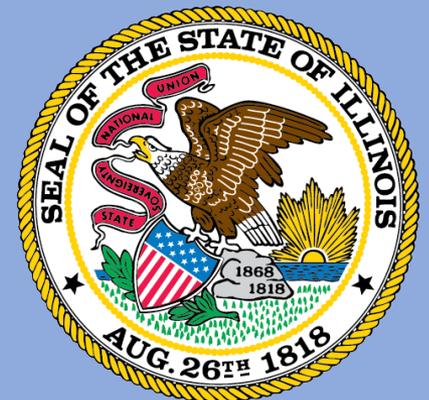


BUSINESS DISTRICTS 101

BUSINESS DEVELOPMENT & REDEVELOPMENT TAX



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

Business District Development and Redevelopment Tax (BDST)

- The tax is designed to fund the development or redevelopment of designated areas within a municipality.
- The proposed business district must be:
 - Contiguous
 - Blighted, as defined in the Illinois Municipal Code, 65 ILCS 5/11-74.3-5
- The tax is imposed in quarter percent increments with a maximum rate of 1.00%
- Filing Deadlines:
 - April 1 to become effective July 1 of the same year, or
 - October 1 to become effective January 1 of the following year.

Business District Development and Redevelopment Tax

- The tax is not imposed on:
 - Items that are titled or registered with an Illinois state agency
 - Qualifying food, drugs, and medical appliances
- Businesses that will not charge the BDST:
 - Changing locations
 - Businesses participating in special events
 - Dealerships selling vehicles, trailers, RVs, mobile homes, aircraft, or watercraft, etc.
 - Service businesses such as contractors, mechanics, hair salons, travel agents, etc.

Business District Development and Redevelopment Tax

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

Business District Development and Redevelopment Tax

- How are business districts processed?
 - LTAD will verify the receipt of the ordinance, detailed map, development/redevelopment plan, and the list of addresses.
 - A copy of the ordinance is sent to our Legal Division for review and approval.
- What does the Legal Division look for when reviewing these ordinances?
 - Was there a finding of blight?
 - Is the tax properly imposed?
 - Are all of the required elements in the ordinance?
(65 ILCS 5/11-74.3-6(b) and (c))

Business District Development and Redevelopment Tax

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

Business District Development and Redevelopment Tax

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

Business District Development and Redevelopment Tax

- After Legal approval, the business district is created in our system and addresses are added.
- A letter, with the addresses, is sent to the municipality for address approval.
- Once approval is received, our system flips the site locations to business district locations.
- A business district taxpayer listing is sent to the municipality for verification.

Business District Development and Redevelopment Tax

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

Business District Development and Redevelopment Tax

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

Business District Development and Redevelopment Tax

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

Business District Development and Redevelopment Tax

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

MyLocalTax Instructions for Business Districts



[IDOR Home](#)

[Local Tax Home](#)

[Contact](#)

[Privacy Policy](#)

ITS MyLocalTax

Welcome, Aaron Allen

[Settings](#)

[Log Off](#)

[Home](#)

[Logon](#)

› Aaron Allen
aaron.allen@illinois.gov
Last logged on 5/28/2019

[Alerts](#)

There are 49 unread letters

[I Want To](#)

[Send a Message](#)

Accounts

[Requests](#)

[Correspondence](#)

[Names and Addresses](#)

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Account Type

Account ID

Name

[Allocation](#)

21040-39328

TAYLORVILLE CITY TREASURER

[Business District](#)

03458-59040

TAYLORVILLE BUSINESS DISTRICT NO. 1

[Personal Property Replacement Tax](#)

09942-75456

TAYLORVILLE CITY

3 Rows

15

MyLocalTax Instructions for Business Districts

Business District Welcome, Aaron Allen  Settings  Log Off

Home > Business District: 03458-59040

 **Account**

CITY CLERK OF TAYLORVILLE
011-0001-7

> Business District
TAYLORVILLE BUSINESS DISTRICT NO.
1
03458-59040

 **Account Alerts**

 There are 4 unread letters

 **I Want To**

[Request Business District Taxpayer Listing](#)

[Verify Business District Addresses](#)

[View Business District Addresses](#)

Periods Requests Correspondence Names and Addresses

 **Periods** **View All...** **Filter**

Period	Message
3/31/2019	
1/31/2019	

2 Rows

Verify Business District Addresses – Step 1

Verify Business District Addresses

Welcome, Aaron Allen Settings Log Off

Home > Business District: 03458-59040 > Request

1. Verify Addresses 2. Review and Submit

Verify Addresses

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

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

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

Address Verification Record 1 Record 2

Show Errors 1 - 2 of 2

Street	City	State	Zip	County	Updated?
123 north first street	Taylorville	ILLINOIS	62568-	CHRISTIAN	
101 S MAIN	TAYLORVILLE	ILLINOIS	62568-	CHRISTIAN	Required

2 Rows

Save Cancel Previous Next

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

Verify Business District Addresses – Step 2

Verify Business District Addresses Welcome, Aaron Allen Settings Log Off

Home > Business District: 03458-59040 > Request

1. Verify Addresses 2. Review and Submit

Verify Addresses

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

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

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

Address Verification Record 1 Record 2

Record 1

Address Submitted by Municipality		Verified Address	
Country	USA	Country	USA
Street	123 north first street	Street	NO USPS MATCH
Unit Type		Unit Type	
Unit Number		Unit Number	
City	Taylorville	City	
State	ILLINOIS	State	
Zip	62568-	Zip	
County	CHRISTIAN	County	

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

Yes No Required

Save Cancel < Previous Next >

- The address you submitted is on the left. The USPS address is on the right.
- In this case, there isn't a USPS match to the address provided.
- Select yes that the verified address requires updates.
- If you select no when there is no USPS match on the verified address, you'll receive an error message:
 - You must select Yes if the original address submitted by the municipality does not have a U.S. Postal Service Match.

Verify Business District Addresses – Step 3

Verify Business District Addresses Welcome, Aaron Allen Settings Log Off

Home > Business District: 03458-59040 > Request

1. Verify Addresses **2. Review and Submit**

Verify Addresses

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

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

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

Address Verification **Record 1** Record 2

Record 1

Address Submitted by Municipality		Verified Address	
Country	USA	Country	USA
Street	123 north first street	Street	NO USPS MATCH
Unit Type		Unit Type	
Unit Number		Unit Number	
City	Taylorville	City	Required
State	ILLINOIS	State	Required
Zip	62568-	Zip	Required
County	CHRISTIAN	County	Required

You must verify the address

Verify Address

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

Yes No

Save Cancel < Previous Next >

- As soon as you Select Yes, you are required to verify the address that you enter.
- Enter the address and click the “Verify Address” button.

Verify Business District Addresses – Step 4

Verify Business District Addresses

Welcome, Aaron Allen Settings Log Off

Home > Business District: 03458-59040 > Request

1. Verify Addresses 2. Review and Submit

Verify Addresses

Address Search

we are currently time jumping. Run Date is 10/21/2019

Validated [Select this address](#)

115 N MAIN ST
STE [Required]
TAYLORVILLE IL 62568

Validated [Select this address](#)

115 N MAIN ST
TAYLORVILLE IL 62568-2270

Save **Cancel**

123 north first street

Unit Type Unit Number

City State

Taylorville ILLINOIS

Zip County

62568- CHRISTIAN

Verified Address

Country
USA

Street
115 n main street

Unit Type Unit Number

City State

taylorville ILLINOIS

Zip County

62568- CHRISTIAN

You must verify the address **Verify Address**

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

Yes No

Save **Cancel** **< Previous** **Next >**

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

Verify Business District Addresses – Step 5

Verify Business District Addresses

Welcome, Aaron Allen Settings Log Off

Home > Business District: 03458-59040 > Request

1. Verify Addresses 2. Review and Submit

Verify Addresses

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

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

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

Address Verification Record 1 Record 2

Record 2

Address Submitted by Municipality		Verified Address	
Country	USA	Country	USA
Street	101 S MAIN	Street	101 S MAIN ST
Unit Type		Unit Type	
Unit Number		Unit Number	
City	TAYLORVILLE	City	TAYLORVILLE
State	ILLINOIS	State	ILLINOIS
Zip	62568-	Zip	62568-2229
County	CHRISTIAN	County	CHRISTIAN

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

Yes No Required

Save Cancel < Previous **Next >**

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

Verify Business District Addresses – Step 6

Verify Business District Addresses Welcome, Aaron Allen Settings Log Off

Home > Business District: 03458-59040 > Request

1. Verify Addresses **2. Review and Submit**

Review and Submit

This Verify Business District Addresses request is ready to submit.

Street	City	State	Zip	County	Updated?
115 N MAIN ST	TAYLORVILLE	ILLINOIS	62568-1944	CHRISTIAN	Yes
101 S MAIN ST	TAYLORVILLE	ILLINOIS	62568-2229	CHRISTIAN	No

2 Rows

Save Cancel < Previous Submit

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

MyLocalTax for Business Districts

Business District

Welcome, Aaron Allen Settings Log Off

Home > Business District: 03458-59040

Account
CITY CLERK OF TAYLORVILLE
011-0001-7
Business District
TAYLORVILLE BUSINESS DISTRICT NO.
1
03458-59040

Account Alerts
There are 4 unread letters

I Want To
[Request Business District Taxpayer Listing](#)
[Verify Business District Addresses](#)
[View Business District Addresses](#)

Periods Requests Correspondence Names and Addresses

Periods View All... Filter

Period	Message
3/31/2019	
1/31/2019	

2 Rows

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

Business District Development and Redevelopment Tax

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

Business District Development and Redevelopment Tax

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

Business District Development and Redevelopment Tax

- More information can be found on our website.
- Questions can be directed to the Local Tax Allocation Division using the contact information on the next page

LOCAL TAX ALLOCATION DIVISION
101 W. JEFFERSON ST. 3-500
SPRINGFIELD, IL 62702

PHONE: (217) 785-6518

FAX: (217) 785-6527

EMAIL: REV.LOCALTAX@ILLINOIS.GOV

Printed by the authority of the state of Illinois,
Electronic, 1, Updated 03/27/2020

