, or (iii) the company's project is located in labor surplus areas. Authorizes, but does not require, DCEO to award such incentives. Repeals the Act on December 31, 2011.

### **P.A. 94-1021**

Public Act 94-1021 amends the Illinois Income Tax Act providing that certain existing credits apply to business enterprises within a River Edge Redevelopment Zone. Creates a River Edge Redevelopment Zone site remediation tax credit and creates a deduction for dividends paid by a corporation that operates within a River Edge Redevelopment Zone.

### **P.A. 94-1067**

Public Act 94-1067 amends the Illinois Income Tax Act creating income tax credits for wages paid to eligible ex-offenders and qualified veterans. The credit is 5 percent of the qualified wages paid and may not exceed \$600 per year for each veteran hired or \$600 in total for all years for each ex-offender. Veterans must provide documentation to the taxpayer that the veteran has received an honorable discharge.

## **Property Tax/Local Government**

### **P.A. 94-922**

Public Act 94-922 amends the Property Tax Code to allow a county collector to conduct a tax sale by automated means, provided that bidders are required to personally attend the sale.

### **P.A. 94-821**

Public Act 94-821 amends the Conveyances Act to require that all signatures conveying an interest in real property be acknowledged on the instrument of conveyance before a notary public or any officer or court identified in Section 20 of the Conveyances Act.

### **P.A. 94-794**

Public Act 94-794 amends the Property Tax Code to re-enact the Senior Citizens Assessment Freeze Homestead Exemption and to include validation provisions, increases the maximum reduction for the Senior Citizens Homestead Exemption from \$3,000 to \$3,500 for taxable years 2006 and thereafter, and the exemption decreases as income increases. Increases the maximum income limitation in the Senior Citizens Assessment Freeze Homestead Exemption from \$45,000 to \$50,000 for taxable years 2006 and thereafter and amends the Senior Citizens Real Estate Tax Deferral Act to increase the maximum income limitation under the Act from \$40,000 to \$45,000 for taxable years 2006 and thereafter.

### **P.A. 94-1021**

Public Act 94-1021 creates the River Edge Redevelopment Zone Act which sets forth procedures for the creation of 2 pilot zones, one in the City of East St. Louis and one in the City of Aurora, to be designated and certified as a River Edge Redevelopment Zone. Sets forth procedures for an amendment to a decertification of a zone. Sets forth procedures for the adoption of tax increment financing within a zone. Contains other provisions concerning zone administration. Amends the Department of Commerce and Economic Opportunity (DCEO) to establish and maintain a program to provide grants and assistance with respect to River Edge Redevelopment Zones. Amends the Corporate Accountability For Tax Expenditures Act. Includes, within the definition of "developmental assistance", tax credits, exemptions, grants, and loans concerning River Edge Redevelopment Zones.



## Legislation Recap for Calendar Year 2006 (continued)

Amends the Property Tax Code. Authorizes taxing districts to abate property taxes for property within River Edge Redevelopment Zones. Amends the Environmental Protection Act. Provides that sites within River Edge Redevelopment Zones are included as brownfield sites under the Municipal Brownfields Redevelopment Grant Program. Requires the Environmental Protection Agency (IEPA) to jointly review, with DCEO, applications for the Environmental Remediation Tax Credit and sets the fee for review at \$250 for each site. Increases the maximum brownfield grant from \$240,000 to \$2,000,000 for River Edge Development Zone sites.

Amends the Illinois Income Tax Act. Provides that certain existing credits apply to business enterprises within a River Edge Redevelopment Zone. Creates a River Edge Redevelopment Zone site remediation tax credit. Creates a deduction for dividends paid by a corporation that operates within a River Edge Redevelopment Zone.

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Creates exemption for building materials to be incorporated into real estate within a River Edge Redevelopment Zone. In various Acts, exempts the tax credits and deductions for River Edge Redevelopment Zones from tax sunset provisions.

Creates the Southern Illinois Economic Development Authority Act. Establishes the Southern Illinois Economic Development Authority in Franklin, Perry, Randolph, Jackson, Williamson, Saline, Gallatin, Union, Johnson, Pope, Hardin, Alexander, Pulaski, and Massac counties in order to promote economic development within those counties. Contains provisions concerning the powers and duties of the Authority. Allows the Authority to acquire, own, sell lease or otherwise dispose of interests in real property and to issue bonds, notes, or other evidences of indebtedness for certain purposes in an aggregate amount not to exceed \$250 million.

### **P.A. 94-1031**

Public Act 94-1031 amends the Property Tax Code. Provides that property owners must notify affected fire protection districts upon the filing of any application for a non-homestead exemption that would reduce the assessed valuation of any property by more than \$100,000 and provides that the districts must be given the opportunity to be heard on the matter.

### **P.A. 94-974**

Public Act 94-974 amends the Property Tax code. Sets forth procedures for calculating the value of certain leasehold estates for property that is owned by the United States and that is leased to another whose property is not exempt for the purpose of design, finance, construction, renovation, management, operation, and maintenance of rental housing units. Authorizes taxing districts to abate the property taxes for such property.

Within the Property Tax Extension Limitation Law in the Property Tax code, includes within the definition of "new property," the assessed value of any real property located within the boundaries of an otherwise exempt military reservation that is intended for residential use and owned by or leased to a private corporation or other private entity after the final stabilization of occupancy after the new construction is complete.

### **P.A. 94-976**

Public Act 94-976 amends the Property Tax Extension Limitation Law (PTELL) of the Property Tax Code. Sets forth procedures that taxing districts must follow when seeking referendum approval after March 21, 2006 to increase: (i) the maximum authorized tax rate for any fund for which the taxing district is authorized by statute to levy taxes and which rate is limited by prior referendum or statutory authorization and which rate is authorized by statute to be increased for a limited or unlimited number of years by direct (and NOT back door) referendum, except for increases that require an equal corresponding tax rate decrease for another fund; or (ii) the maximum extended tax rate applicable only to the next taxes to be either levied or extended for any fund notwithstanding the limiting rate that would otherwise be applicable for such taxing district. Sets forth requirements for form of ballot propositions and referendum notices. Sets forth procedures for setting the new tax rates. Provides that a taxing district is limited to an extension limitation (instead of "extension increase") of 5 percent or the percentage increase in the Consumer Price Index (CPI) during the 12-month calendar year preceding the levy year, whichever is less.

Adds additional language that must be included with a ballot proposition to increase a limiting rate stating that, if the proposition is approved, the aggregate extension for each levy year for which the increase will apply will be determined by the limiting rate set forth in the proposition, rather than the otherwise applicable limiting rate calculated under the provisions of PTELL.

## Legislation Recap for Calendar Year 2006 (continued)

### **P.A. 94-785**

Public Act 94-785 amends the Real Estate Transfer Tax Law in the Property Tax Code. Requires the Department of Revenue to establish a system to allow a recorder or registrar of titles of a county to purchase the revenue stamps electronically from the Department and to deliver the electronically purchased stamps to the recorder or registrar of titles.

### **P.A. 94-1013**

Public Act 94-1013 amends the Municipal Code. Allows a member of the corporate authorities of a municipality to acquire an interest in property located in a redevelopment area or a proposed redevelopment area for a period of one year after the effective date of the Act if: (i) the property is used exclusively as the member's primary residence; (ii) the member discloses the acquisition to the municipal clerk; (iii) the acquisition is for fair market value; (iv) the member acquires the property as a result of the property being publicly advertised for sale; and (v) the member refrains from voting on, and communicating with other members concerning, any matter when the benefits to the redevelopment project or area would be significantly greater than the benefits to the municipality as a whole.

### **P.A. 94-1002**

Public Act 94-1002 amends the Property Tax Code. Extends by 10 years (from December 31, 2006 to December 31, 2016) the date of repeal of a Section concurring the assessment of vegetative filter strips.

### **P.A. 94-859**

Public Act 94-859 amends the Downstate Firefighter Article of the Illinois Pension Code. Provides that the annual property tax levied for pension purposes tax shall be forwarded directly to the treasurer of the board within 30 business days of receipt by the county (formerly, by the municipality).

### **P.A. 94-1019**

Public Act 94-1019 amends the School Code. Creates a new Article concerning the conversion and formation of school districts. Contains provisions concerning school district conversions; combined school district formation; unit school district formation; partial elementary unit school district formation; petitions; the holding of an election; teachers in contractual continued service; limitations on contesting boundary changes; a limitation on successive petitions; a school district's non-recognition status; unit district formation and a joint agreement vocational education program; and incentives.

Makes changes concerning the conditions under which an optional elementary unit district may be organized; the specification of taxing purposes and rates with respect to a unit district and a tax for capital improvement purposes; and, for optional elementary unit districts, the tax rates set forth in the petition, a tax for capital improvement purposes, an annual rate reduction, and increasing the tax rate. Removes provisions amending Sections of the School Code concerning tax levies, purposes, and rates; additional levies and the submission to voters; and increasing tax rates for operations and maintenance purposes.

Repeals provisions concerning unit school district conversion in districts with not more than 250 students in grades 9 through 12, unit school district formation, school district combination, school district conversion, and supplementary State aid for new, annexing, and resulting districts. Makes related changes in the School Code and Election Code.

### **P.A. 94-750**

Public Act 94-750 amends the Property Tax Code. Provides for a property tax exemption for property at Midway Airport that is leased by a municipality or unit of local government to another entity whose property is not exempt for the purpose of parking or for waste disposal or processing and is leased for continued use for the same purpose to another entity whose property is not exempt. Requires that transactions for the lease of property by a municipality or unit of local government be undertaken in accordance with all appropriate federal laws and regulations.

Creates the Local Government Facility Lease Act. Defines "facility property" as property that is owned by a municipality with a population of over 500,000 inhabitants (the City of Chicago ONLY), or a unit of local government in such a municipality, that is used by the municipality or unit of local government for the purpose of airport, parking, or waste disposal or processing facilities. Sets forth requirements on the lease of facility property to a private entity for continued use for the same purpose. With respect to all leased facility property, requires the lessee to comply with all applicable ordinances of the municipality in which the property is located governing contracting with minority-owned and women-owned businesses and prohibiting discrimination and requiring appropriate affirmative action. With respect to leased facility property used for airport purposes, sets forth requirements concerning the use of the lease proceeds by the lessor, labor agreements, wage requirements, and offers of employment to existing employees.



## Legislation Recap for Calendar Year 2006 (continued)

Limits the expansion of runways at Chicago Midway International Airport, which is facility property that is used for airport purposes. Provides that the provisions of the Act are judicially enforceable by injunctive relief and actual damages. Preempts home rule. Amends the Illinois Municipal Code. Provides that Chicago Midway International Airport is subject to Local Government Facility Lease Act. Amends the Prevailing Wage Act. Provides that the definition of “public works” includes all projects at leased facility property used for airport purposes under the Local Government Facility Lease Act.

Limits the expansion of runways at Chicago Midway International Airport, which is facility property that is used for airport purposes. Provides that the provisions of the Act are judicially enforceable by injunctive relief and actual damages. Preempts home rule. Amends the Illinois Municipal Code. Provides that Chicago Midway International Airport is subject to Local Government Facility Lease Act. Amends the Prevailing Wage Act. Provides that the definition of “public works” includes all projects at leased facility property used for airport purposes under the Local Government Facility Lease Act.

### **P.A. 94-1055**

Public Act 94-1055 creates the Eminent Domain Act. Repeals the Eminent Domain Article of the Code of Civil Procedure and moves its provisions into the new Act. Adds new substantive provisions relating to takings for private use, the burden of proof, the elimination of blight, relocation expenses, attorney’s fees and other costs; redevelopment project costs; the definition and determination of blight; acquisitions for utility, pipeline, and railroad purposes; acquisitions for other specified purposes; and the sale of certain property acquired by condemnation for public ownership or control.

Provides that a condemning authority may exercise the power of eminent domain for the acquisition of property in furtherance of an existing tax increment allocation redevelopment plan or the O’Hare Modernization Act as provided for by the law in effect prior to the effective date of this Act. Deletes certain references to public use. Provides that certain exemptions relating to the O’Hare Modernization Act apply to the damaging, as well as acquisition, of property. Provides that the valuation date is the date of filing the complaint under the O’Hare Modernization Act. In a Section providing that the Eminent Domain Act controls over conflicting laws, provides an exception for the acquisition or damaging of property under the O’Hare Modernization Act.

Creates a list of eminent domain powers in other statutes. Makes numerous technical changes. Makes conforming changes in other statutes. Preempts home rule. Amends the State Mandates Act to require implementation without reimbursement.

## **Sales and Excise Tax**

### **P.A. 94-776**

Public Act 94-776 amends the Retailers’ Occupation Tax Act. Requires the purchaser or transferee of certain business assets to file a notice of the sale or transfer of those assets with the Department of Revenue within 10 business days (now, 10 days) of the sale or transfer and authorizes the purchaser or transferee to notify the Department of the sale or transfer of those assets at least 10 business days (now, 10 days) before the intended sale or transfer. Requires that any order issued by the Department to withhold from the purchase price shall be issued within 10 business days (now, 10 days) after the Department receives the notice. Requires the Department to provide written notice of the actual amount of taxes, penalties, and interest due and whether additional amounts may become due within 60 business days (now, 60 days) after the issuance of the initial order. Purchaser or transferee is relieved of any duty to continue to withhold from the purchase price if the Department fails to notify the purchaser or transferee of the amount to be withheld within 10 business days (now, 10 days) after the sale or transfer or within 60 business days (now, 60 days) after issuance of the initial order to withhold.

Amends the Local Mass Transit District Act. Provides that, after July 1, 2004, if the voters have approved a referendum to increase the tax rate, the Metro East Mass Transit District Board of Trustees may adopt by a majority vote an ordinance that excludes tangible personal property that is titled or registered with a State agency from an approved tax rate increase and establishes requirements for the administration and enforcement of the rate increase. Prohibits the Board from reimposing a previously excluded tax rate increase. Makes corresponding changes. Deletes provisions: (i) requiring the Board to forward a copy of certain fee ordinances to the Secretary of State; (ii) authorizing the Board to impose a penalty against a retailer that fails to pay applicable fees within 30 days of the date of the transaction; and (iii) authorizing the Board to impose a replacement vehicle tax.

Amends the Illinois Lottery Law. Makes various changes to conform with the transfer of all powers, duties, rights, and responsibilities vested in the Department of the Lottery to the Department of Revenue in accordance with Executive Order No. 9 (2003)

## Legislation Recap for Calendar Year 2006 (continued)

### **P.A. 94-781**

Public Act 94-781 amends the Retailers' Occupation Tax Act. Repeals and reinstates, with a different placement within the Act, a Section concerning an exemption for building materials for intermodal terminal facility areas. Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Counties Code to make corresponding changes.

### **P.A. 94-1021 (See page 105)**

### **P.A. 94-836**

Public Act 94-836 amends the Illinois Income Tax Act. In a provision concerning notices of decrease in net loss, provides that, in order for certain notice requirements to apply, the taxpayer must incur the loss in a taxable year ending prior to December 31, 2002. In a provision concerning limitations on refunds, limits claims for refunds based on net loss for which no return was filed within 3 years of the due date (including extensions) of the return for the loss year.

Also amends the Public Utilities Act. In provisions concerning credits a public utility is entitled to in respect to its obligations to remit the State taxes it has collected under the Electricity Excise Tax Law, makes changes as to when the qualified solid waste energy facility (QSWEF) must reimburse the Public Utility Fund and the General Revenue Fund (GRF) for the actual reduction in payments to those funds and provides that the payments shall be made to the Illinois Commerce Commission (ICC), which shall determine the appropriate disbursements to the Public Utility Fund and GRF. Provides that a QSWEF may receive the purchase rate equal to the average amount per kilowatt-hour paid from time to time by the unit or units of local government in which the electricity generating facilities are located, excluding amounts paid for street lighting and pumping service, only for kilowatt-hours generated by the use of methane gas generated from landfills.

Provides that, if the ICC determines that a QSWEF has violated the requirement regarding the use of methane gas generated from a landfill, then the Commission shall issue an order requiring That the QSWEF repay the State for a dollar amount of electricity sales that is determined by the ICC to be the result of the violation. Provides that, as part of that order, the Commission shall have the authority to revoke the facility's approval to act as a QSWEF. Provides that a QSWEF must receive ICC approval before it can use any fuel in addition to methane gas generated from a landfill in order to generate electricity.

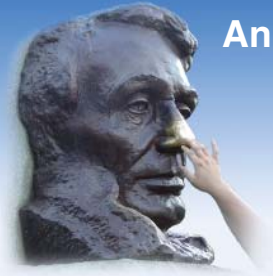
Provides that beginning 7/1/06 through 7/31/09, the State Comptroller shall transfer from GRF to the Municipal Economic Development Fund in the State treasury an amount equal to the amount by which the amount received by the Department of Revenue from QSWEFs for the sale of electricity to electric utilities during the month in calendar year 2002 that corresponds to the immediately preceding month exceeds the amount received by the Department of Revenue from QSWEFs for the sale of electricity to electric utilities during the immediately preceding month, if any.

Provides that, beginning on the first date on which renewable energy certificates or other saleable representations are sold by a QSWEF, with or without the electricity generated by the facility, and utilized by an electric utility or another electric supplier to comply with a renewable energy portfolio standard mandated by Illinois law or mandated by order of the ICC, the QSWEF may not sell electricity and shall be exempt from certain requirements concerning the sale of electricity, but shall remain obligated for certain reimbursements to the State. Provides that certain provisions concerning the sale of electricity by QSWEFs shall remain in full force and effect with respect to a QSWEF that sold electricity at any time before July 1, 2006 and that does not sell renewable energy certificates or other saleable representations to meet the requirements of a renewable energy portfolio standard mandated by Illinois law or mandated by order of the ICC. Provides that, beginning on July 1, 2006, the Commission shall not issue any order determining that a facility is a QSWEF unless it was determined by the ICC to be a QSWEF before July 1, 2006.

### **P.A. 94-1002**

Public Act 94-1002 Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Imposes a 6/30/2011 sunset date on tax exemptions for:

- qualifying food and drugs purchased for use by a person receiving Medicaid assistance and who resides in a nursing home, and
- for the centralized purchasing in Illinois of certain items that will be transported out of Illinois and used or consumed solely outside Illinois.



## Legislation Recap for Calendar Year 2006 (continued)

### Gaming

#### **P.A. 94-986**

Public Act 94-986 amends the Charitable Games Act. Re-enacts provisions of the Act affected by Public Act 88-669, which was held to be unconstitutional as a violation of the single subject clause of the Illinois Constitution. Includes validation provisions.

## Legislation Recap for Calendar Year 2007



### Miscellaneous / Tax Administration

#### **P.A. 95-284**

Public Act 95-284 amends the Illinois Vehicle Code. Provides that a vehicle dealer has complied with the provision requiring the dealer to deliver to the Secretary of State, within 20 days after transferring a vehicle to another person, the certificate of title to that vehicle, if the dealer mails the title certificate to the Secretary within the 20 days, according to the postmark. Provides that a security interest in a vehicle is perfected as of the time of its creation, if delivery of the necessary documentation to the Secretary of State is completed within 30 (rather than 21) days after the creation of the security interest or receipt of the existing certificate of title by the new lienholder.

#### **P.A. 95-482**

Public Act 995-482 amends the Social Security Number Protection Task Force Act. Provides that the Task Force is created within the Office of the Attorney General and that the Attorney General is responsible for administering the activities of the Task Force. Requires the Task Force to explore the technical and procedural changes that are needed in order to implement a unique identification number system to replace the use of social security numbers by State and local government agencies. Requires the Task Force to report to the Governor, the Attorney General, the Secretary of State, and the General Assembly by December 31 of each year (now March 1, 2006). Increases the membership of the Task Force and provides that the member appointed by the Attorney General shall serve as chairperson of the Task Force.

#### **P.A. 95-129**

Public Act 95-129 creates the Condominium Advisory Council Act. Subject to appropriation, the Condominium Advisory Council is created in the Department of Revenue. Subject to appropriation, the Department shall provide administrative and financial support to the Council. Provides that the council will be composed of 7 members, 4 appointed by the legislative leaders and 3 appointed by the Governor. Provides that the Council shall: (1) identify issues facing condominium owners, condominium associations, and other persons who have financial interests in condominiums; (2) study the Condominium Property Act and related Acts that affect condominium ownership and suggest legislation to the General Assembly to amend those Acts; and (3) report its findings and recommendations to the Governor and General Assembly by January 31, 2008. Provides that the Council shall be dissolved 30 days after it reports its findings and recommendations to the Governor and General Assembly.

#### **P.A. 95-26**

Public Act 95-26 creates the Employee Classification Act. Provides that an individual performing services for a contractor is deemed to be an employee of the employer. Provides that an individual performing services for a contractor is deemed to be an employee of the contractor unless it is shown that: (1) the individual has been and will continue to be free from control or direction over the performance of the service for the contractor, both under the individual's contract of service and in fact; (2) the service performed by the individual is outside the usual course of services performed by the contractor; and (3) the individual is engaged in an independently established trade, occupation, profession or business; or (4) the individual is deemed a legitimate sole proprietor or partnership. Provides that subcontractors or lower tiered contractors are subject to all provisions of the Act. Provides that the Department of Labor shall post a summary of the requirements of this Act in English, Spanish, and Polish on its official web site and on bulletin boards in each of its offices. Provides that it is a violation of the Act for an employer or entity not to designate an individual as an employee under the Act unless the employer or entity satisfies the provisions of the Act. Provides for civil remedies and civil penalties. Amends various Acts to make conforming changes.

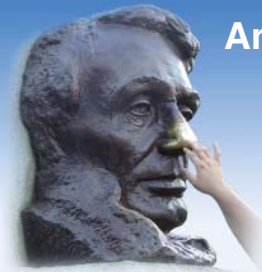
#### **P.A. 95-228**

Public Act 95-228 amends the Illinois Pull Tabs and Jar Games Act, the Bingo License and Tax Act, and the Charitable Games Act. Makes changes in provisions concerning definitions, licenses to conduct games, restrictions, payment of taxes and fees, and record keeping. Adds provisions concerning extension of licenses and imposition of civil penalties. In the Illinois Pull Tabs and Jar Games Act, adds provisions concerning providers' licenses and suppliers' licenses.

#### **P.A. 95-264**

Public Act 95-264 amends the Motor Fuel Tax Law. Provides that, if a private biodiesel producer's total taxable gallonage for biodiesel fuel and biodiesel fuel blends is less than 5,000 gallons per year, then he or she must file returns on an annual basis. Requires monthly returns for all other private biodiesel producers.

Provides that private biodiesel providers are exempt from certain bonding and licensure requirements. Defines "private biodiesel producer." Amends the Environmental Impact Fee Law. Provides that the provisions of the Motor Fuel Tax Law concerning private biodiesel producers apply to the Environmental Impact Fee Law.



## Legislation Recap for Calendar Year 2007 (continued)

### **P.A. 95-462**

Public Act 95-462 amends the Cigarette Tax Act. Provides that the definition of “retailer” does not include any person who transfers cigarettes to a not-for-profit research institution that conducts tests concerning the health effects of tobacco products and who does not offer the cigarettes for resale. Amends the Cigarette Use Tax Act. Provides that the definition of “distributor” does not include any person who transfers cigarettes to a not-for-profit research institution that conducts tests concerning the health effects of tobacco products and who does not offer the cigarettes for resale.

### **P.A. 95-233**

Public Act 95-233 creates the Fiscal Year 2008 Budget Implementation (Revenue) Act. Creates the Franchise Tax and License Fee Amnesty Act of 2007. Also amends the Illinois Income Tax Act to close several Income Tax loopholes. Also makes changes to provisions concerning persons excluded as members of a unitary business group. Provides that certain addition modifications concerning bonds apply for taxable years ending on or after December 31, 2008. Makes changes concerning income modifications with respect to real estate investment trusts. Defines “captive real estate investment trust.” Amends the Retailers’ Occupation Tax (ROT) Act to repeal the state sales tax automobile rental car exemption. Amends various other Acts to make changes in State programs concerning revenue that are necessary to implement the Fiscal Year 2008.

### **P.A. 95-18**

Public Act 95-18 creates the Clean Coal FutureGen for Illinois Act for the purpose of providing the FutureGen Alliance with adequate liability protection, land use rights, and permitting certainty to facilitate the siting of the FutureGen Project in Illinois. Contain provisions concerning transfer of title to sequestered gas and associated liabilities to the State; insurance and indemnification by the State for the Operator for certain liabilities; permits; land use, including condemnation powers; and economic incentives. Contains a severability clause. Amends: the Department of Commerce and Economic Opportunity (DCEO) Law concerning financial assistance; the Illinois Enterprise Zone Act concerning high impact businesses; and the Court of Claims Act and the State Lawsuit Immunity Act concerning jurisdiction. Provides that the Act is repealed on December 31, 2010 unless the FutureGen Project is located at either Tuscola or Mattoon.

## **Income Tax**

### **P.A. 95-286**

Public Act 95-286 amends the Illinois Income Tax Act. Provides that an individual may take an income tax deduction for compensation paid for service in the National Guard of any state (now, only the Illinois National Guard).

### **P.A. 95-23**

Public Act 95-23 amends the State Treasurer Act. Removes the requirement that the State Treasurer adjust each account at least annually to ensure compliance with the requirements of the College Savings Pool. Provides that the Treasurer shall limit the contributions that may be made on behalf of a designated College Savings Pool beneficiary based on the limitations established by the Internal Revenue Service (now, based on an actuarial estimate of what is required to pay tuition, fees, and room and board for 5 undergraduate years at the highest cost eligible educational institution).

Amends the Illinois Income Tax Act. Provides that for taxable years beginning on or after January 1, 2007, distributions from certain qualified tuition programs under the Internal Revenue Code that are administered by other states are exempt from the requirement that a distribution from an Internal Revenue Code qualified tuition program be included when determining adjusted gross income for purposes of determining base income. Requires taxpayers to add to their base income an amount equal to the amount previously deducted for deposits into a qualified tuition program if the moneys are transferred from a qualified tuition program that is administered by the State to an out-of-state program.

### **P.A. 95-648**

Public Act 95-648 amends the Illinois Income Tax Act. Reinstates, for taxable years ending on or after December 31, 2007, the tax credit for start-up costs for providing employee child care. Exempts the credit from the sunset provisions of the Act.

### **P.A. 95-217**

Public Act 95-217 amends the Illinois Prepaid Tuition Act. Provides that the intent of the Act is to both encourage and better enable Illinois families to help themselves finance the cost of higher education through a program that provides Illinois families with a method of State tax-free and federally tax-exempt for higher education (instead of for college tuition). Removes a provision that provides that once a partial benefit of a prepaid tuition contract has been disbursed, any tax liability attributable to the contract and its assets becomes a tax liability of the qualified beneficiary, unless otherwise specified in the contract.



## Legislation Recap for Calendar Year 2007 (continued)

### **P.A. 95-333**

Public Act 95-333 amends the Illinois Income Tax Act. Deletes the provision that refunds with respect to the earned income tax credit are subject to the availability of funds from the federal Temporary Assistance for Needy Families Block Grant and the State's ability to meet its required Maintenance of Effort.

### **P.A. 95-375**

Public Act 95-375 amends the Economic Development for a Growing Economy Tax Credit Act. Provides that the Act does not prohibit a tax credit award to an applicant that uses full-time employees from an employee-leasing company.

### **P.A. 95-434**

Public Act 95-434 amends the Illinois Income Tax Act. creates a tax check-off for the Lung Cancer Research Fund. Amends the State Finance Act to create the Fund. Amends the Department of Public Health (IDPH) Powers and Duties Law of the Civil Administrative Code of Illinois. Provides that, from appropriations to the Department from the Fund, IDPH shall make grants to public or private not-for-profit entities for the purpose of lung-cancer research.

### **P.A. 95-435**

Public Act 95-435 amends the Illinois Income Tax Act. Creates a tax check-off for the Autoimmune Disease Research Fund. Makes changes to references concerning funds subject to the Act's tax check-off provisions. Provides that there may be no more than 15 tax-check-off funds contained on the individual tax return form at any one time. Requires the Department of Revenue to determine, each year, whether the sum of: (i) the number of new tax-check-off funds created by the General Assembly during that year plus (ii) the number of tax-check-off funds that collected at least \$100,000 during the previous year exceeds 15 and, if so, to reduce that number to 15 starting with those funds that received the least amounts of contributions.

### **P.A. 95-454**

Public Act 95-454 amends the Illinois Income Tax Act and the Environmental Protection Act. Rewrites the previous year's River Edge Redevelopment Act enacted in Public Act 94-1021 that set forth standards for the Environmental Protection Agency's review of remediation costs with respect to the River Edge Redevelopment Zone site remediation tax credit to move the tax credit language into the correct Section of the Illinois Income Tax Act.

### **P.A. 95-8**

Public Act 95-8 amends the Illinois Income Tax Act. Sets forth procedures for employers who are required to deduct and withhold tax after January 1, 2008. Sets forth dates by which returns and payments must be made to the Department of Revenue for both quarterly and annual filings. Sets forth the regulatory authority of the Department concerning the returns and payments. Requires all returns to be made on or before the last day of the first month following the close of a calendar quarter. Requires semi-weekly payments for employers who are required to withhold more than \$12,000 (previously, \$3,000) in any calendar quarter. Authorizes the Department of Revenue to allow annual returns only if the aggregate amounts required to be withheld do not exceed \$1,000 for the calendar year. Authorizes the Department to adopt rules to increase the threshold dollar amounts at which employers are required to make semi-weekly payments.

Also amends the Illinois Municipal Code concerning the imposition of use and occupation taxes by non-home rule municipalities. Sets forth dates for the filing, administration, and enforcement of ordinances or resolutions that impose or discontinue a tax or change the tax rate in a non-home rule municipality with more than 150,000 but fewer than 200,000 inhabitants (intended to apply to the City of Rockford).

### **P.A. 95-233**

Public Act 95-233 amends the Illinois Income Tax Act to require withholding by partnerships, S corporations and trusts from nonresident owners; to disallow deductions for interest, intangible expenses and insurance premiums paid to affiliates who would be included in the same unitary business group as the taxpayer, if not for the prohibition against including taxpayers using different apportionment formulas in the same group; to disallow the federal dividends-paid deduction for captive real estate investment trusts; to require reductions in Illinois net loss carryovers when federal net operating loss carryovers are reduced by income from discharge of indebtedness; and to change the business income apportionment formulas to source receipts from services to the place where the services are received. Amends the Retailers' Occupation Tax (ROT) Act to repeal the state sales tax automobile rental car exemption. Amends various other Acts to make changes in State programs concerning revenue that are necessary to implement the Fiscal Year 2008.



## Legislation Recap for Calendar Year 2007 (continued)

### Property Tax/Local Government

#### **P.A. 95-195**

Public Act 95-195 amends the Property Tax Code. Other than within Cook County, authorizes the personal service of the notice of the expiration of the period of redemption to be made by licensed or registered private detectives. Includes private detectives within a provision concerning proof of service of the notice of the expiration of period of redemption. Provides that the amount of redemption includes the costs incurred in causing notices to be served by a licensed or registered private detective, but those costs may not exceed the amount that the sheriff would be authorized by law to charge if those notices had been served by the sheriff.

#### **P.A. 95-643**

Public Act 95-643 amends the Forest Preserve District Act. Subject to front door referendum, increases from 0.01 percent to 0.06 percent the maximum property tax rate for construction, maintenance, and security of zoos. Applies only to the Quad City Zoo.

Also amends the Park District Aquarium and Museum Act. Subject to front door referendum, increases from 0.07 percent to 0.15 percent the maximum property tax rate of maintenance of aquariums and museums. Excludes park districts with a population greater than 500 thousand. While this bill appears to have been passed for the Decatur Park District (the only such district that is currently levying slightly over the allowable limit), it could also apply to the Jackson County/Murphysboro, Lee County/Dixon, Peoria County/Pleasure Driveway, and Whiteside/Coloma Aquarium and Museum Districts.

#### **P.A. 95-404**

Public Act 95-404 amends the Property Tax Code. Sets forth procedures for calculating certain adjustments with respect to the Property Tax Extension Limitation Law (PTELL).

#### **P.A. 95-70**

Public Act 95-70 amends the Property Tax Code. Provides that if land is improved with a water-retention dam that is operated primarily for commercial purposes, that dam is not considered to be used for open space purposes despite the fact that any resulting man-made lake may be considered to be used for open space purposes.

#### **P.A. 95-203**

Public Act 95-203 amends the Counties Code and the Illinois Municipal Code. Provides that a county may establish standards for wind farms and electric-generating wind devices. Provides that a county may regulate the siting of wind farms and electric-generating wind devices in unincorporated areas of the county outside of the zoning jurisdiction of a municipality and the 1.5 mile radius surrounding the zoning jurisdiction of a municipality. Provides that a municipality may regulate wind farms and electric-generating wind devices within its zoning jurisdiction and within the 1.5 mile radius surrounding its zoning jurisdiction. Provides that there shall be at least one public hearing not more than 30 days prior to a siting decision by a county or municipality. Authorizes test wind towers for up to 3 years. Provides that any provision of a county zoning ordinance pertaining to wind farms that is in effect before the August 16, 2007, effective date of the bill may continue in effect notwithstanding certain other requirements set forth in the bill.

#### **P.A. 95-644**

Public Act 95-644 amends the Property Tax Code. This is House Speaker Michael Madigan's version of the Cook County "7 percent Solution Bill."

#### *Cook County ONLY Provisions*

Enhances the benefits to Cook County homeowners by raising what had formerly been a \$20,000 maximum on the Adjusted General Homestead Exemption (AGHE) to \$33,000 in the first year of reassessment, \$26,000 in the second year, and \$20,000 in the third year.

For the 2006 taxable year ONLY, provides for an additional AGHE of \$7,000 if the change in assessment is 100 percent or more, and an additional AGHE of \$2,000 if the change in assessment is at least 80 percent but less than 100 percent.

#### *Statewide Provisions*

Continues to allow the taxable equalized assessed valuation (EAV) of a homestead property to rise by no more than 7 percent per year through the creation of an alternative General Homestead Exemption that keeps taxable value at 7 percent, a provision enacted in 2004 which expires this year.

## Legislation Recap for Calendar Year 2007 (continued)



Creates a new Long Term Owner Homestead Exemption with a means test. Homeowners whose household income is less than \$75,000 cannot see their taxable EAV grow by more than 7 percent without a cap. Homeowners whose income is between \$75,000 and \$100,000 cannot see their EAV grow by more than 10 percent, again without a cap.

Increases the Senior Citizens Homestead Exemption by \$500 (from \$3,500 to \$4,000).

Raises the Senior Citizens Assessment Freeze Homestead Exemption income limit to \$55,000.

Increases the General Homestead Exemption by \$1,000 in two steps (from \$5,000 to \$5,500 to \$6,000).

Creates a new Returning Veterans Homestead Exemption of \$5,000 (new exemption for one year only).

Creates a new Disabled Veterans Homestead Exemption of between \$2,500 and \$5,000 (new exemption based on the veteran's disability).

Creates a new Disabled Person's Homestead Exemption of \$2,000 (new exemption for disabled homeowners).

Creates a new Long-time Occupant Homestead Exemption (new means tested exemption for homeowners of at least 10 years).

Provides for abatement for Resident of Returning Surviving Spouse of a Fallen Police Officer or Rescue Worker (new).

Creates a new Property Tax Reform and Relief Task Force.

Creates a separate value-based property tax formula for wind energy facilities on turbine name plate facilities, plus inflation, minus depreciation (\$360,000 assessed value is about \$9,000 per megawatt in taxes per turbine for projects first taxable during the 2007 assessment year).

Sets forth criteria under which a county board may adopt a resolution to waive an interest penalty for the delinquent payment of taxes with respect to property that qualifies as a brownfield site.

Amends the State Mandates Act to require implementation without reimbursement.

### **P.A. 95-90**

Public Act 95-90 amends the Property Tax Extension Limitation Law (PTELL) in the Property Tax Code. Provides that the definition of "recovered tax value" includes the equalized assessed values (EAVs) recovered upon the termination of a redevelopment project that was established under the Economic Development Project Area Tax Increment Act of 1995.

### **P.A. 95-100**

Public Act 95-100 amends the Public Community College Act with respect to the trustee districts in Community College District No. 526. Provides that all counties, townships, census tracts, block groups, blocks, annexations, and natural boundaries are those that appear on maps published by the United States Bureau of the Census for the 2000 census and maps produced by the Department of Revenue (instead of providing that all counties, townships, census tracts, block groups, and blocks are those that appear on maps published by the United States Bureau of the Census for the 2000 census). Provides that the State Board of Elections shall adjust census tract boundaries, municipal and township annexations, and natural boundaries to make compact and contiguous districts.

### **P.A. 95-244**

Public Act 95-244 amends the School Code and the Local Governmental and Governmental Employees Tort Immunity Act. Provides that, until December 31, 2010, the tort immunity tax that school boards and local public entities are authorized to levy may also be for the purpose of paying judgments and settlements under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (the federal CERCLA/Superfund law) and the Environmental Protection Act.

### **P.A. 95-215**

Public Act 95-215 amends the Counties Code. Repeals certain Sections of the Code that require a recorder to make and certify abstracts of title to real estate and to charge a fee for certifying abstracts of title and to make tax and judgment searches and charge a fee for those searches. Repeals a Section of the Code that requires the recorder to give bond in connection with abstracts of title.

### **P.A. 95-135**

Public Act 95-135 amends the Property Tax Code. In provisions concerning the platting and subdividing of property into lots with streets and other improvements in counties of less than 3,000,000 inhabitants (all counties other than Cook County), provides that the property must be in excess of 5 acres (now, 10 acres) at the time of platting for there not to be an increase in the assessed valuation.

### **P.A. 95-218**

Public Act 95-218 amends the Downstate Forest Preserve District Act. Provides that the district may establish a separate fund for capital improvements, repairs, or replacements. Provides that the amounts accumulated in the fund shall not exceed 0.02 percent of the equalized assessed value of taxable property in the district. Provides for the distribution of surplus moneys.



## Legislation Recap for Calendar Year 2007 (continued)

### **P.A. 95-633**

Public Act 95-633 amends the Property Tax Code. Adds a Division concerning the valuation of unimproved land. Provides that unimproved land of 5 acres or more that is subject to a conservation management plan is valued at 5 percent of its fair cash value. Sets forth procedures for the valuation of the land. Provides that, beginning with the 2007 assessment year, wooded land that is owned by the taxpayer on October 1, 2007 must be assessed at the same level as its 2006 assessment level until the land is sold or otherwise transferred. Defines “wooded land” as any parcel of unimproved real property that is timberland and that: (1) does not qualify as cropland, permanent pasture, other farmland, or wasteland; (2) is not managed under a forestry management plan so as to be considered as “other farmland”; and (3) is not managed land.

### **P.A. 95-659**

Public Act 95-659 amends the Public Library District Act. Increases from 0.2 percent of the equalized assessed valuation (EAV) for the year the fund was created (1978) to 0.2 percent of the EAV in 1998 the maximum balance allowed for a library district’s working cash fund.

### **P.A. 95-366**

Public Act 95-366 amends the Hospital District Law. Provides that a hospital district may enter into a line of credit secured by property taxes, unencumbered accounts receivable, or other revenues.

### **P.A. 95-269**

Public Act 95-269 amends the Property Tax Code concerning tax sales. In a Section concerning the annual tax judgment, sale, redemption, and forfeiture record, provides that the record must be prepared on or before the day on which application for judgment is to be made (now, at least 5 days before the day on which application for judgment is to be made). Provides that certain formatting and maintenance requirements apply only to the final record.

### **P.A. 95-472**

Public Act 95-472 creates the Uniform Real Property Electronic Recording Act. Provides that a recorder may receive, index, store, archive, and transmit documents eligible to be recorded in the recorder’s land records in the form of electronic documents, subject to certain requirements. Provides that, if a law requires a document eligible to be recorded in the recorder’s land records to be an original, on paper or other tangible medium, or in writing, the requirement is satisfied by an electronic document satisfying the Act. Provides that, if a law requires that such a document be signed, the requirement is satisfied by an electronic signature. Provides that a requirement that a document or a signature be notarized, acknowledged, verified, witnessed, or made under oath is satisfied if the appropriate electronic signature and other required information is attached to or logically associated with the document or signature.

Provides that the Illinois Electronic Recording Commission shall adopt standards to implement the Act. Provides specific requirements concerning recording, conversion of documents, administration, standards, and other matters. Provides that a county recorder may furnish access to recorded documents through the Internet for a fee. Provides that there will be an Illinois Electronic Recording Commission made up of the Secretary of State or his or her designee and 14 commissioners appointed by the Secretary of State to adopt standards to implement the Act.

Provides that standards and rules adopted by the Commission shall be delivered to the Secretary of State who, within 60 days, shall either promulgate by rule the standards adopted, amended, or repealed or return them to the Commission for changes, and that the Commission may override the Secretary by a three-fifths vote, in which case the Secretary shall publish the Commission’s standards. Provides that funding for the Commission may be from federal, State, local governmental, and private sources. Provides that a county recorder implementing the Act shall comply with Illinois Electronic Recording Commission standards and the Local Records Act.

### **P.A. 95-277**

Public Act 95-277 amends the Counties Code. Provides that, with respect to a County Bridge Fund, a Matching Tax Fund, and a Motor Fuel Tax Fund, the county auditor in a county under township organization containing over 75,000 inhabitants and the county clerk in each other county may, but is not required to, keep an account that is otherwise required to be kept by the county treasurer.

## Legislation Recap for Calendar Year 2007 (continued)

### **P.A. 95-477**

Public Act 95-477 amends the Property Tax code. Provides that relief from an order for a tax deed may be had under certain provisions of the Code of Civil Procedure concerning motions after judgment in non-jury cases. Provides that notice of the expiration of the period of redemption must be served upon certain owners and parties interested in the property in the manner set forth under certain provisions of the Code of Civil Procedure (now, personal service). Requires the court to enter orders to place the tax-deed grantee's successor in interest in possession of the property and authorizes the court to grant other relief to maintain the successor in interest in possession. Provides that the notice of the expiration of the period of redemption may not be served more than 6 months (now, 5 months) before the expiration of the period of redemption. Provides that the changes concerning post-judgment motions and the changes concerning the possession by the tax-deed grantee's successor in interest must be construed as being declarative of existing law and not as a new enactment. In a Section concerning scavenger sales, provides that, at any time within 6 months (now, 5 months) prior to expiration of the period of redemption from a sale, the owner of a certificate of purchase may file a petition and may obtain a tax deed.

### **P.A. 95-497**

Public Act 95-497 amends the Fire Protection District Act. Provides that, for purposes of a tax levied by a fire protection district to provide an ambulance service, "ambulance service" includes pre-hospital medical services. Provides that the amendatory changes are declarative of existing law. Amends the Township Code, the Municipal Code, and the Fire Protection District Act. Provides that townships, municipalities, and fire protection districts may fix, charge, and collect reasonable fees from certain parties for providing specialized rescue services. Defines "specialized rescue services".

### **P.A. 95-582**

Public Act 95-582 amends the Property Tax Code. Deletes a provision that the county board may declare the office of county collector vacant if the county collector fails to account for and pay over taxes and provides that the office may be declared vacant by the circuit court of the judicial circuit in which the county seat is located and in which suit is brought on the collector's official bond. Provides that, if a suit on the county collector's official bond is brought in the circuit court and, based on preliminary evidence, the court determines that it is necessary that a temporary county collector be appointed, then the county board may, subject to the consent of the court, appoint an interim county collector to serve for the duration of the suit.

### **P.A. 95-537**

Public Act 95-537 amends the Property Tax Code. Provides that the registration for a tax sale in a county with less than 3,000,000 inhabitants (all counties other than Cook County) must be accompanied by a deposit in an amount determined by the county collector, but not to exceed \$250 in counties with less than 50,000 inhabitants or \$500 in all other counties, which shall be applied to the amount due on the properties that the registrant has purchased, and, if the registrant does not participate in the sale, then the deposit is forfeited to the Tax Sale Automation Fund. Provides that, if the registrant cannot participate in a tax sale, then he or she may notify the tax collector, no later than 5 business days prior to the sale, of the name of the substitute person who will participate in the sale in the registrant's place, and an additional deposit is not required for any such substitute person. Provides that, if the registrant does attend the sale and attempts, but fails, to purchase any parcels offered for sale, then the deposit must be refunded to the registrant (instead of being forfeited to the Tax Sale Automation Fund).

## **TIF**

### **P.A. 95-227**

Public Act 95-227 amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Requires the Department of Revenue to conduct a study to determine the feasibility for each county to include, on the property tax bills for each taxpayer in that county, information concerning any tax increment financing project that affects the taxpayer. Sets forth the information to be included on the tax bill. Requires the Department to submit a report to the Governor and the General Assembly no later than April 1, 2008, concerning the study.

## **Sales and Excise Tax**

### **P.A. 95-528**

Public Act 95-528 amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that the exemptions under the Acts for motor vehicles used as rolling stock moving in interstate commerce may also apply to limousines (all other vehicles must have gross vehicle weight ratings that exceed 16,000 pounds) as long as they meet all the other rolling stock requirements.



## Legislation Recap for Calendar Year 2007 (continued)

### **P.A. 95-88**

Public Act 95-88 amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that the tax exemptions for certain registered horses, or interests in horses, that are used for purposes of breeding or racing are exempt from the Acts' sunset provisions and the exemptions apply for all periods beginning May 30, 1995, but no claim for credit or refund is allowed for taxes paid during the period beginning May 30, 2000 and ending on the effective date of P. A. 95-88.

### **P.A. 95-544**

Public Act 95-544 amends the Illinois Municipal Code. Provides that, in addition to any other tax, a home rule municipality that has not imposed a tax under certain Sections of the Illinois Municipal Code may impose a tax on the gross receipts from the sale of alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption. Provides that the tax may be imposed only for a defined and limited period of time (not to exceed 25 years) and must be limited to a contiguous area of no more than one square mile within the municipality.

Provides that the tax may be imposed only in 0.25 percent increments, and the rate of tax may not exceed 2 percent. Further provides that, at the time the ordinance imposing the tax is adopted, the municipality must have obtained the certified written consent of three-fourths of the operators of the businesses upon which the taxes will be imposed. Provides that proceeds of the taxes must be maintained by the municipality in a separate account and may be used only for the costs associated with land acquisition, design, construction, and maintenance of parking facilities. Provides that the tax shall be administered by the municipality imposing it.

### **P.A. 95-474**

Public Act 95-474 amends the Counties Code. In a Section that authorizes a county to impose a sales tax for public safety or transportation purposes, revises the language of the referendum imposing the tax and the additional language that appears below the question. Allows the county to include a sunset provision for the tax. Provides that certain additional information must be included on a ballot proposing an increase in local sales tax for public safety purposes or road improvement purposes (now, that information may be included).

### **P.A. 95-304**

Public Act 95-304 amends the Use Tax Act. Provides a tax exemption for the use of aircraft that: (i) leave this State after the purchase of the aircraft; (ii) are temporarily located in this State for the purpose of a pre-purchase evaluation; or (iii) are temporarily located in this State for the purpose of a post-sale customization. Amends the Retailers' Occupation Tax Act. Provides a tax exemption for the sale of aircraft that leave this State after the purchase of the aircraft. Provides that the Acts' sunset provisions do not apply to these exemptions.

### **P.A. 95-538**

Public Act 95-538 amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides an exemption from taxation under the Acts for tangible personal property used in the construction or maintenance of a community water supply that is operated by a not-for-profit corporation that holds a valid water supply permit issued under certain provisions of the Environmental Protection Act. Provides that the Acts' sunset provisions do not apply to these exemptions.

### **P.A. 95-233**

Public Act 95-233 creates the Fiscal Year 2008 Budget Implementation (Revenue) Act. Amends the Retailers' Occupation Tax (ROT) Act to repeal the state sales tax exemption for the purchase of an automobile used for automobile renting under the Automobile Renting Occupation and Use Tax Act.

Also amends Illinois Income Tax Act to close several Income Tax loopholes. Also makes changes to provisions concerning persons excluded as members of a unitary business group. Provides that certain addition modifications concerning bonds apply for taxable years ending on or after December 31, 2008. Makes changes concerning income modifications with respect to real estate investment trusts. Defines "captive real estate investment trust." Creates the Franchise Tax and License Fee Amnesty Act of 2007. Amends various other Acts to make changes in State programs concerning revenue that are necessary to implement the Fiscal Year 2008.

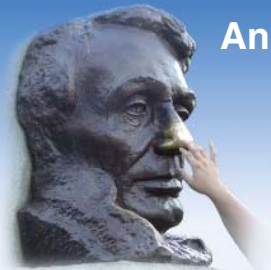


## Gaming

### **P.A. 95-222**

Public Act 95-222 amends the Illinois Horse Racing Act of 1975. Provides that the Children's Discovery Museum in Normal, Illinois shall receive payments from the General Revenue Fund (GRF) at the funding level determined by the amounts paid to the Miller Park Zoo in Bloomington, Illinois in calendar year 2006.





## Court Cases

### **Hollinger International, Inc. v. Glen L. Bower**

Circuit Court of Cook County, No. 02 L 51514

Appellate Court No. 1-04-0392

Hollinger sought Administrative Review of the Department's denial of a \$631,330.09 refund. Hollinger claimed that it exercised ordinary care in calculating its estimated tax installments and, therefore, the Department should have abated the assessed penalties. The circuit court found that Hollinger had exercised ordinary business care where it relied on the tax advice of its accountants. The Appellate Court reversed, finding that Hollinger's reliance on accountants did not establish ordinary business care given the clarity of the pertinent sections of the Income Tax Act and given Hollinger's sophistication as a taxpayer. Accordingly, the court found that reasonable cause did not exist to abate the penalty.

### **United Air Lines, Inc. v. IDOR**

Circuit Court of Cook County No. 04 CH 9058

Appellate Court No. 1-05-2660

Illinois Supreme Court No. 103304

November 29, 2006

United Air Lines (UAL) challenged the Department's denial of UAL's \$8,926,174.00 refund claim. At issue was whether a temporary rate reduction on motor fuel tax enacted by the General Assembly applied to UAL's use of kerosene-type jet fuel. UAL argued that P.A. 91-872 temporarily reduced the Illinois Use Tax rate on motor fuel purchased at retail, and that jet fuel constituted "motor fuel." The Department countered that kerosene-type jet fuel was excluded from the temporary rate reduction. On July 26, 2006, the Appellate Court agreed with the Department, noting that the rate reduction applied only to motor fuel "produced, blended or compounded for the purpose of ...operating motor vehicles." Because UAL's jet fuel could not be used in motor vehicles, UAL failed to qualify for the temporary use tax rate reduction. On November 29, 2006, the Illinois Supreme Court denied UAL's petition for leave to appeal.

### **Leila Shakkour & Michael Thorne v. IDOR**

Circuit Court of Cook County No. 99 L 50548

Appellate Court No. 1-04-1646

September 1, 2006

Leila Shakkour and Michael Thorne claimed that the gain on the sale of a partnership asset was non-business income. Shakkour and Thorne were nonresident partners. They argued

that Illinois income tax is not owed by partners on income recognized by a partnership where substantially all of the partnership's assets are liquidated and sold. The partnership had reported a gain on the 1992 sale of intangible trading technology as nonbusiness income and the individual partners reported their distributive shares as nonbusiness income not allocable to Illinois. Subsequently, the Department reclassified the individual partners' shares of the gain as apportionable business income. On March 18, 2004, the circuit court granted summary judgment to Shakkour and Thorne, finding that the partnership's sale of the technology was nonbusiness income. The court held that where a partnership sells substantially all of its assets in a complete liquidation and distributes the proceeds to its shareholders/partners, the gain from the sale is nonbusiness income. On September 1, 2006, the Appellate Court affirmed, noting that the partnership had distributed the proceeds of the sale to its partners and ceased operations in Illinois. Under Section 305 of the Income Tax Act, any gain that is deemed nonbusiness income is sourced to each partner's state of domicile. Accordingly, since Shakkour and Thorne were not residents of Illinois, they owed no Illinois income tax on their individual gains.

### **Mead Corporation v. IDOR**

Circuit Court of Cook County No. 00 CH 7854

Appellate Court No. 1-03-1160

November 3, 2006

The Department issued a Notice of Deficiency for income tax for 1993 and 1994 in the amount of \$4,162,322.00. Mead paid under protest and challenged two adjustments: the reclassification of a \$1.5 billion gain on the sale of Lexis/Nexis to business income apportionable to Illinois and the removal from the sales factor denominator of gross receipts from the sale of short-term investments in securities.

Based on the Department's regulation that only the net gain from the sale of business intangibles should be in the sales factor denominator, the circuit court granted summary judgment in favor of the Department on this issue. The appellate court affirmed, finding that the regulation was a valid exercise of the Department's authority to require alternative apportionment methods when the statutory formula results in an unfair allocation of income to Illinois.



## Court Cases



With respect to the gain on the sale of Lexis/Nexis, which Mead had allocated to Ohio as nonbusiness income, the circuit court first determined that the gain constituted business income because the assets had been used in the business operations. Furthermore, the liquidation exception did not apply because Mead used the proceeds to pay down debt and repurchase stock rather than distribute them to its shareholders. While the court found that Mead did not have a unitary business relationship with Lexis/Nexis, the court nevertheless held that the gain was constitutionally apportionable based on the operational function test, which was satisfied because Mead controlled Lexis/Nexis and realized various tax advantages and economies of scale. In affirming, the Appellate Court determined that Mead failed to establish with clear and convincing evidence that Lexis/Nexis did not serve an operational function and should be considered a passive investment. The U.S. Supreme Court granted certiorari solely to review whether the tax on the gain from the sale of Lexis/Nexis is apportionable under the Due Process and Commerce Clauses. Argument is set for January 16, 2008.

### **Provena Covenant Med. & Provena Hospitals v. IDOR** Circuit Court of Sangamon County No. 2006-MR-597

Provena Covenant Medical Center (PCMC) and Provena Hospitals (PH), a nonprofit hospital, sought administrative review of the Department's decision denying its claim for a property tax exemption for 2002 based on charitable and religious use. An Administrative Law Judge granted the exemption based on charitable use. However, the Director of IDOR issued a final decision denying the claimed exemption because the hospital devoted less than one percent of its budget to charitable care, had engaged in aggressive collection activities, and did not publicize the availability of free or reduced-cost care. Moreover, none of the hospital's officers were ordained ministers, most of the hospital's revenue was derived from service fees rather than contributions, and the hospital was operated like a commercial enterprise, not a religious institution. On August 8, 2007, the circuit court reversed the Director's decision in a cursory order containing very little legal reasoning as to the basis. The Department has appealed, and currently the matter is before the 4<sup>th</sup> District Appellate Court.

### **Electric Energy v. Hamer**

Appellate Court 373 Ill. App.3d 733 (5th Dist. 2007)  
Appellate Court 225 Ill. App.2d 631  
September 26, 2007

Electric Energy is a power company that generates electricity by burning coal. Some of the residue remaining after the coal is burned, called fly ash, is sold to concrete and construction companies. Electric Energy claimed that it was entitled to an exemption from use tax on the percentage of coal that it re-sells as a by product of manufacturing. Both the circuit and appellate courts rejected Electric Energy's argument, finding that the generation of electricity is not a manufacturing process and, therefore, fly ash does not come within the exemption.

### **Community Health Care v. IDOR**

Appellate Court 369 Ill. App.3d 353 (3rd Dist. 2006),  
Appellate Court 223 Ill. App.2d 632  
March 28, 2007

On December 18, 2006, the Appellate Court upheld a determination by the Department that Community Health Care was not entitled to a property tax exemption for charitable use. Applying the four factors found in *Methodist Old Peoples Home v. Korzzen*, the Court found that Community Health Care did not use its property primarily for charitable purposes where it provided free medical care only 27 percent of the time. The Court further found that Community Health Care had not satisfied its burden of showing clearly and conclusively its entitlement to the exemption where Community Health Care's evidence at the administrative hearing was largely speculative.

### **Exelon Corporation v. IDOR**

Appellate Court No. 1-06-3388 (1st District)  
September 24, 2007

Exelon filed amended returns seeking nearly \$15 million in refunds based on credits against personal property replacement tax for investments in qualified property. The Department denied the refunds because the taxpayer was not a retailer. Based on an earlier decision, the court determined that generating electricity is a service, and the taxpayer could not be considered a retailer of tangible personal property within the meaning of the statute so as to be entitled to the credits. Ruling that exemptions only need be reasonable, the court also dismissed Exelon's argument that providing the credit to natural gas utilities violates the uniformity clause. A petition for leave to appeal to the Illinois Supreme Court is pending.



## Court Cases (continued)

### **Nicor, Incorporated v. IDOR**

Circuit Court of Cook County No. 05 L 1306

In 1993, Nicor sold its oil and gas exploration subsidiaries. The transaction was structured as a deemed sale of assets rather than a stock sale under Section 338(h)(10) of the Internal Revenue Code. Nicor reported the gain as nonbusiness income, none of which was allocated to Illinois. After an audit, the Department reclassified the gain as apportionable business income and assessed \$5.9 million in tax and interest, which Nicor paid under protest. The circuit court granted Nicor's motion for summary judgment, ruling that based on the Blessing/White and American States decisions, a deemed sale of assets results in nonbusiness income as a matter of law, irrespective of how the proceeds were used in the taxpayer's ongoing business operations. The Department has appealed.

### **Walgreen Company and Subsidiaries v. IDOR**

Circuit Court of Sangamon County No. 04-TX-0001/5

The Department determined that the Walgreen Company and Subsidiaries was not eligible for the investment tax credit against its personal property and replacement tax liability for 1999 through 2001 because it earned more than half its income from its pharmacy operations, which are considered a service, not retailing. As a result, the Department issued an assessment for more than \$9.9 million in tax and interest, which the taxpayer paid under protest. The circuit court ruled that the meaning of retailer as used in the Retailer's Occupation Tax Act (sales tax) was not relevant, applied the definition of retailer contained in Section 201 of the Income Tax Act, which refers to the sale of tangible personal property. The parties had stipulated that prescription drugs are tangible personal property, and very little service was provided in dispensing medication. Therefore, the court reasoned, the taxpayer was entitled to the credit. The Department did not appeal.

### **Advanced On-Site Concrete, Incorporated v. IDOR**

Circuit Court of Cook County No. 06 CH 377

Advanced manufactures and delivers ready mix concrete. Additional fees were charged for special delivery terms, including after hours, small loads and idling time. Believing that delivery charges were not subject to sales tax, Advanced failed to include those charges in the taxable base, which is defined as the total selling price for an item. The court upheld the Department's determination that the delivery charges were part of the sale and subject to tax. The Department also had denied manufacturing machinery and equipment exemptions

claimed on replacement parts because Advanced did not sufficiently record identifying for which equipment the parts were used, which the court affirmed. Finally, the court rejected Advanced constitutional challenge to the double interest provisions of the amnesty law, finding that they did not treat similar taxpayers differently in violation of the uniformity and equal protection clauses nor offend the taxpayer's procedural and substantive due process rights constitute by either compelling taxpayers to waive their protest rights or imposing a retroactive tax. Advanced has appealed.





