



# Special County Retailers' Occupation Tax for Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation

## What is the Special County Retailers' Occupation Tax for Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation?

The corporate authorities of a county may impose a tax upon all persons engaged in the business of selling tangible personal property at retail in that county. This tax is referred to as the Special County Retailers' Occupation Tax for Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation. The Illinois Department of Revenue (IDOR) is responsible for administering this tax.

**Note:** When a county imposes a Special County Retailers' Occupation Tax for Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation it must also impose a Special County Service Occupation Tax for Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation.

## What types of sales are *not* subject to this tax and will *not* generate additional revenue?

County Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation tax does not apply to the sales of

- items that must be titled or registered by an agency of Illinois state government (reported on Form ST-556 Sales Tax Transaction Return or Form ST-556-LSE, Transaction Return for Leases), or
- qualifying food, drugs, and medical appliances (reported on Line 5a of Form ST-1 and Form ST-2). See 86 Ill. Admin. Code 130.310 for additional information.

## Do any restrictions exist on how counties can use the collections from this tax?

The revenue generated is to be used exclusively for public safety, public facilities, mental health, substance abuse, or transportation purposes in that county. "Public safety" includes, but is not limited to, crime prevention, detention, fire fighting, police, medical, ambulance, or other emergency services. "Public facilities" includes, but is not limited to, the development, construction, and improvement of public facilities for use by the county for the capital facilities for museums and nursing homes. "Transportation" includes, but is not limited to, the construction, maintenance, operation, and improvement of public highways, any other purpose for which a county may expend funds under the Illinois Highway Code, and passenger rail transportation. You may wish to discuss the use of these funds with your corporate council.

## Is voter approval required before implementation?

The corporate authorities of the county must have voter approval in order to establish a Special County Retailers' Occupation Tax for Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation.

The corporate authorities of the county may submit, by resolution, the question of whether the county shall impose this tax to

- pay for public safety purposes,
- pay for improvements to road and other transportation purposes,
- pay for public facilities purposes,
- pay for mental health purposes, or
- pay for substance abuse purposes.

**What steps must be taken to establish this tax?**

The corporate authorities of the county may submit, by resolution, the question of whether the county shall impose this tax. The county clerk must certify the question to the proper election authority, who submits the proposition at an election in accordance with the general election law. If a majority of the electors voting on the proposition vote in favor of it, the county may impose the tax.

If the tax is for transportation purposes, the county board must also publish certain related transportation plan documents prior to approval of the ordinance or resolution imposing the tax.

**What tax rate can be imposed?**

County Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation Tax must be imposed in ¼ percent increments. There is no rate limit.

**What action is required after voter approval?**

The county must:

- adopt a proper ordinance to impose the tax,
- file certified election results with the Local Tax Allocation Division (LTAD), and
- file a certified copy of the ordinance that imposes the tax with LTAD.

**Can this tax be discontinued or changed?**

The county board may, by ordinance, discontinue or lower the rate of the tax.

**Note:** If the county board discontinues or lowers the rate of tax, a referendum must be held in order to increase the rate of tax or reimpose the discontinued tax.

**What is the deadline for filing an ordinance?**

If the tax is imposed or increased, you must file a certified copy of the ordinance and certified election results with LTAD by the filing deadline. If the tax is decreased or discontinued, you must only submit to LTAD a certified copy of the ordinance.

If the county has filed a certified copy of a proper ordinance and certified election results with LTAD on or before:

- May 1, the tax rate will take effect July 1 of the same year;
- October 1, the tax rate will take effect January 1 of the following year.

**When will the county receive its first tax collection?**

For taxes imposed effective January 1, the first disbursement will be made to the county during the following April. For taxes imposed effective July 1, the first disbursement will be made to the county during the following October.

Special County Retailers' Occupation Tax for Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation will be disbursed separately from other taxes authorized for disbursement by IDOR. You will receive your disbursement in the same fashion you have chosen for your county sales tax disbursement.

**Is there other general information I should know?**

Taxpayers are allowed to take a discount for timely filing and payment of these taxes. Any allowable discount that is taken is reflected in the local government distributions that are made. In addition, an administration fee is retained by IDOR.

A county may not submit more than one proposition authorized under this tax act (e.g., propositions for both public safety and mental health) at any one time.

**Statutory reference**

[55 ILCS 5/5-1006.5](#)