

Illinois Department of Revenue

**Annual
Report
of
Collections
and
Distributions**



Fiscal Year
2000

Glen L. Bower, Director

George H. Ryan, Governor

Director's Message

To the People of Illinois:

This annual report summarizes the Illinois Department of Revenue's efforts to administer tax laws fairly during fiscal year 2000.

The department collected \$24.7 billion during fiscal year 2000, an increase of \$1.8 billion from fiscal year 1999. Both the total amount collected and the amount of the increase are new records. Nearly \$6 billion of our collections were returned to local governments, or one dollar out of every four.

We implemented the following tax relief provisions enacted by Governor George H. Ryan and the Illinois General Assembly:

- **Homeowners' Tax Relief rebates** — We paid \$280 million in rebates to 2.3 million Illinois homeowners.
- **Pharmaceutical Assistance** — We completed the work to implement program changes that were effective January 1, 2001, which include higher income limits, reduced co-payments, and expanded disease coverage.
- **Sales tax on motor fuel** — We removed the state portion of the sales tax on motor fuel for six months, beginning July 1, 2000, saving taxpayers an estimated \$150 million.
- **Education Expense Credit** — We implemented the new credit for tuition, laboratory fees, and book fees paid by parents of children in public and private schools for tax year 2000, saving taxpayers \$54 million.
- **Earned Income Credit** — We implemented the new state Earned Income Credit for tax year 2000, saving taxpayers \$40 million.

The Department of Revenue continues to champion electronic commerce and its significant benefits to both citizens and government. Taxpayer benefits of using our electronic filing and payment options include increased convenience and accuracy, along with faster receipt of refunds. For tax year 2000

- the number of taxpayers who filed their state tax returns electronically has exceeded 1,265,000, double the number that filed just three years before;
- more than 12,000 individual taxpayers use electronic payment, either credit cards or our free direct debit program; and
- more than 750,000 had their tax refunds directly deposited into their accounts.

We also focused on delinquent tax debt collection by employing new tools to increase our collections. Illinois was a leader in a new federal program that allows us to offset federal income tax refunds to collect state taxes. To date, the program has generated \$20.2 million. We aggressively used our Internet disclosure program to pursue overdue taxes. Taxpayers notified that their names may be published on the Internet have paid \$27.4 million in overdue taxes in the first two years of the program.

In the coming year, the Department of Revenue will continue its mission of collecting the revenues needed to fund state services. We will use electronic commerce to administer taxes more conveniently and economically, and try to be sure that each taxpayer pays the correct amount of taxes — no more and no less.

Sincerely,



Glen L. Bower
Director of Revenue

Table of Contents

Alternative Payment and Filing Options

Graph 1: Dollars and Documents Processed	8
Electronic Funds Transfer (EFT)	8
EFT Program	8
Graph 2: EFT Program Dollars Collected	8
Lockbox Program	8
Graph 3: Lockbox Processing Dollars Collected	8
Individual Income Tax Alternative Filing and Payment Options	9
Graph 4: Income Tax Alternative Filing Options	9
Electronic Filing	9
TeleFile	9
Internet	9
PC Retail Software	9
Credit Card Payments	9
Sales Tax Alternative Filing Options	9
TeleFile	9
Electronic Data Interchange (EDI)	9

Total Revenue Collected

Table 1: Total Revenue Collected	10
--	----

Income Taxes

Table 2: Exemption History	12
Table 3: Individual Income Tax Filing Status (by tax year)	12
Table 4: Returns Filed by Adjusted Gross Income: Tax Year 1999	12
Table 5: Reduced Individual Income Tax Liabilities From Property Tax Relief	13
Graph 5: Illinois Individual Income Tax — Property Tax Relief	13
Table 6: Corporate Liability Stratification for Income and Replacement Taxes — Tax Year 1998	13
Table 7: Corporate Income Tax Credit Profile (in millions)	14
Graph 6: Illinois Corporate Income Tax Credits, Schedule 1299-D	14
Table 8: Individual and Corporate Income Tax Receipts by Fund (in millions)	14
Table 9: Income Tax Collections and Refunds	14
Graph 7: Individual and Corporate Receipts	14
Table 10: Individual Income Tax Refunds	15
Graph 8: Individual Income Tax Average Refund	15
Table 11: Income Tax Rate History	15
Table 12: Income Tax Refund Fund Deposits per the Office of the Comptroller (in millions)	15
Graph 9: Checkoff Dollars Donated	15
Table 13: Checkoff Dollars Donated by Tax Year	16

Sales Taxes

Table 14: State Sales Tax Collections	17
Graph 10: State Sales Tax Collections	18
Table 15: Sales Tax Rate History	17
Table 16: Sales Tax Reported by Type of Business	18
Graph 11: Sales Tax Reported by Type of Business for Fiscal Year 2000	18

Excise and Utility Taxes

Cigarette and Cigarette Use Taxes	19
Table 17: Cigarette Tax Rate History	19
Graph 12: Cigarette and Cigarette Use Tax Collections	19
Coin-operated Amusement Device and Redemption Machine Tax	19
Graph 13: Coin-operated Amusement Device and Redemption Machine Tax Collections	19
Dry-cleaning Solvent Tax and License Fees	20
Graph 14: Dry-cleaning Solvent Tax and License Fees Collections	20
Electricity Excise Tax	20
Table 18: Electricity Excise Tax Rate History	20
Graph 15: Electricity Excise Tax Collections	20
Energy Charges	21
Graph 16: Energy Charges Collections	21
Gas Revenue Tax	21
Table 19: Gas Revenue Tax Rate History	21
Graph 17: Gas Revenue Tax Collections	21
Hotel Operators' Occupation Tax	22
Table 20: Hotel Operators' Occupation Tax Rate History	22
Graph 18: Hotel Operators' Occupation Tax Collections	22
Table 23: Hotel Net Receipts by County	23
Liquor Gallonage Tax	22
Table 21: Liquor Tax Rate History	22
Graph 19: Liquor Gallonage Tax Collections	22
Table 22: Liquor Gallonage History (in millions of gallons)	22
Oil and Gas Production Assessment	24
Graph 20: Oil and Gas Production Assessment Collections	24
Telecommunications Excise Tax	24
Table 24: Telecommunications Excise Tax Rate History	24
Graph 21: Telecommunications Excise Tax Collections	24
Tobacco Products Tax	25
Graph 22: Tobacco Products Tax Collections	25

Gaming Taxes

Bingo Tax and License Fees	26
Table 25: Bingo Tax and License Fee Collections	26
Graph 23: Bingo Tax and License Fees Collections	26
Table 26: Bingo Tax Statistics by County	27
Charitable Games Tax and License Fees	29
Table 27: Charitable Games Tax and License Fee Collections	29
Graph 24: Charitable Games and License Fees Collections	29
Pull Tabs and Jar Games Tax and License Fees	30
Table 28: Pull Tabs and Jar Games Tax and License Fee Collections	30
Graph 25: Pull Tabs and Jar Games Tax and License Fees Collections	30
Racing Privilege Tax	31
Table 29: Racing Privilege Tax Breakdown by Fund	31
Graph 26: Racing Privilege Tax Collections	31
Riverboat Gambling Taxes and License Fees	32
Table 30: Riverboat Gambling Collections	32
Graph 27: Riverboat Gambling Collections	32

Table of Contents

Motor Fuel Taxes

Motor Fuel and Motor Fuel Use Taxes	33
Table 31: Motor Fuel Tax Rate History	33
Table 32: Motor Fuel Tax Refunds for Nonhighway Use	33
Table 33: Motor Fuel Gallonage History	33
Table 34: Motor Fuel Tax Collections and Refunds	34
Graph 28: Motor Fuel Tax Collections	34
Underground Storage Tax and Environmental Impact Fee	34
Graph 29: Underground Storage Tax and Environmental Impact Fee Collections	34

Occupation-related Taxes, Fees, and Credits

Automobile Renting Occupation and Use Taxes	35
Graph 30: Automobile Renting Occupation and Use Taxes Collections	35
Manufacturer's Purchase Credit (MPC)	35
Graph 31: MPC Earned and Used	35
Replacement Vehicle Tax	36
Graph 32: Replacement Vehicle Tax Collections	36
Tire User Fee	36
Graph 33: Tire User Fee Collections	36
Vehicle Use Tax	37
Table 35: Vehicle Use Tax Rates	37
Table 36: History of Vehicle Use Tax Rates	37
Graph 34: Vehicle Use Tax Collections	37

Other Taxes and Programs

Circuit Breaker Property Tax Grant Program and Pharmaceutical Assistance Program	38
Property Tax	38
Table 37: Steps in the Property Tax Cycle	39
Graph 35: Extensions by Class	39
Graph 36: Extensions by Type of District	39
Table 38: Comparison of Equalized Assessed Values and Taxes Extended, 1997 and 1998	40
Table 39: Senior Citizens Real Estate Tax Deferrals —Tax Year 1998	42
Table 41: FY 2000 Stipends and Reimbursements	43
Tennessee Valley Authority	42
Table 40: TVA Payments	42
Property Tax Extension Limitation Law	44
Real Estate Transfer Tax	44
Table 42: Real Estate Transfer Tax Rate History	44
Graph 37: Real Estate Transfer Tax Collections	44
Table 43: Real Estate Stamp Sales by County	45

Disbursements to Local Governments

Table 44: Taxes Disbursed to Local Governments	46
--	----

Table of Contents

Taxes Collected for Local Governments

Automobile Renting Occupation and Use Taxes	48
Chicago Home Rule Municipal Soft Drink Retailers' Occupation Tax	48
County Motor Fuel Tax	48
County Water Commission Taxes	48
Home Rule and Non-home Rule Sales and Use Taxes	49
Table 45: Fiscal Year 2000 Home Rule, Non-home Rule, and Special County ROT for Public Safety Sales Tax Disbursements ..	50
Hotel Taxes	49
Illinois Sports Facilities Tax	49
Metropolitan Pier and Exposition Authority (MPEA) Hotel Tax	49
Municipal Hotel Tax (Chicago)	49
Mass Transit District Taxes (Metro-East Mass Transit (MED) Taxes and Regional Transportation Authority (RTA) Taxes)	51
Table 46: Regional Transportation Authority Payments	51
Table 47: Metro-East Mass Transit District—Total of Sales/Use Tax by County	51
Metropolitan Pier and Exposition Authority Food and Beverage Tax	51
Replacement Vehicle Taxes (County Replacement Vehicle Tax, Municipal Replacement Vehicle Tax)	52
Special County Retailers' Occupation Tax for Public Safety	52

Revenue-sharing with Local Governments

Gaming Taxes (Charitable Games Tax and license fees, Pull Tabs and Jar Games Tax and license fees)	53
Table 48: Charitable Games Distributions to Municipalities and Counties	53
Table 49: Pull Tabs and Jar Games Distributions to Municipalities and Counties	54
Fund Transfers to Local Governments	57
Local Government Distributive Fund (population-based disbursements)	58
Table 50: Income Tax Revenue-sharing History	58
Table 51: Income Tax/Sales Tax Distributions to Local Governments	58
Table 53: Fiscal Year 2000 Population-based Disbursement of Net Income Tax	59
Table 54: Fiscal Year 2000 Population-based Disbursement of Photoprocessing and Local Share of Use Tax	60
State and Local Sales Tax Reform Fund	58
Sales Tax Transfers for Local Transportation (Public Transportation Fund, Downstate Public Transportation Fund, Metro-East Public Transportation Fund)	58
Table 52: Sales Tax Transfers for Local Transportation	58
Tax Increment Financing	62
Table 55: Tax Increment Financing Allocations	63
Local Share of State Sales and Use Taxes	62
Table 56: Fiscal Year 2000 Municipal and County Share of State Sales and Use Taxes	64
Table 57: Fiscal Year 2000 Countywide Share of State Sales Taxes	65
Motor Fuel Taxes (collected by the Department of Revenue and distributed by the Department of Transportation)	62
Replacement Taxes	66
Table 58: Replacement Tax Payments by Type of District	67
Table 59: Replacement Tax Payments by County	67

Report on Areas of Recurrent Non-compliance

Enforcement Programs	68
Audit Bureau	68
Bureau of Criminal Investigations	68
Collection Services Bureau	68
Table 60: FY 2000 Major Enforcement Program Totals	68

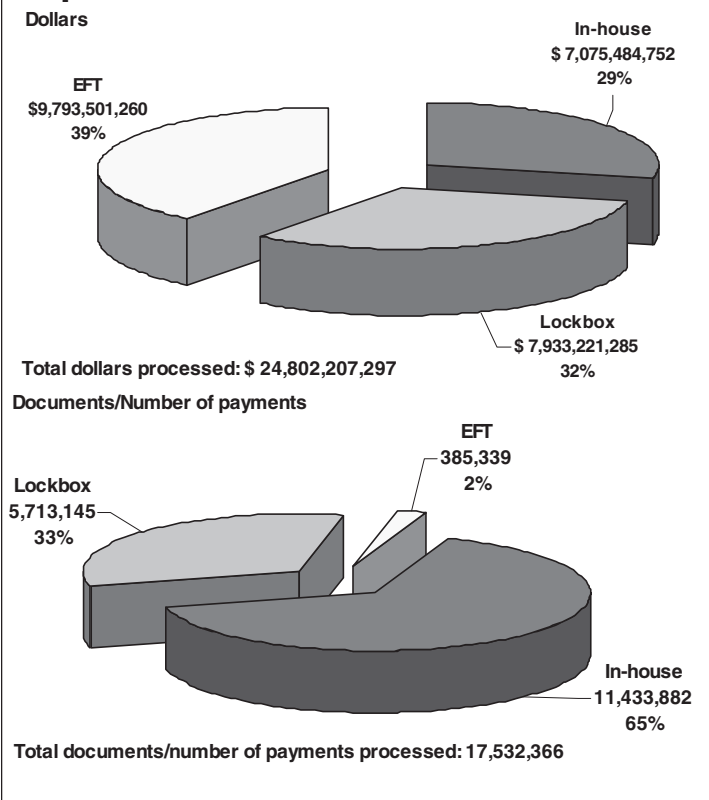
Legislation Recap for Calendar Year 2000

All Taxes	69
Circuit Breaker/Pharmaceutical Assistance	69
Income Tax	69
Local Government/Property Tax	71
Sales & Excise Tax	73
Miscellaneous	74

Court Decisions

Alternative Payment and Filing Options

Graph 1: Dollars and Documents Processed



The department's EFT program accepts payments for 17 tax applications. In FY 2000, 341,127 payments totaling approximately \$9.18 billion (37 percent of the department's total collections) from 20,324 participants were processed by the department's EFT Unit.

Lockbox Program

Lockbox is a service provided by a bank or a third-party vendor that enables selected taxpayers to mail their tax payments directly to a post office box for pickup by the bank or vendor. The bank or vendor then processes and deposits the monies based on department specifications. This process reduces mail "float," check collection time, and the time necessary to credit a taxpayer's account. In 1986, the department processed its first payment through a lockbox facility. Currently, 12 different payment types are processed at two different lockbox facilities. Graph 3 shows the recent decline in the lockbox processing volume. The department expects this decline to continue as more payments are processed using the electronic funds transfer program.

Approximately \$7.93 billion (32 percent of the department's total collections) were deposited in the lockbox banks in FY 2000. Documents processed through the lockbox banks totaled 5,713,145 in FY 2000.

Overview

The Illinois Department of Revenue is required to deposit all monies within 24 hours of receipt. The department has several ways in which it accomplishes this requirement. Electronic funds transfer (EFT), lockbox facilities, and alternative filing methods are used to deposit money more quickly and reduce errors associated with processing returns.

Electronic Funds Transfer (EFT)

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. Taxpayers whose annual average liability meets or exceeds a certain threshold must participate in the department's EFT program.

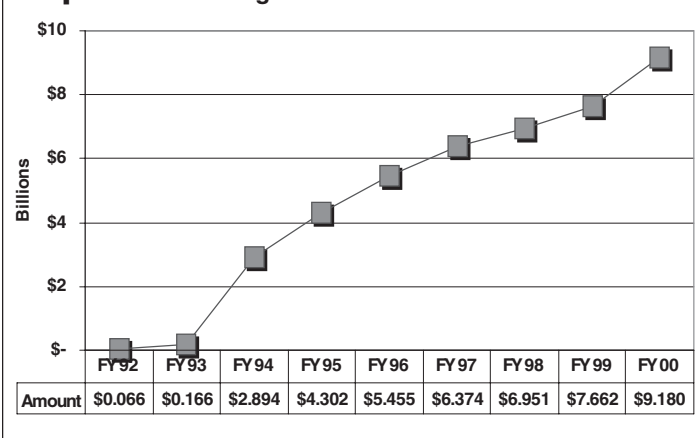
Graph 1 shows all tax payments received by EFT; Graph 2 shows all tax payments received from the EFT program.

EFT Program

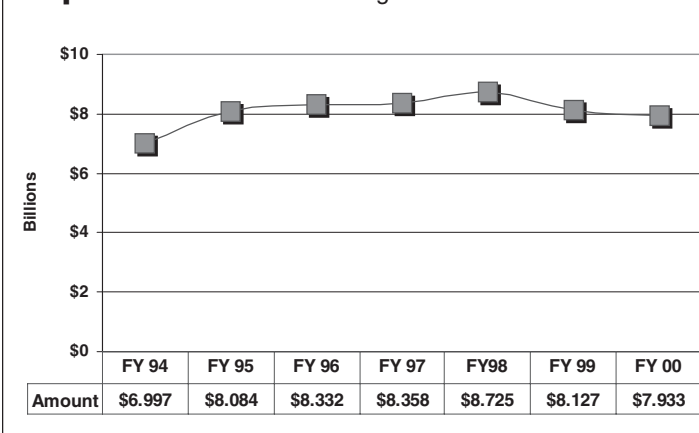
EFT is an electronic method used to pay tax liabilities. Instead of writing a check, financial institutions are instructed to transfer the funds from the taxpayer's account to ours. The department applies the transferred amount to the tax liability. EFT is **not** a way to file a return electronically.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

The Automated Clearing House (ACH) payment network is the primary means of collecting EFT payments. Taxpayers can either originate their tax payments through their bank (ACH credit) or call the department's bank who can originate an ACH debit. Either way, the tax dollars are transmitted electronically to the bank thereby eliminating mail and check collection "float".

Graph 2: EFT Program Dollars Collected

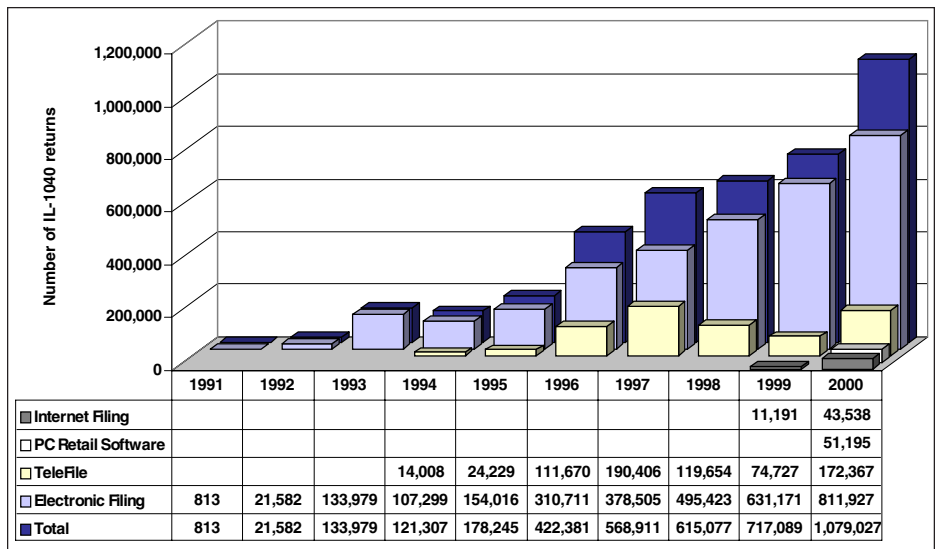


Graph 3: Lockbox Processing Dollars Collected



**Graph 4: Income Tax
Alternative Filing Options**

Alternative Filing Programs Realize An Overall Increase of 50 percent in Calendar Year 2000 (Tax Year 1999)



Individual Income Tax Alternative Filing and Payment Options

Electronic Filing

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. This method of electronic filing has been in place since 1996. The department received 811,927 returns in processing year 2000 through both electronic filing methods, a 28.6 percent increase from the previous year.

TeleFile

The TeleFile method of filing an individual income tax return was launched in January 1994, and was only offered to a select group of taxpayers based on their previous filing history. Beginning in January 2000, this method is offered to all Illinois taxpayers that meet the TeleFile program criteria. Taxpayers who are assigned an Illinois Personal Identification Number (IL-PIN) to use instead of a signature access the TeleFile system by dialing a toll-free telephone number. Voice instructions guide these 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 department received 172,367 TeleFile returns in processing year 2000, a 130.6 percent increase from the previous year.

Internet

In January 1999, the department introduced the Internet Filing Pilot Program to 700,000 randomly selected taxpayers. Beginning January 2000, the program is available to any Illinois taxpayer who is assigned an IL-PIN. These taxpayers have the opportunity to file their individual income tax returns on our Internet web site. By allowing taxpayers to enter the data from their W-2 forms and the IL-PIN instead of a signature, those expecting a refund have nothing to mail. The department received 43,538 Internet filed returns in processing year 2000, a 289.1 percent increase from the previous year.

PC Retail Software

The department continued its mission to attract more taxpayers to file electronically by offering a new electronic filing method in 2000. Beginning January 2000, all taxpayers assigned an IL-PIN to use instead of a signature may use the PC Retail 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 an Illinois Individual Income Tax Return and file both their federal and Illinois income tax returns at the same time. The department received 51,195 PC Retail Software filed returns in 2000.

Credit Card Payments

In addition to paying by check or money order, taxpayers may pay the amount that they owe on their 1999 individual income tax return by using the credit card option.

Sales Tax Alternative Filing Options

TeleFile

The Sales Tax TeleFile Program was implemented in November 1999. Specific monthly, quarterly, and yearly Form ST-1, Sales and Use Tax Return, filers conducting business at a single location with relatively simple returns were selected to participate in the program. They were mailed instructions and a personal identification number that serves as a signature for the TeleFile return. Taxpayers are prompted to enter information from the telephone keypad. The TeleFile system computes math, eliminating arithmetic mistakes. The department received 10,070 TeleFile Form ST-1 returns in calendar year 2000.

Electronic Data Interchange (EDI)

The department initiated the Form ST-1 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 attachment, 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 25 Form ST-1 returns by EDI during the first three months this program was implemented.

Total Revenue Collected

Table 1: Total Revenue Collected ⁽¹⁾

Section 1: State Taxes and Fees Collections	FY 1998	FY 1999	FY 2000
Income Taxes			
1 Corporate Income Tax	1,397,470,262	1,384,711,476	1,524,201,811
2 Individual Income Tax	7,254,646,661	7,786,233,842	8,265,868,742
A. Total Income Taxes	\$ 8,652,116,923	\$ 9,170,945,318	\$ 9,790,070,553
B. Sales Taxes (Retailers' Occupation, Use, Service Occupation, Service Use)	\$ 7,060,126,892	\$ 7,467,717,525	\$ 8,055,928,877
Excise Taxes			
1 Cigarette and Cigarette Use Taxes	458,400,882	485,823,852	477,928,356
2 Coin-operated Amusement Device Tax	1,455,514	1,221,269	1,309,735
3 Dry-cleaning Solvent Tax and License Fees	1,178,761	1,667,125	1,987,113
4 Electricity Excise Tax	316,872,008	325,057,827	355,072,294
5 Energy Assistance and Renewable Energy Charges ⁽²⁾	31,596,401	91,720,323	85,899,673
6 Gas Revenue Tax	134,066,766	106,495,678	100,773,357
7 Hotel Operators' Occupation Tax	139,877,060	151,680,653	161,052,080
8 Liquor Gallonage Tax	56,919,102	56,898,930	128,443,874
9 Oil and Gas Production Assessment ⁽³⁾	0	129,963	239,511
10 Telecommunications Excise Tax	499,301,090	675,944,687	783,167,049
11 Tobacco Products Tax	17,116,509	16,903,151	17,495,314
C. Total Excise Taxes	\$ 1,656,784,093	\$ 1,913,543,458	\$ 2,113,368,356
Gaming Taxes			
1 Bingo Tax and License Fees	6,774,775	6,136,518	5,759,064
2 Charitable Games Tax and License Fees	202,100	181,253	165,798
3 Pull Tabs and Jar Games Tax and License Fees	7,833,877	7,750,240	8,201,465
4 Racing Privilege Tax	37,957,910	36,383,044	23,277,916
5 Riverboat Gambling Taxes and Fees	266,927,758	357,544,653	483,558,525
D. Total Gaming Taxes	\$ 319,696,420	\$ 407,995,708	\$ 520,962,768
Motor Fuel Taxes			
1 Motor Fuel and Motor Fuel Use Taxes	1,227,238,552	1,258,279,198	1,292,203,504
2 Underground Storage Tank Tax and Environmental Impact Fee	66,672,893	67,535,386	73,643,346
E. Total Motor Fuel Taxes	\$ 1,293,911,445	\$ 1,325,814,584	\$ 1,365,846,850
Occupation-related Taxes and Fees			
1 Automobile Renting Occupation and Use Taxes	26,287,733	29,379,248	32,363,836
2 Replacement Vehicle Tax	1,100,494	1,128,201	1,271,525
3 Tire User Fee	5,808,109	6,104,036	6,328,586
4 Vehicle Use Tax	42,652,163	42,254,740	43,427,699
F. Total Occupation-related Taxes and Fees	\$ 75,848,499	\$ 78,866,225	\$ 83,391,646
Other Collections			
1 Miscellaneous ⁽⁴⁾	949,733	330,314	1,282,346
2 Pharmaceutical Assistance	1,425,177	1,719,362	2,074,818
3 Real Estate Transfer Tax	47,472,104	53,675,949	57,716,738
4 Senior Citizens Real Estate Tax Deferral	1,541,791	1,824,136	2,259,644
5 Tennessee Valley Authority (TVA)	52,098	58,717	66,295
G. Total Other Collections	\$ 51,440,903	\$ 57,608,478	\$ 63,399,841
Total Section 1: State Collections (A+B+C+D+E+F+G)	\$ 19,109,925,175	\$ 20,422,491,296	\$ 21,992,968,891

Total

Revenue Collected

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

Section 2: Taxes Collected for Local Governments ⁽⁵⁾	FY 1998	FY 1999	FY 2000
Automobile Renting Occupation and Use Taxes			
1 County Automobile Renting Occupation and Use Taxes	80,066	88,479	80,353
2 MPEA Automobile Renting Occupation and Use Taxes	22,578,884	24,865,909	24,756,094
3 Municipal Automobile Renting Occupation and Use Taxes	4,714,043	5,222,078	5,332,306
A. Total Automobile Renting Occupation and Use Taxes	\$ 27,372,993	\$ 30,176,466	\$ 30,168,753
B. Chicago Soft Drink Tax	\$ 6,866,464	\$ 7,164,003	\$ 7,848,107
C. County Motor Fuel Tax	\$ 24,257,523	\$ 26,123,408	\$ 27,490,439
D. County Water Commission Tax	\$ 30,073,327	\$ 31,720,836	\$ 33,608,287
E. Home Rule and Non-home Rule Sales Taxes	\$ 576,092,640	\$ 606,326,154	\$ 656,634,248
Hotel Taxes			
1 Illinois Sports Facilities Tax	21,697,739	23,547,920	25,708,565
2 MPEA Hotel Tax	25,296,198	27,452,547	29,971,464
3 Municipal Hotel Tax (Chicago)	10,959,571	11,914,102	12,985,447
F. Total Hotel Taxes	\$ 57,953,508	\$ 62,914,569	\$ 68,665,476
G. Mass Transit District Sales and Use Taxes	\$ 566,568,552	\$ 592,510,361	\$ 633,163,124
H. MPEA Food and Beverage Tax	\$ 18,373,307	\$ 19,661,938	\$ 21,492,261
Replacement Taxes			
1 Income Taxes	892,294,881	905,274,983	1,029,301,570
2 Invested Capital Tax and Electricity Distribution Tax	191,461,837	173,257,645	170,249,629
3 Telecommunications Infrastructure Maintenance Fees ⁽³⁾	10,670,151	36,547,148	40,226,615
I. Total Replacement Taxes	\$ 1,094,426,869	\$ 1,115,079,776	\$ 1,239,777,814
Replacement Vehicle Taxes			
1 County Replacement Vehicle Tax	1,877	330	120
2 Municipal Replacement Vehicle Tax	42,030	39,113	47,346
J. Total Replacement Vehicle Taxes	\$ 43,907	\$ 39,443	\$ 47,466
K. Tennessee Valley Authority (TVA)	\$ 121,564	\$ 137,010	\$ 154,687
L. Special County Retailers' Occupation Tax for Public Safety ⁽²⁾	\$ 1,446,391	\$ 5,809,113	\$ 14,755,241
Total Section 2: Taxes Collected for Local Governments (A+B+C+D+E+F+G+H+I+J+K+L)	\$ 2,403,597,045	\$ 2,497,663,077	\$ 2,733,805,903
Collections Grand Total (Section 1+ Section 2)	\$ 21,513,522,220	\$ 22,920,154,373	\$ 24,726,774,794

Table 1 Footnotes

(1) Represents dollars remaining *after* the return is processed, any adjustments have been made to the account, and any credits or refunds have been issued. "Collections Grand Total" figures do not match Graph 1, which represents dollars deposited *before* the return was processed.

(2) First collection was in February 1998.

(3) First collection was in August 1998.

(4) Includes jury duty refunds, duplicate payments, insurance claims, and tax forms.

(5) These taxes are locally-imposed taxes that the department collects. Revenue-sharing distributions and fund transfers are shown in Table 44.

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 rate is 3 percent of net income. The starting point for the Illinois Individual Income Tax is 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 provided 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.

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. Currently, taxpayers receive a 5 percent credit for residential property taxes paid.

Illinois Income Tax must be withheld by an employer if any of the following conditions are met:

- Federal income tax is withheld.
- Compensation (*i.e.*, wages and salaries) is paid in Illinois.
- Gambling or lottery winnings are paid in Illinois.
- A voluntary withholding agreement is executed with the employee.

Note: Withholding is required from payments to residents covered by a federal voluntary withholding agreement.

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 from certain other types of compensation and payments.

Table 2: 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 3: Individual Income Tax Filing Status (by tax year)

Taxpayer status	1998 returns	1999 returns
Single*	3,207,781	3,287,716
Married, filing jointly	2,229,155	2,233,654
Married, filing separately	79,426	77,914
Total	5,516,362	5,599,284

* Includes single, head of household, and widowed.

Table 4: Returns Filed by Adjusted Gross Income: Tax Year 1999

Adjusted gross income (AGI)	No. of returns	Total AGI	No. of exemptions	Tax liability	No. claiming property tax credit	Property tax credit amount
Less than \$ 0	24,433	(\$ 1,508,889,942)	51,222	\$ 195,511	70	\$ 21,473
\$ 0 - 5,000	551,524	1,452,724,455	531,561	25,488,139	13,213	427,423
5,001 - 15,000	936,425	9,172,494,376	1,531,264	174,903,160	132,823	8,170,994
15,001 - 25,000	778,799	15,438,212,003	1,592,655	334,356,296	193,032	14,740,369
25,001 - 50,000	1,323,911	48,099,914,291	2,932,522	1,158,943,541	595,641	54,405,182
50,001 - 100,000	1,159,528	80,652,625,934	3,333,354	2,027,901,130	886,116	114,940,472
100,001 - \$500,000	449,946	74,234,618,614	1,409,317	2,001,032,560	391,562	90,404,949
\$500,001 & more	29,529	44,807,200,891	94,903	1,319,089,792	27,254	13,788,069
Subtotal resident returns	5,254,095	\$ 272,348,900,622	11,476,798	\$ 7,041,910,129	2,239,711	\$ 296,898,931
<i>Nonresidents and residents with invalid Illinois ZIP codes</i>	345,189	\$ 72,518,895,028	749,728	\$ 388,060,862	35,935	\$ 6,501,307
Total	5,599,284	\$ 344,867,795,650	12,226,526	\$ 7,429,970,991	2,275,646	\$ 303,400,238

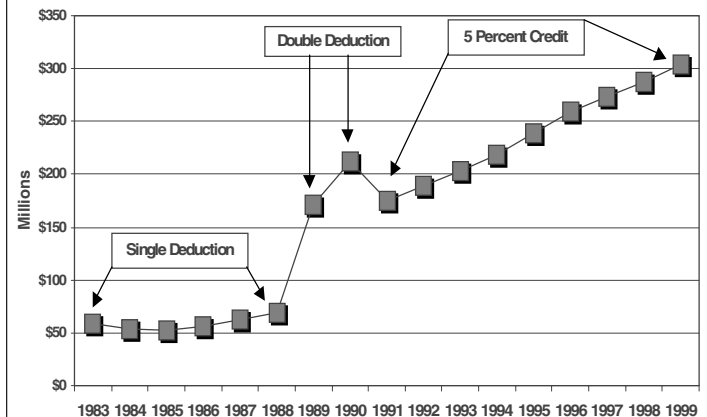
Income Taxes

Table 5: Reduced Individual Income Tax Liabilities From Property Tax Relief

Tax year	Filers with credits/deductions	Reduced tax liabilities
1989 *	2,212,165	\$ 171,757,823
1990 *	2,261,209	211,867,382
1991**	2,038,642	174,576,338
1992**	2,045,180	189,143,060
1993**	2,056,462	203,093,478
1994**	2,099,241	218,690,218
1995**	2,182,997	239,410,806
1996**	2,231,165	258,704,032
1997**	2,237,539	273,854,726
1998**	2,255,864	287,911,422
1999**	2,275,646	\$ 303,400,238

* Property tax deduction doubled
 ** Property tax credit of 5 percent

Graph 5: Illinois Individual Income Tax — Property Tax Relief



Note: 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 5 percent credit began in tax year 1991.

Corporations

The 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 subject to **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 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 property, payroll, and sales of the corporation within Illinois to total property, payroll, and sales of the

entire corporation. The sales factor is more heavily weighted than the other two and will be the only factor used for tax years ending on or after December 31, 2000. Insurance companies, financial organizations, and transportation companies have special formulas. Each taxpayer then subtracts the \$1,000 basic **exemption** (which is prorated if income is earned both inside and outside Illinois) from income allocable to Illinois to arrive at net income. The tax rate is then applied against net income.

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
- Training Expense Credit
- Coal Research and Coal Utilization Investment Credits
- Enterprise Zone Investment Credit
- High Impact Business Investment Credit
- Environmental Remediation Tax Credit
- 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
- Enterprise Zone and Foreign Trade Zone Jobs Tax Credit

Table 6: Corporate Liability Stratification for Income and Replacement Taxes — Tax Year 1998

Liability Range (000’S)	Total filers	Percent of filers	Liabilities (millions)	Percent of liabilities	Average Liability
\$0	84,872	64.16%	\$ 0	0.00%	\$ 0
\$0 > \$5	36,085	27.28%	44.7	3.20%	1,239
\$5 > \$10	4,189	3.17%	29.1	2.08%	6,947
\$10 > \$50	4,491	3.39%	100.6	7.20%	22,400
\$50 > \$100	1,010	0.76%	71.9	5.14%	71,188
\$100 > \$500	1,193	0.90%	254.1	18.18%	212,992
\$500 > \$1,000	224	0.17%	157.4	11.26%	702,679
\$1,000 or More	226	0.17%	740.2	52.94%	\$ 3,275,221
Totals	132,290	100.00%	\$ 1,398.0	100.00%	\$ 10,568
Liability only	47,418	35.84%	\$ 1,398.0	100.00%	\$ 29,482

Note: For information on replacement taxes, see Table 58 and Table 59.

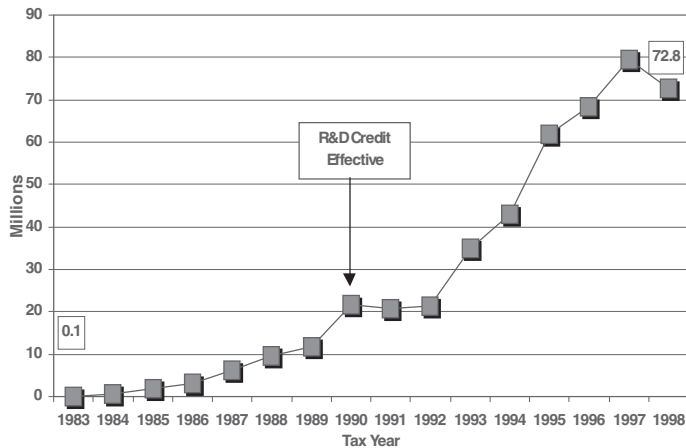
Income Taxes

Table 7: Corporate Income Tax Credit Profile* (in millions)

Credit	1993	1994	1995	1996	1997	1998	Totals
Enterprise Zone	\$ 2.9	\$ 7.0	\$ 10.0	\$ 8.4	\$ 9.0	\$ 10.0	\$ 47.3
Coal Research & Coal Utilization	3.1	3.1	3.9	0.7	4.3	1.1	16.2
High Impact Business	0.0	0.2	0.4	1.2	0.4	0.5	2.7
Jobs Tax Credit	0.0	0.3	0.0	0.0	0.0	0.0	0.3
Training Expense	5.9	9.8	17.4	17.7	18.8	17.3	86.9
Research & Development	16.5	24.0	27.8	35.2	32.6	27.5	163.6
Life & Health Insurance Tax Offset	N/A	N/A	2.7	4.1	12.3	16.1	35.2
TECH-PREP	N/A	N/A	0.0	0.0	0.2	0.3	0.5
Dependent Care	N/A	N/A	0.0	1.0	0.0	0.0	1.0
Environmental Remediation	N/A	N/A	N/A	N/A	0.0	0.0	0.0
Totals	\$ 28.4	\$ 44.4	\$ 62.2	\$ 68.3	\$ 77.6	\$ 72.8	\$ 353.7

* Based on a review of Schedule 1299-Ds.

Graph 6: Illinois Corporate Income Tax Credits, Schedule 1299-D



Note: The research and development credit became effective for tax year 1990. For tax year 1998, it accounted for \$27.5 million of the total \$72.8 million claimed.

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 — 7.1 percent for individuals and 19.0 percent for corporations in FY 2000 — is deposited into the ITRF to arrive at net income taxes. 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 96, 1/10 of net income taxes are transferred from the GRF to the Local Government Distributive Fund. See “Revenue-sharing with Local Governments.”

Table 8: Individual and Corporate Income Tax Receipts by Fund (in millions)

Funds	Individual FY 2000	Corporate FY 2000	Total FY 2000
ITRF	\$ 587.4	\$ 290.2	\$ 877.6
EAF	561.1	90.3	651.4
GRF	7,124.7	1,146.9	8,271.6
Total	\$ 8,273.2	\$ 1,527.4	\$ 9,800.6

The GRF received 84.3 percent of total income tax receipts in FY 2000.

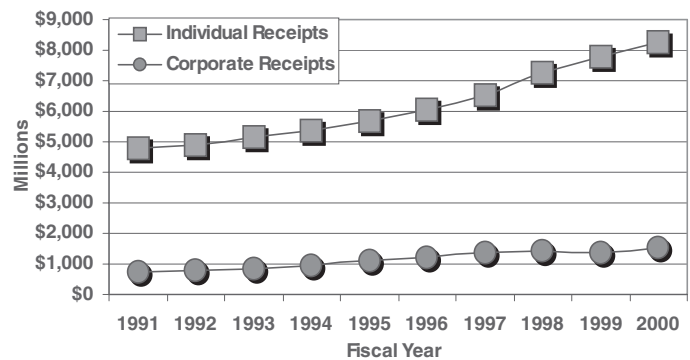
Note: The individual and corporate receipt totals by fund outlined in this table may not equal those in Table 9 due to timing differences between when the money was received and when it was deposited into the funds.

Table 9: Income Tax Collections and Refunds

Fiscal year	Individual collections	Corporate collections	Total collections	Total refunds
1991	\$ 4,789,377,348	\$ 761,798,865	\$ 5,551,176,213	\$ 449,478,334
1992	4,909,187,935	774,913,137	5,684,101,072	460,271,970
1993	5,133,166,823	851,416,860	5,984,533,683	504,676,782
1994	5,378,397,361	939,156,586	6,317,553,947	531,509,976
1995	5,710,709,044	1,100,484,453	6,811,193,497	584,395,224
1996	6,110,147,297	1,204,187,601	7,314,334,898	629,104,398
1997	6,544,228,585	1,364,779,886	7,909,008,471	667,642,391
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

Note: Collections from replacement income taxes are not included in this table. See Table 58 and Table 59 for information about replacement taxes distributions.

Graph 7: Individual and Corporate Receipts



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. However, for fiscal years 1999, 2000, and 2001, the refund fund percentages are fixed at 7.1 percent for individual income tax collections and 19.0 percent for corporate and replacement tax collections. All deposits into the ITRF are designated for the sole purpose of paying refunds.

Table 12 provides ITRF deposits.

Table 10: Individual Income Tax Refunds

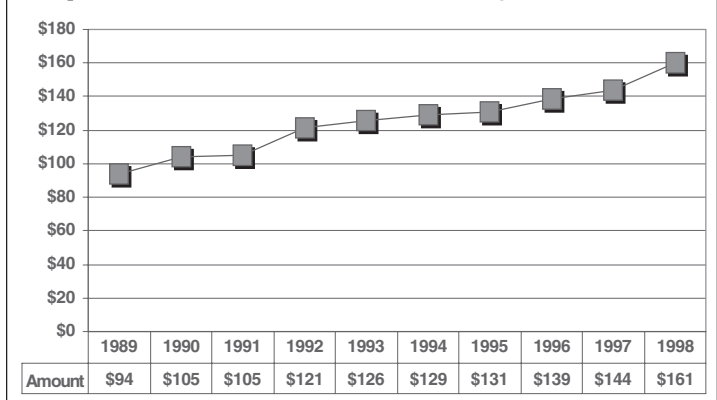
Tax year	Refunds issued	Refund amount	Average refund
1989	2,693,480	253,288,113	\$ 94.04
1990	2,923,706	305,935,735	104.64
1991	2,890,168	303,927,106	105.16
1992	2,711,501	328,984,665	121.33
1993	2,825,089	355,777,239	125.93
1994	2,932,315	378,397,464	129.04
1995	2,956,237	386,403,494	130.71
1996	2,969,670	411,863,295	138.69
1997	3,009,427	432,014,209	143.55
1998	3,438,205	\$552,142,118	\$ 160.59

Table 11: Income Tax Rate History

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

Graph 8: Individual Income Tax Average Refund



Income Tax Checkoffs

Income tax checkoffs for charitable causes first appeared on the Illinois Individual Income Tax return for the 1983 tax year. Legislation provided that taxpayers who had refunds coming 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.) That year there were three causes, which raised a total of \$936,592. 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.

Graph 9: Checkoff Dollars Donated

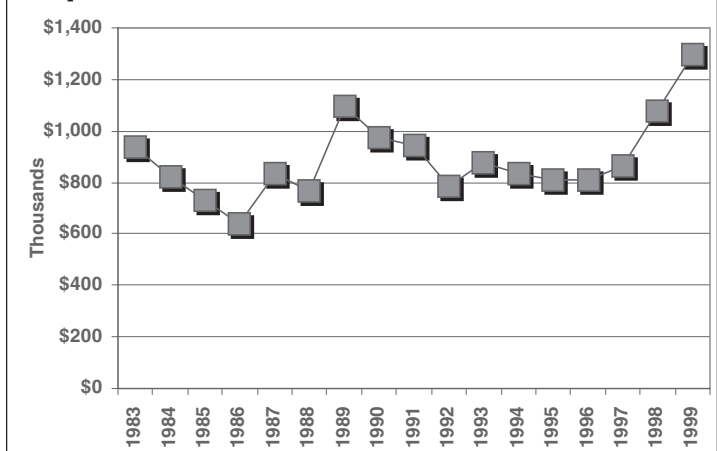


Table 12: Income Tax Refund Fund Deposits per the Office of the Comptroller (in millions)

Fiscal year	Individual		Corporate		Replacement		Total deposits
	Refund percent	Refund deposits	Refund percent	Refund deposits	Refund percent	Refund deposits	
1991	5.2	\$ 249.4	24.3	\$ 184.9	24.3	\$ 117.3	\$ 551.6
1992	5.8	284.2	23.3	180.7	23.3	107.9	572.8
1993	5.9	303.4	23.0	195.8	23.0	119.6	618.8
1994	6.9	372.1	17.7	164.9	17.7	100.7	637.7
1995	6.6	376.9	18.6	205.2	18.6	130.7	712.8
1996	6.6	400.6	19.1	230.8	19.1	143.9	775.3
1997	6.3	412.8	20.3	276.3	20.3	171.7	860.8
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

Income Taxes

Table 13: Checkoff Dollars Donated by Tax Year

Note: Totals may not add due to rounding.

Voluntary Contributions	1983	1984	1985	1986	1987	1988	1989	1990	1991
Veterans Home	\$178,283	\$124,150	\$68,499	\$—	\$—	\$—	\$—	\$—	\$—
Wildlife Conservation	259,972	227,947	171,291	200,200	205,875	234,117	239,970	234,220	175,802
Child Abuse Prevention	498,337	353,407	240,052	266,837	296,130	312,694	285,977	273,728	182,395
Food and Housing Assistance	—	116,208	79,122	—	—	—	—	—	—
Mental Health Education	—	—	56,417	—	—	—	—	—	—
Alzheimer's Disease Research	—	—	114,850	173,026	164,603	169,823	169,784	185,781	103,651
U.S. Olympic Fund	—	—	—	—	82,629	—	—	—	—
Assistance to the Blind	—	—	—	—	84,427	—	—	—	—
Heritage Preservation	—	—	—	—	—	49,496	—	—	—
Assistance to the Homeless	—	—	—	—	—	—	263,989	280,481	178,184
Child Care Expansion Program	—	—	—	—	—	—	77,720	—	—
Community Health Center Care	—	—	—	—	—	—	60,058	—	—
Gulf War Veterans	—	—	—	—	—	—	—	—	15,922
1992 U.S. Olympians	—	—	—	—	—	—	—	—	33,817
Rehabilitation Technology	—	—	—	—	—	—	—	—	28,764
AIDS Victims Assistance	—	—	—	—	—	—	—	—	96,677
Domestic Violence	—	—	—	—	—	—	—	—	54,589
Drug Abuse Prevention	—	—	—	—	—	—	—	—	75,992
Literacy Advancement	—	—	—	—	—	—	—	—	—
Breast & Cervical Cancer Research	—	—	—	—	—	—	—	—	—
Ryan White Pediatric and Adult AIDS	—	—	—	—	—	—	—	—	—
Illinois Special Olympics	—	—	—	—	—	—	—	—	—
Heart Disease Prevention	—	—	—	—	—	—	—	—	—
Korean War Memorial	—	—	—	—	—	—	—	—	—
Hemophilia Treatment	—	—	—	—	—	—	—	—	—
Women in the Military Memorial	—	—	—	—	—	—	—	—	—
Children's Cancer	—	—	—	—	—	—	—	—	—
American Diabetes	—	—	—	—	—	—	—	—	—
Mental Health Research	—	—	—	—	—	—	—	—	—
Prostate Cancer Research	—	—	—	—	—	—	—	—	—
Total	\$936,592	\$821,711	\$730,232	\$640,063	\$833,664	\$766,129	\$1,097,497	\$974,211	\$945,793

Voluntary Contributions	1992	1993	1994	1995	1996	1997	1998	1999
Veterans Home	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Wildlife Conservation	169,086	185,824	205,177	216,356	208,763	178,688	240,033	237,183
Child Abuse Prevention	205,338	167,299	167,801	175,912	179,119	138,290	239,537	283,213
Food and Housing Assistance	—	—	—	—	—	—	—	—
Mental Health Education	—	—	—	—	—	—	—	—
Alzheimer's Disease Research	124,415	108,116	108,592	119,277	130,165	102,721	161,503	225,860
U.S. Olympic Fund	—	—	—	—	—	—	—	—
Assistance to the Blind	—	—	—	—	—	—	—	—
Heritage Preservation	—	—	—	—	—	—	—	—
Assistance to the Homeless	202,248	152,274	141,603	145,321	143,717	115,011	190,708	189,386
Child Care Expansion Program	—	—	—	—	—	—	—	—
Community Health Center Care	—	—	—	—	—	—	—	—
Gulf War Veterans	—	—	—	—	—	—	—	—
1992 U.S. Olympians	—	—	—	—	—	—	—	—
Rehabilitation Technology	—	—	—	—	—	—	—	—
AIDS Victims Assistance	—	—	—	—	—	—	—	—
Domestic Violence	—	—	—	—	—	—	—	—
Drug Abuse Prevention	—	—	—	—	—	—	—	—
Literacy Advancement	82,285	—	—	—	—	—	—	—
Breast & Cervical Cancer Research	—	117,279	111,008	129,797	146,317	110,965	247,496	224,968
Ryan White Pediatric and Adult AIDS	—	81,607	—	—	—	—	—	—
Illinois Special Olympics	—	64,103	—	—	—	—	—	—
Heart Disease Prevention	—	—	48,384	—	—	—	—	—
Korean War Memorial	—	—	25,640	—	—	—	—	—
Hemophilia Treatment	—	—	22,940	—	—	—	—	—
Women in the Military Memorial	—	—	—	24,342	—	—	—	—
Children's Cancer	—	—	—	—	—	86,248	—	—
American Diabetes	—	—	—	—	—	74,133	—	—
Mental Health Research	—	—	—	—	—	57,093	—	—
Prostate Cancer Research	—	—	—	—	—	—	—	115,837
Total	\$783,371	\$876,503	\$831,144	\$811,005	\$808,081	\$863,149	\$1,079,278	\$1,296,446

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 seller'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 sellers' receipts and "use" taxes that are imposed on amounts paid by purchasers. Sellers owe the occupation tax to the department; they reimburse themselves for this liability by collecting use tax from the buyers. "Sales tax" is the combination of all state, local, mass transit, water commission, home rule occupation and use, non-home rule occupation and use, and county public safety taxes.

For purposes of this document, Illinois Sales Tax has three rate structures — one for qualifying food, drugs, and medical appliances; one for items 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 consumption, such as grocery store food items.

"Qualifying food, drugs, and medical appliances" include

- food that has not been prepared for immediate 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 fluoride toothpaste; 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.

"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 under certain circumstances based on the actual selling price.

The fundamental rate for

- qualifying food, drugs, and medical appliances is 1 percent.
- items 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, and county public safety sales taxes.

Table 14: State Sales Tax Collections

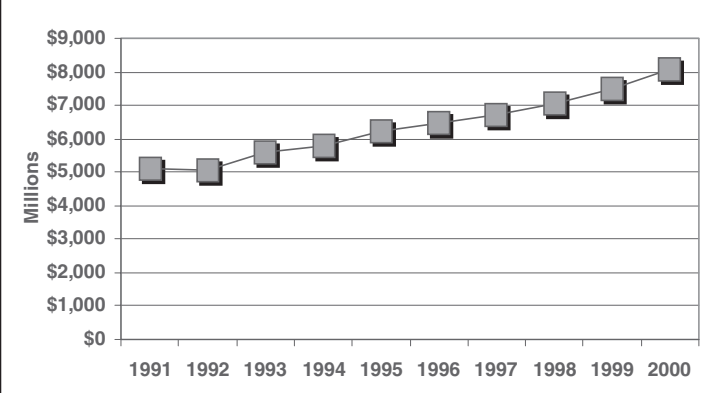
Fiscal year	Collections	Number of taxpayers
1991	\$ 5,130,696,539	232,686
1992	5,053,712,131	235,566
1993	5,581,160,390	231,513
1994	5,770,735,365	233,550
1995	6,241,603,897	240,021
1996	6,472,427,962	241,003
1997	6,730,814,205	243,326
1998	7,060,126,892	244,199
1999	7,467,717,525	242,339
2000	\$ 8,055,928,877	239,054

Note: Collections include Motor Vehicle Use Tax.

Table 15: Sales Tax Rate History

Year	State/Local	Rate	
1933	State (temporary)	2.00%	(1) 0.25 percent in Du Page, Kane, Lake, McHenry, and Will counties, 1.00 percent in Cook County (2) Portions of Madison and St. Clair counties (3) Most of Du Page County and certain municipalities in Cook and Will counties. (4) County Supplementary Tax Act (subsequently repealed with sales tax reform) (5) Local sales tax acts and the County Supplementary Tax Act were repealed. A 1 percent rate was imposed on qualifying food, drugs, and medical appliances. (6) 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
1935	State (permanent)	3.00%	
1955	Municipalities — local sales tax	varied	
1959	Counties — local sales tax	varied	
1969	State	4.00%	
1979	State/Local	4.00%/1.00%	
1979	Regional Transportation Authority	0.25%/1.00% ⁽¹⁾	
1980	Metro-East Mass Transit District	0.25% ⁽²⁾	
1984	State	5.00%	
1986	County Water Commission	0.25% ⁽³⁾	
1986	All counties but Cook County	0.25% ⁽⁴⁾	
1990	Sales Tax Reform	6.25% ⁽⁵⁾	
1990	Home rule taxes	varied ⁽⁶⁾	
1994	Non-home rule taxes	varied ⁽⁶⁾	
1998	County public safety taxes	varied ⁽⁶⁾	

Graph 10: State Sales Tax Collections



Distribution

Sales tax collections are allocated among state and local governments. The state treasury receives 80 percent of collections from the basic 6.25 percent sales tax (*i.e.*, the collections based on a 5 percent state rate) that is in effect everywhere in Illinois. Local governments receive the remaining 20 percent.

From the state's 80 percent share, 5.55 percent is allocated to the Build Illinois Fund, 0.4 percent is allocated to the Local Government Distributive Fund, and 0.27 percent is allocated to the Illinois Tax Increment Fund. The remainder is divided as follows: 75 percent to the General Revenue Fund and 25 percent to the General Revenue/Common School Special Account Fund.

For more detailed information about sales and use tax distributions, see "Revenue-sharing with Local Governments."

Local Taxes Collected by the Department

Units of local government may impose taxes or fees which the department does not collect. The following local taxes, which the department collects, may be imposed:

- 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
- Special County Retailers' Occupation Tax for Public Safety

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

Graph 11: Sales Tax Reported by Type of Business for Fiscal Year 2000

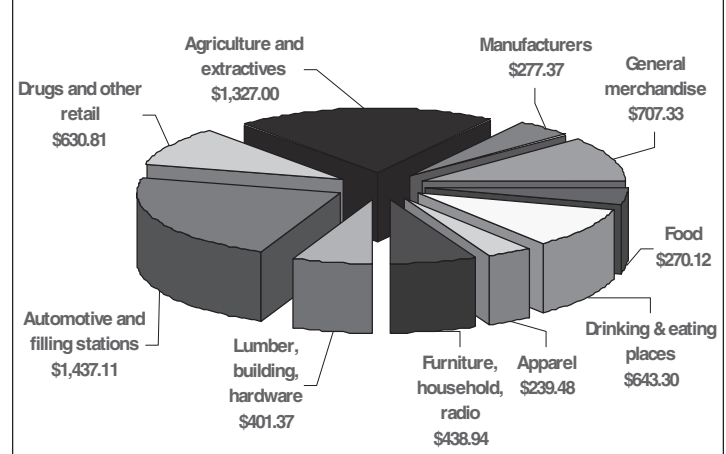


Table 16: Sales Tax Reported by Type of Business (1)

	FY 96	FY 97	FY 98 (2)	FY 99 (2)	FY 00 (2)
Number of taxpayers filing (3)	477,256	431,811	407,933	399,323	332,814
General merchandise	\$ 722,848,751	\$ 752,836,233	\$ 628,317,400	\$ 688,401,607	\$ 707,330,341
Food	186,942,830	186,523,923	210,853,990	221,895,292	270,122,075
Drinking and eating places	521,536,581	542,531,032	546,316,198	580,091,716	643,298,617
Apparel	233,280,695	235,542,798	226,174,533	229,317,700	239,477,718
Furniture, household, and radio	237,692,063	239,413,906	334,637,932	395,715,790	438,941,925
Lumber, building, and hardware	472,244,962	514,150,361	329,525,544	362,691,745	401,369,486
Automotive and filling stations	1,274,808,186	1,313,747,824	1,217,426,315	1,293,388,251	1,437,105,671
Drugs and other retail	691,476,662	747,839,336	532,255,467	574,801,314	630,806,710
Agriculture and extractives	318,738,830	330,450,267	1,191,229,046	1,266,815,433	1,326,995,905
Manufacturers	462,328,644	472,560,439	375,567,160	316,091,101	277,365,381
Total tax collections***	\$ 5,121,898,204	\$ 5,335,596,119	\$ 5,592,303,585	\$ 5,929,209,954	\$ 6,372,813,833

Note: Amounts subsequently disbursed to units of local government have been subtracted.

(1) This table shows where sales tax collections came from by category and is for items purchased during the fiscal year.

(2) Reporting was changed from kind of business (KOB) codes to standard industrial classification (SIC) codes.

(3) Includes both taxpayers registered for sales tax and those paying use tax.

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 the occupation of selling cigarettes at retail. 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 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. This act duplicates the provisions of the Cigarette Tax Act.

The rate for both Cigarette Tax and Cigarette Use Tax is 29 mills per cigarette or 58 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.

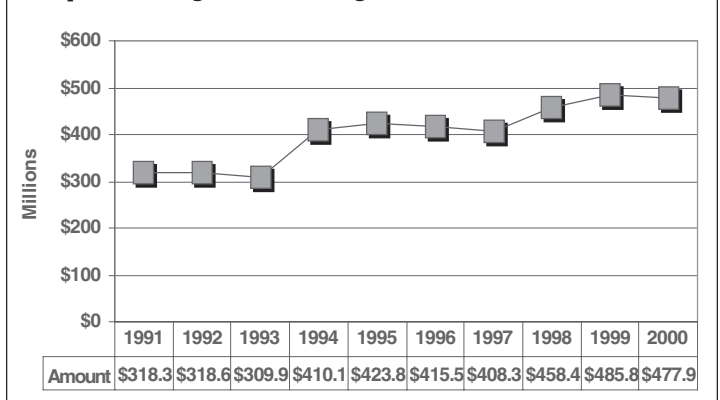
Distribution

Under the Cigarette Tax Act, the 8-cents-per-pack increase enacted in 1985 and the 14-cents-per-pack increase enacted in 1997 are deposited into the Common School Fund (up to \$17.3 million per month), 1 cent per pack is placed in the Metropolitan Fair and Exposition Authority Reconstruction Fund (up to \$4.8 million per year), and \$16 million per month goes into the General Revenue Fund. The remaining balance derived from the 58-cents-per-pack tax is used to pay for any unpaid amounts owed to the General Revenue Fund and the Long-Term Care Provider Fund, respectively. After these delinquent amounts (if any) are paid, \$9,545,000 per month is deposited into the Long-Term Care Provider Fund and all remaining collections are placed into the Hospital Provider Fund.

Table 17: Cigarette Tax Rate History

Effective date	Per cigarette	Per pack of 20
July 1, 1941	0.1¢	2¢
January 1, 1947	0.15¢	3¢
July 31, 1959	0.2¢	4¢
June 8, 1960	0.15¢	3¢
May 1, 1961	0.2¢	4¢
August 1, 1965	0.35¢	7¢
August 1, 1967	0.45¢	9¢
August 1, 1969	0.6¢	12¢
December 1, 1985	1.0¢	20¢
July 1, 1989	1.5¢	30¢
July 14, 1993	2.2¢	44¢
December 15, 1997	2.9¢	58¢

Graph 12: Cigarette and Cigarette Use Tax Collections



Coin-operated Amusement Device and Redemption Machine Tax

Statutory Reference

5 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 rate is \$15 per decal. Decals issued on or after February 1 for any year and ending July 31 of that year are \$8.

Rate and Base History

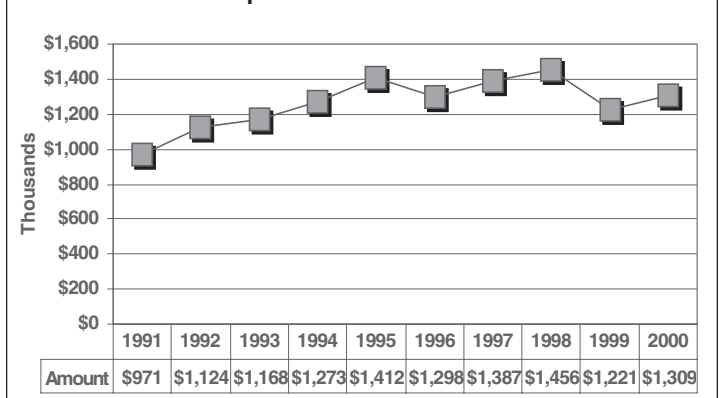
This annual tax became effective August 1, 1953, at the following rates: \$50 for pinball machines, \$25 for mechanical bowling and shuffleboard machines, and \$10 for machines using electric light rays. In 1963, the rate became \$10 per coin-receiving slot.

Effective January 1, 1990, the rate was changed to \$25 per machine but was reduced February 1, 1990, to the current rate. Redemption machines were added to the tax base on May 8, 1992.

Distribution

Collections are deposited into the General Revenue Fund.

Graph 13: Coin-operated Amusement Device and Redemption Machine Tax Collections



Excise and Utility Taxes

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 two different 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.

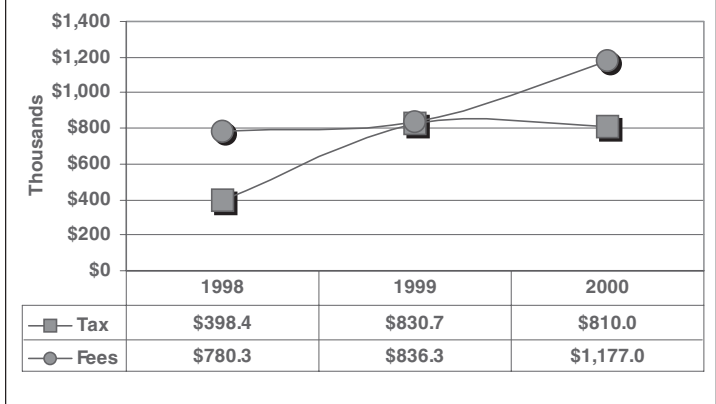
License fees are imposed on those who operate dry-cleaning facilities and are based on the amount and type of dry-cleaning solvent purchased by a dry-cleaning facility operator and are determined annually by the Dry-cleaner Environmental Response Trust Fund Council. Proof of license fee payment is required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

- \$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

Distribution

The Dry-cleaner Environmental Response Trust Fund Council issues the licenses and determines the tax rate annually. Collections are deposited into the Drycleaner Environmental Response Trust Fund.

Graph 14: Dry-cleaning Solvent Tax and License Fees Collections



Electricity Excise Tax

Statutory Reference

35 ILCS 640/2-1 to 99

Definition

The tax is imposed on persons distributing, supplying, furnishing, or selling electricity in Illinois for use and consumption (not for resale). Each month, municipal systems and electric cooperatives collect tax from each purchaser an amount equal to the lesser of 5 percent or \$0.0032 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.

Distribution

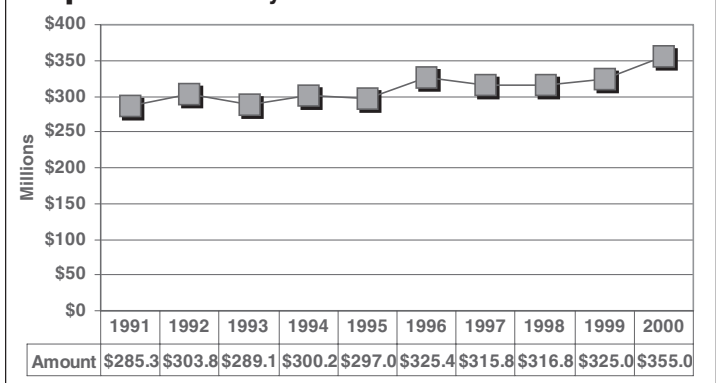
Collections are deposited into the General Revenue Fund.

Table 18: Electricity Excise Tax Rate History

Effective date	Rate
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 ⁽¹⁾	5.00 percent or \$0.0032 per kwh, whichever is less
August 1, 1998 ⁽²⁾	See "Definition"

(1) Municipal systems and electric cooperatives
 (2) Public Utilities Revenue Tax was replaced by the Electricity Excise Tax.

Graph 15: Electricity Excise Tax Collections



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, a cooperative, or an alternative retail electric supplier collects monthly from each of its customers for electric or natural gas services delivered by the utility, cooperative, or supplier.

The 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

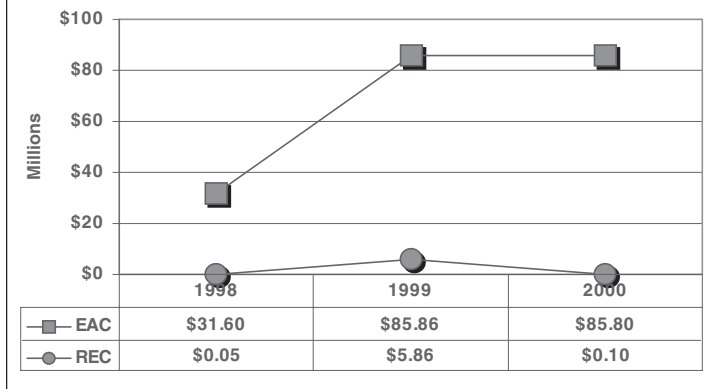
The monthly rates for the **Renewable Energy Charge** are listed below. These rates became effective January 1, 1998.

- \$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. The Renewable Energy Resources Trust Fund and the Coal Technology Development Assistance Fund each receive 50 percent of the collections from the Renewable Energy Charge.

Graph 16: Energy Charges Collections



Gas Revenue Tax

Statutory Reference

35 ILCS 615/1 to 615/15

Definition

The tax is imposed on persons who distribute, supply, furnish, or sell natural gas for use or consumption (not for resale). The tax is calculated at the lesser of 5 percent or 2.4 cents per therm per customer.

Distribution

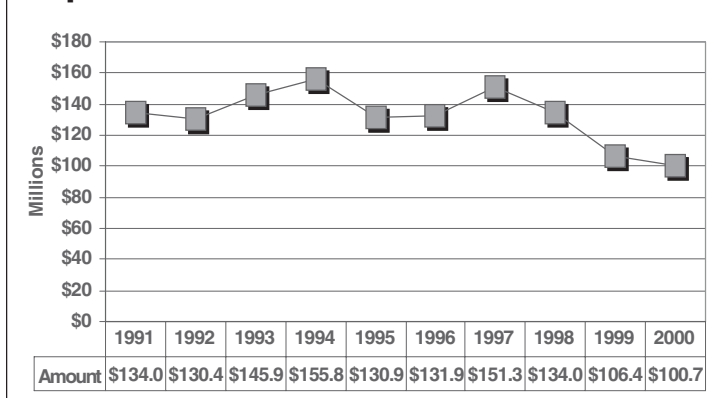
Collections are deposited into the General Revenue Fund.

Table 19: Gas Revenue Tax Rate History

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

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

Graph 17: Gas Revenue Tax Collections



Excise and Utility Taxes

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 6 percent of 94 percent of the gross receipts from renting, leasing, or letting rooms for periods of less than 30 days.

Distribution

Collections are deposited as follows: 50 percent into the Build Illinois Fund; \$13 million into the Illinois Sports Facilities Fund; 8 percent into the Local Tourism Fund; 6% into the International Tourism Fund; and the balance into the General Revenue Fund. Twenty-one percent is then transferred from the General Revenue Fund to the Tourism Promotion Fund.

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

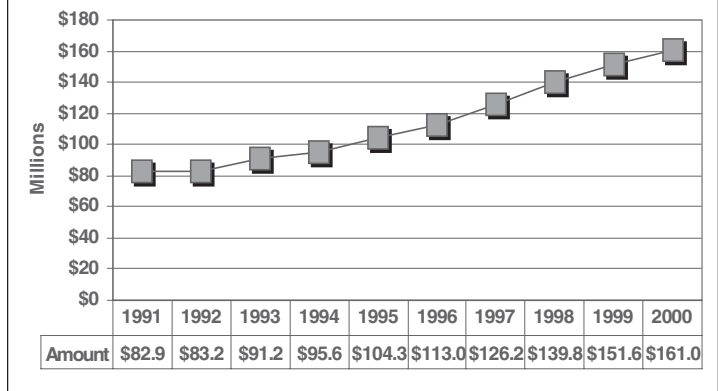
See "Taxes Collected for Local Governments" for more information.

Table 20: 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 18: Hotel Operators' Occupation Tax Collections



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 for beer or cider with an alcohol content of 0.5 percent to 7 percent
- 73 cents per gallon for alcoholic liquor other than beer with an alcohol content of 14 percent or less
- 73 cents per gallon for alcoholic liquor with an alcohol content of more than 14 percent and 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.

Graph 19: Liquor Gallonage Tax Collections

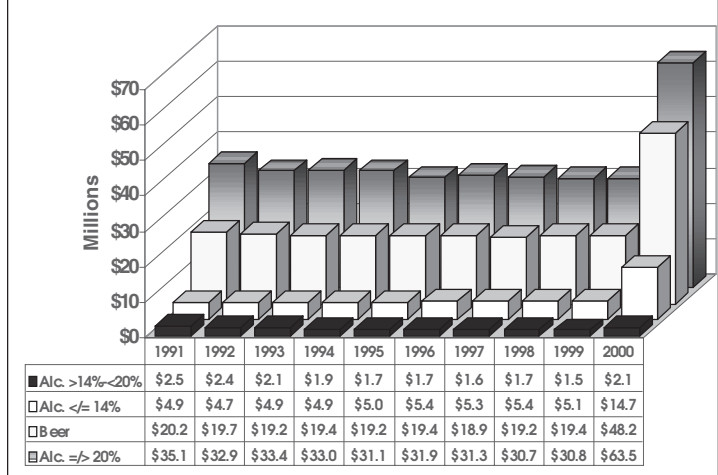


Table 21: Liquor Tax Rate History

Effective date	Beer	Alcohol	Alcohol	Alcohol
		< / = 14%	> 14% - < 20%	= / > 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 22: Liquor Gallonage History (in millions of gallons)

Fiscal year	Beer	Alcohol <=/14%	Alcohol >14% - <20%	Alcohol =/>20%	Total
1990	289.0	21.6	3.8	18.4	332.8
1991	289.0	21.4	4.2	17.7	332.3
1992	280.8	20.2	3.9	16.5	321.4
1993	274.6	21.1	3.5	16.6	315.8
1994	276.7	21.3	3.1	16.1	317.2
1995	274.8	21.6	2.9	15.5	314.8
1996	276.8	22.3	2.8	15.9	317.8
1997	269.8	22.9	2.7	15.5	310.9
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

Excise and Utility Taxes

Table 23: Hotel Net Receipts by County

County	No. of Accounts	FY 1998 Receipts	No. of Accounts	FY 1999 Receipts	No. of Accounts	FY 2000 Receipts
Adams	20	\$ 7,012,027	23	\$ 7,952,761	22	\$ 7,857,844
Alexander	13	339,895	12	332,216	12	330,706
Bond	12	1,704,479	10	1,912,275	11	1,842,462
Boone	4	199,623	5	170,942	4	162,258
Bureau	14	1,894,726	14	2,046,036	16	1,853,839
Carroll	21	765,259	22	668,728	27	958,155
Champaign	60	31,669,148	63	34,065,374	61	35,470,982
Christian	6	547,418	7	650,988	8	679,100
Clinton	8	213,719	6	264,917	7	393,660
Coles	15	6,083,436	14	6,291,874	16	6,673,154
Cook	566	1,676,533,734	592	1,824,683,168	629	1,966,832,423
Crawford	4	1,043,527	4	1,191,229	4	1,246,586
DeKalb	13	4,789,916	14	4,965,693	18	5,536,356
DeWitt	6	1,184,849	5	1,290,879	5	1,135,480
Douglas	20	2,776,800	17	3,211,107	17	3,419,486
Du Page	114	265,555,046	124	284,488,085	150	288,739,054
Effingham	25	11,800,442	29	11,905,722	30	12,841,648
Fayette	8	1,701,742	9	1,830,730	8	2,037,946
Franklin	15	3,122,233	16	3,218,814	16	2,970,713
Fulton	10	616,608	10	803,041	10	855,526
Grundy	8	3,473,604	10	4,061,999	9	4,467,172
Hancock	19	1,090,998	16	1,205,629	14	1,557,748
Jackson	22	5,653,627	23	5,645,164	24	5,652,859
Jefferson	16	10,509,106	18	10,339,636	19	11,335,548
Jersey	13	2,276,136	13	2,307,013	15	2,533,953
Jo Daviess	163	22,603,636	161	24,831,707	164	25,025,086
Kane	31	17,609,948	38	24,123,416	35	30,228,482
Kankakee	20	7,498,454	19	8,202,938	22	8,419,109
Kendall	12	877,890	13	870,714	14	1,686,824
Knox	23	6,137,069	18	6,712,786	21	6,246,496
Lake	100	97,140,312	114	105,506,970	125	116,740,784
LaSalle	41	11,868,058	45	12,875,580	43	13,996,129
Lee	10	1,748,368	9	1,995,276	8	2,096,892
Livingston	8	1,744,227	10	1,839,478	9	1,967,168
Logan	10	2,187,699	10	2,181,259	9	2,244,953
Macon	22	12,366,925	24	13,312,795	23	12,449,357
Macoupin	9	2,015,981	11	2,169,332	9	2,109,120
Madison	56	21,963,821	63	24,164,507	71	25,731,293
Marion	16	2,543,394	17	3,105,306	15	3,023,368
Mason	8	343,572	7	327,816	7	374,406
McDonough	12	3,084,314	17	3,524,989	13	3,590,298
McHenry	24	10,672,452	27	11,192,872	32	11,669,071
McLean	37	29,569,992	39	35,070,430	41	35,350,291
Montgomery	7	1,758,508	9	1,924,523	10	2,266,287
Morgan	9	3,094,766	11	3,226,027	13	3,027,929
Ogle	19	4,198,829	20	4,152,031	20	3,981,189
Peoria	36	31,403,305	42	31,299,314	40	30,826,824
Perry	7	624,547	9	623,389	7	763,691
Rock Island	33	15,795,101	36	17,804,509	32	17,813,451
St Clair	55	18,325,020	63	21,784,415	60	24,391,374
Sangamon	58	43,408,054	62	47,910,862	60	47,286,467
Shelby	15	2,586,712	16	2,702,030	17	3,184,296
Stephenson	12	2,776,462	10	3,017,750	13	3,050,686
Tazewell	25	14,773,592	28	15,889,450	28	17,413,648
Vermilion	21	6,728,328	23	7,108,124	25	7,384,649
Washington	7	1,099,959	10	1,074,791	11	1,093,872
White	6	926,539	7	914,458	7	922,138
Whiteside	14	2,728,386	14	2,558,451	17	3,129,039
Will	64	29,540,751	69	35,404,320	73	38,776,085
Williamson	23	9,052,368	21	9,220,414	21	9,657,141
Winnebago	45	33,025,886	52	36,054,043	52	35,488,569
Brown & Schuyler	7	303,408	8	355,376	9	416,459
Calhoun & Green	7	176,164	7	213,415	7	290,511
Cass & Menard	7	464,056	6	476,161	6	454,849
Clark & Edgar	12	1,315,723	8	1,543,261	9	1,622,423
Clay, Cumberland & Jasper	8	880,315	8	876,156	8	936,433
Edwards, Wabash & Wayne	10	526,629	9	565,319	10	508,967
Ford & Iroquois	14	1,736,755	14	1,687,601	14	1,737,244
Gallatin, Hardin & Hardin	9	257,322	9	256,663	11	225,097
Henderson, Mercer & Warren	8	686,827	7	791,333	8	710,389
Henry & Stark	14	1,577,142	17	1,658,378	17	1,799,430
Johnson & Union	18	704,148	19	753,538	18	800,344
Lawrence & Richland	9	1,072,426	10	1,207,157	8	1,060,158
Marshall, Putnam & Woodford	8	1,170,879	8	1,234,521	8	1,304,439
Massac & Pulaski	9	3,553,595	11	3,398,831	10	4,197,425
Monroe & Randolph	16	1,295,464	16	1,365,740	18	1,538,332
Moultrie & Piatt	11	604,580	11	915,148	12	968,022
Pike & Scott	6	323,643	8	355,442	10	399,603
Pope & Saline	22	1,082,734	25	1,294,266	24	1,001,927
Total	2,285	\$ 2,534,113,133	2,421	\$ 2,759,129,398	2,526	\$ 2,940,763,172

Note: Some counties have been combined to preserve taxpayer confidentiality. Net receipts represent hotel revenue on which state and local taxes are calculated. To figure approximate tax receipts, see the example.

Example
 Adams County net receipts: \$ 7,012,027
 State hotel tax (6% of 94% = 5.64%): X .0564
 Approximate state tax collections \$ 395,478

Excise

and Utility Taxes

Oil and Gas Production Assessment

Statutory Reference

225 ILCS 728/1 to 728/99

Definition

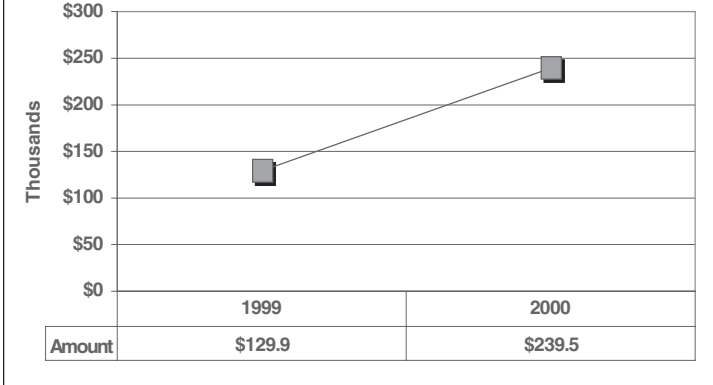
Effective July 10, 1998, the assessment is levied on gross revenues of oil and gas produced from each well in Illinois. It is imposed on Illinois oil or gas producers and is paid by the first purchaser of the oil or gas. The first purchaser pays the assessment to the department. The Illinois Petroleum 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 20: Oil and Gas Production Assessment Collections



Telecommunications Excise Tax

Statutory Reference

35 ILCS 630/1 to 630/21

Definition

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

In addition to this tax, two telecommunications infrastructure maintenance fees (TIMFs) are 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 State Telecommunications Infrastructure Maintenance Fee is mandatory. The other fee is optional and is known as the Optional Telecommunications Infrastructure Maintenance Fee. See "Replacement Taxes" for more information.

Distribution

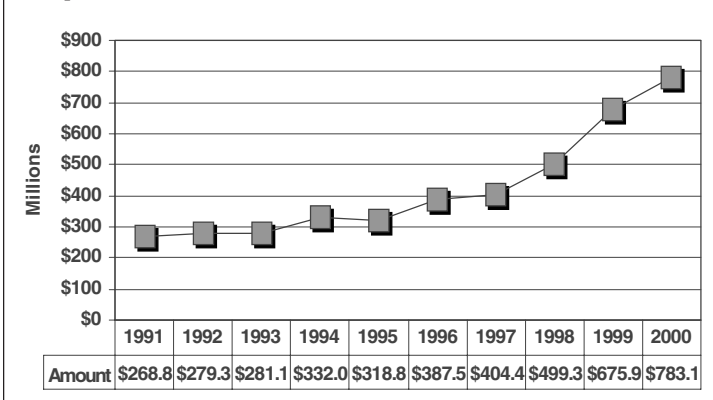
Collections from the 5 percent rate effective August 1, 1967, are deposited into the General Revenue Fund, minus \$1 million per month, which is deposited into the Common School Fund.

Proceeds from the 2 percent increase effective January 1, 1998, are divided equally between the School Infrastructure Fund and the Common School Fund.

Table 24: 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 21: Telecommunications Excise Tax Collections



Tobacco Products Tax

Statutory Reference

35 ILCS 143/10-1

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

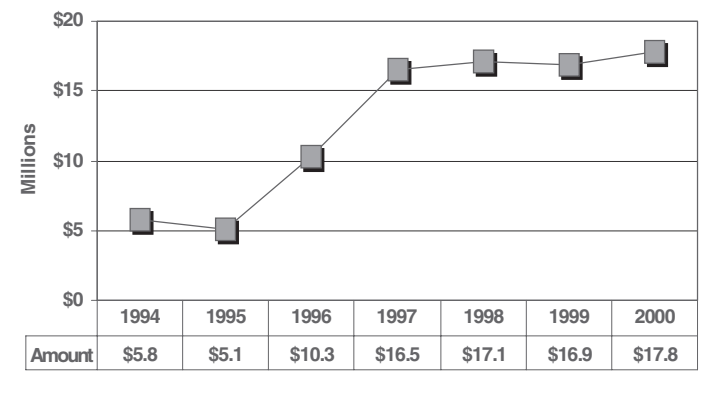
The original Tobacco Products Tax Act became effective October 1, 1993. The tax imposed under this act was at the rate of 20 percent of the wholesale price of tobacco products. The circuit court of Cook County declared the tax unconstitutional on January 12, 1995.

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 22: 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. Annual 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 immediately 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 rate is 5 percent of gross proceeds. License fees are imposed in the following amounts:

- An operator's license costs \$200 and 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 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 at a cost of \$50. 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.

Graph 23: Bingo Tax and License Fees Collections

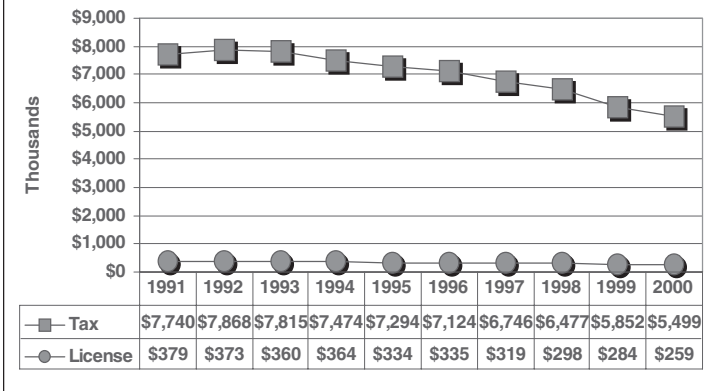


Table 25: Bingo Tax and License Fee Collections

Fiscal year	Tax	License fees	*No. of licenses	No. of limited licenses	No. of suppliers	No. of providers
1991	\$ 7,740,045	\$ 378,873	1,489	389	78	177
1992	7,868,103	373,112	1,435	394	83	173
1993	7,814,672	360,220	1,384	383	93	166
1994	7,474,444	363,495	1,375	378	107	169
1995	7,294,153	334,130	1,915	362	122	158
1996	7,124,471	334,570	1,237	393	115	159
1997	6,746,008	318,960	1,171	368	121	156
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

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

Gaming Taxes

Table 26: Bingo Tax Statistics by County

County	FY 98	FY 99	FY 00	County	FY 98	FY 99	FY 00
Adams	Players Gross Tax	33,308 \$874,698 \$43,743	42,688 \$885,516 \$44,277	Ford	Players Gross Tax	8,059 \$178,068 \$8,801	6,429 \$186,401 \$9,301
Alexander	Players Gross Tax	1,995 \$50,217 \$2,481	2,047 \$31,078 \$1,599	Franklin	Players Gross Tax	46,649 \$1,088,264 \$53,888	53,345 \$1,126,698 \$56,333
Bond	Players Gross Tax	4,255 \$72,744 \$3,637	4,301 \$75,638 \$3,782	Fulton	Players Gross Tax	33,486 \$587,981 \$29,384	40,278 \$701,248 \$35,048
Boone	Players Gross Tax	18,546 \$371,433 \$18,567	17,059 \$347,973 \$17,394	Gallatin	Players Gross Tax	3,664 \$51,052 \$2,552	2,299 \$39,326 \$1,966
Brown	Players Gross Tax	0 \$0 \$0	0 \$0 \$0	Greene	Players Gross Tax	8,807 \$103,458 \$5,172	8,807 \$119,009 \$5,886
Bureau	Players Gross Tax	23,811 \$411,070 \$20,554	21,899 \$400,806 \$20,040	Grundy	Players Gross Tax	21,500 \$443,178 \$22,159	21,105 \$443,295 \$22,163
Calhoun	Players Gross Tax	4,484 \$112,034 \$5,602	3,532 \$66,742 \$3,337	Hamilton	Players Gross Tax	0 \$0 \$0	0 \$0 \$0
Carroll	Players Gross Tax	12,044 \$253,843 \$12,666	12,744 \$221,700 \$11,529	Hancock	Players Gross Tax	13,807 \$226,560 \$11,262	11,844 \$196,380 \$9,819
Cass	Players Gross Tax	6,970 \$155,104 \$7,755	8,522 \$142,853 \$7,145	Hardin	Players Gross Tax	0 \$0 \$0	0 \$0 \$0
Champaign	Players Gross Tax	58,416 \$1,215,470 \$59,907	49,581 \$995,337 \$49,767	Henderson	Players Gross Tax	3,025 \$33,752 \$1,688	2,641 \$29,548 \$1,477
Christian	Players Gross Tax	88,564 \$1,639,923 \$82,055	83,762 \$1,384,919 \$69,257	Henry	Players Gross Tax	34,438 \$667,139 \$33,443	36,336 \$631,292 \$31,431
Clark	Players Gross Tax	5,636 \$116,656 \$5,833	3,334 \$54,401 \$2,768	Iroquois	Players Gross Tax	5,376 \$120,176 \$6,009	1,569 \$35,838 \$1,792
Clay	Players Gross Tax	8,166 \$76,730 \$3,836	7,637 \$96,912 \$4,846	Jackson	Players Gross Tax	33,227 \$784,489 \$39,225	33,717 \$848,378 \$42,420
Clinton	Players Gross Tax	89,678 \$1,107,014 \$55,352	80,128 \$1,153,127 \$57,660	Jasper	Players Gross Tax	2,142 \$53,639 \$2,681	837 \$13,164 \$658
Coles	Players Gross Tax	52,933 \$1,044,718 \$52,237	49,016 \$1,008,664 \$50,425	Jefferson	Players Gross Tax	54,105 \$856,728 \$38,266	35,513 \$722,730 \$36,136
Cook	Players Gross Tax	1,626,163 \$32,063,152 \$1,599,046	1,454,617 \$25,213,437 \$1,258,148	Jersey	Players Gross Tax	18,645 \$260,980 \$13,153	19,991 \$239,315 \$11,965
Crawford	Players Gross Tax	5,667 \$137,140 \$6,857	4,308 \$63,569 \$3,178	Jo Daviess	Players Gross Tax	2,634 \$53,291 \$2,047	1,806 \$32,490 \$1,625
Cumberland	Players Gross Tax	9,846 \$234,253 \$11,713	9,578 \$194,644 \$9,732	Johnson	Players Gross Tax	0 \$0 \$0	0 \$0 \$0
DeKalb	Players Gross Tax	28,510 \$590,441 \$29,523	28,371 \$553,074 \$27,653	Kane	Players Gross Tax	185,393 \$3,501,476 \$173,347	191,527 \$3,318,156 \$164,352
DeWitt	Players Gross Tax	10,904 \$203,042 \$10,152	11,570 \$230,172 \$11,509	Kankakee	Players Gross Tax	34,560 \$883,885 \$44,194	29,285 \$712,930 \$35,646
Douglas	Players Gross Tax	18,575 \$261,685 \$13,084	10,068 \$227,156 \$11,356	Kendall	Players Gross Tax	26,668 \$507,294 \$26,829	28,748 \$575,939 \$28,790
Du Page	Players Gross Tax	223,322 \$4,780,099 \$239,217	206,712 \$3,674,686 \$184,159	Knox	Players Gross Tax	59,769 \$1,090,550 \$54,070	54,088 \$851,969 \$42,599
Edgar	Players Gross Tax	26,797 \$31,008 \$511,282 \$25,567	23,461 \$393,995 \$19,712	Lake	Players Gross Tax	192,265 \$4,310,321 \$214,341	185,180 \$3,834,386 \$191,769
Edwards	Players Gross Tax	0 \$0 \$0	0 \$0 \$0	LaSalle	Players Gross Tax	135,485 \$2,786,744 \$139,337	210,644 \$2,453,348 \$122,274
Effingham	Players Gross Tax	29,438 \$624,834 \$31,241	29,551 \$598,123 \$29,906	Lawrence	Players Gross Tax	12,985 \$304,974 \$15,223	12,339 \$241,147 \$10,765
Fayette	Players Gross Tax	33,453 \$32,810 \$516,870 \$25,843	31,811 \$538,294 \$26,920	Lee	Players Gross Tax	19,449 \$422,610 \$21,129	15,746 \$369,742 \$18,487

Gaming

Taxes

Table 26: Bingo Tax Statistics by County (continued)

County	FY 98	FY 99	FY 00	County	FY 98	FY 99	FY 00		
Livingston	Players Gross Tax	21,151 \$422,818 \$21,141	17,500 \$343,981 \$16,694	14,318 \$311,919 \$15,216	Randolph	Players Gross Tax	50,275 \$1,109,768 \$54,255	46,418 \$1,031,022 \$50,345	42,882 \$951,692 \$48,322
Logan	Players Gross Tax	22,862 \$420,769 \$21,039	21,018 \$396,677 \$19,833	20,564 \$390,235 \$19,512	Richland	Players Gross Tax	20,162 \$323,541 \$16,177	15,919 \$250,925 \$12,547	14,859 \$303,329 \$15,167
Macon	Players Gross Tax	193,171 \$2,162,575 \$108,625	187,412 2,252,030 \$108,625	180,847 \$2,049,408 \$102,952	Rock Island	Players Gross Tax	190,225 \$3,281,301 \$164,055	186,573 \$3,112,674 \$154,756	168,031 \$2,938,614 \$145,986
Macoupin	Players Gross Tax	68,061 \$1,312,271 \$65,614	62,469 \$1,214,313 \$60,719	60,126 \$1,240,265 \$62,011	St. Clair	Players Gross Tax	381,581 \$6,620,670 \$331,777	342,386 \$6,108,565 \$303,885	321,617 \$5,961,930 \$295,116
Madison	Players Gross Tax	531,886 \$8,998,432 \$447,925	499,086 \$8,906,845 \$446,813	496,402 \$8,712,650 \$435,547	Saline	Players Gross Tax	35,270 \$712,960 \$35,648	34,240 \$657,525 \$30,710	32,612 \$571,441 \$27,743
Marion	Players Gross Tax	69,146 \$1,334,836 \$65,063	62,083 \$1,251,899 \$62,595	54,070 \$1,103,418 \$55,170	Sangamon	Players Gross Tax	295,979 \$3,114,529 \$155,949	245,221 \$2,684,615 \$133,406	236,440 \$2,483,084 \$124,151
Marshall	Players Gross Tax	4,122 \$69,336 \$3,467	3,609 \$63,853 \$3,193	13,383 \$69,982 \$3,499	Schuyler	Players Gross Tax	4,729 \$85,710 \$4,284	3,919 \$81,581 \$4,079	2,589 \$48,486 \$2,424
Mason	Players Gross Tax	6,541 \$92,841 \$4,642	5,791 \$89,392 \$4,470	3,663 \$57,370 \$2,868	Scott	Players Gross Tax	3,872 \$61,510 \$3,036	2,969 \$51,116 \$2,556	2,660 \$42,975 \$2,149
Massac	Players Gross Tax	3,647 \$87,011 \$4,351	1,110 \$40,981 \$2,049	432 \$9,627 \$481	Shelby	Players Gross Tax	20,696 \$209,698 \$10,485	15,354 \$180,419 \$9,021	12,799 \$146,175 \$7,309
McDonough	Players Gross Tax	24,652 \$495,476 \$24,773	24,223 \$520,740 \$26,030	23,152 \$534,612 \$26,721	Stark	Players Gross Tax	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0
McHenry	Players Gross Tax	67,095 \$1,357,636 \$67,887	62,426 \$1,286,760 \$64,337	63,483 \$1,344,586 \$67,229	Stephenson	Players Gross Tax	23,510 \$323,664 \$16,713	23,727 \$398,335 \$19,917	24,785 \$461,139 \$23,057
McLean	Players Gross Tax	44,879 \$814,547 \$39,473	39,620 \$787,268 \$39,458	44,307 \$818,517 \$40,926	Tazewell	Players Gross Tax	163,583 \$1,718,355 \$85,948	132,345 \$1,578,156 \$79,995	105,660 \$1,419,387 \$71,116
Menard	Players Gross Tax	2,784 \$54,785 \$2,739	2,864 \$49,264 \$2,463	2,872 \$58,084 \$2,904	Union	Players Gross Tax	46,488 \$232,413 \$11,620	9,482 \$227,064 \$11,353	9,369 \$230,814 \$11,541
Mercer	Players Gross Tax	8,205 \$137,696 \$6,885	4,328 \$81,991 \$4,100	5,035 \$96,940 \$4,847	Vermilion	Players Gross Tax	80,873 \$1,451,607 \$72,610	48,700 \$973,617 \$49,206	39,704 \$794,162 \$39,708
Monroe	Players Gross Tax	24,820 \$484,371 \$24,218	23,147 \$475,464 \$23,773	21,415 \$453,617 \$22,681	Wabash	Players Gross Tax	15,106 \$430,330 \$21,517	14,340 \$415,663 \$20,783	12,863 \$399,379 \$19,982
Montgomery	Players Gross Tax	38,490 \$746,315 \$37,316	35,809 \$724,730 \$36,260	37,632 \$789,564 \$39,479	Warren	Players Gross Tax	11,058 \$153,156 \$7,659	17,436 \$197,056 \$9,853	15,756 \$162,133 \$8,440
Morgan	Players Gross Tax	29,621 \$370,839 \$18,545	29,650 \$371,530 \$18,724	26,608 \$338,527 \$16,652	Washington	Players Gross Tax	14,299 \$171,919 \$8,765	14,324 \$179,784 \$8,990	17,066 \$196,457 \$9,823
Moultrie	Players Gross Tax	12,094 \$153,699 \$7,685	13,215 \$215,735 \$10,788	14,336 \$218,499 \$10,925	Wayne	Players Gross Tax	4,455 \$72,967 \$3,649	6,450 \$119,549 \$5,978	6,877 \$135,150 \$6,757
Ogle	Players Gross Tax	12,628 \$208,259 \$10,414	13,006 \$195,013 \$9,751	12,224 \$175,030 \$8,752	White	Players Gross Tax	8,634 \$157,705 \$7,887	7,757 \$146,965 \$7,351	9,277 \$174,682 \$8,758
Peoria	Players Gross Tax	176,684 \$2,084,878 \$104,267	148,778 \$1,532,524 \$77,312	95,866 \$1,176,416 \$58,934	Whiteside	Players Gross Tax	68,355 \$1,362,263 \$68,113	60,355 \$1,244,235 \$62,214	57,679 \$1,176,123 \$58,808
Perry	Players Gross Tax	60,314 \$948,631 \$47,630	54,567 \$948,631 \$47,630	53,656 \$902,834 \$45,142	Will	Players Gross Tax	170,909 \$3,447,683 \$172,389	148,602 \$2,920,889 \$145,846	144,113 \$2,803,990 \$140,196
Piatt	Players Gross Tax	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	Williamson	Players Gross Tax	57,188 \$1,141,649 \$56,933	56,686 \$1,136,871 \$56,844	56,769 \$1,190,393 \$59,520
Pike	Players Gross Tax	9,264 \$185,473 \$9,274	9,095 \$178,890 \$8,945	8,816 \$164,882 \$8,232	Winnebago	Players Gross Tax	416,454 \$6,156,188 \$307,841	354,286 \$5,539,271 \$275,363	308,033 \$4,787,109 \$239,163
Pope	Players Gross Tax	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	Woodford	Players Gross Tax	7,584 \$95,961 \$4,798	18,773 \$224,780 \$11,239	25,730 \$291,269 \$14,564
Pulaski	Players Gross Tax	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	Grand Total	Players Gross Tax	7,276,472 \$122,381,205 \$6,108,551	6,508,733 \$111,936,359 \$5,589,213	6,121,748 \$104,963,309 \$5,239,283
Putnam	Players Gross Tax	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0					

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; 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 and paying a \$50 amendment fee.

- 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.
- 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 fees 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.

Graph 24: Charitable Games and License Fees Collections

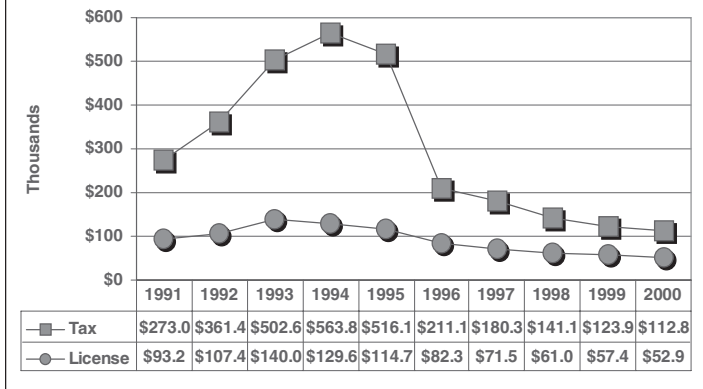


Table 27: Charitable Games Tax and License Fee Collections

Fiscal year	Tax	License fees	No. of licenses	No. of suppliers	No. of providers
1991	\$ 273,077	\$ 93,200	334	19	145
1992	361,379	107,378	374	16	194
1993	502,626	130,950	463	19	259
1994	563,775	129,550	457	19	258
1995	516,081	114,700	408	18	227
1996	211,149	82,250	226	16	182
1997	180,332	71,500	240	15	163
1998	141,150	60,950	217	15	148
1999	123,903	57,350	176	13	138
2000	\$ 112,849	\$ 52,950	160	12	136

Gaming

Taxes

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 immediately 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.

Graph 25: Pull Tabs and Jar Games Tax and License Fees Collections

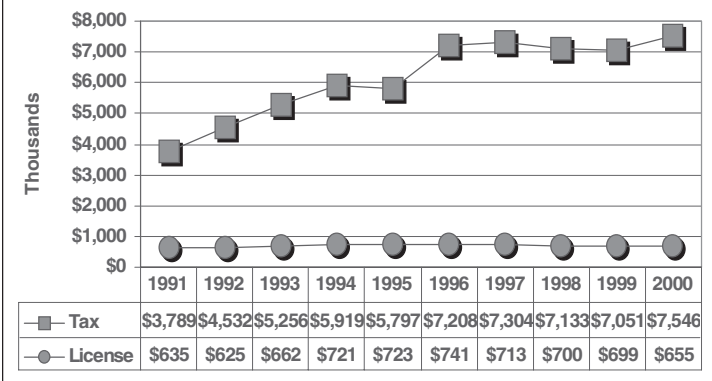


Table 28: Pull Tabs and Jar Games Tax and License Fee Collections

Fiscal year	Tax	License fees	No. of regular licenses	No. of limited licenses	No. of suppliers	No. of manufacturers
1991	\$ 3,788,945	\$ 635,132	885	137	27	10
1992	4,531,794	625,176	915	141	21	8
1993	5,256,469	662,450	990	150	19	8
1994	5,919,140	725,100	1,064	152	21	9
1995	6,797,453	723,100	1,006	145	22	9
1996	7,208,488	740,650	1,098	150	24	10
1997	7,304,678	712,904	1,076	149	28	11
1998	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

Racing Privilege Tax

Statutory Reference

230 ILCS 5/1 to 5/27.1

Definition

The tax is imposed on every person, association, or trust 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 seven racetrack organizations (four in Cook County and three downstate) is allowed to have two off-track betting (OTB) outlets. 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 ticket and license fees required of the organizations that sponsor races.

Distribution

Racing privilege tax collections are allocated to various funds. See Table 29.

Rate History

The Horse Racing Act of 1927 set up different privilege tax schedules for thoroughbred and harness racing wagers. When the act was rewritten in 1975, a single racing privilege tax schedule was established at graduated rates. In 1985, separate graduated rates were created for downstate tracks. Effective January 1, 1988, 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 number of horses wagered.

Graph 26: Racing Privilege Tax Collections

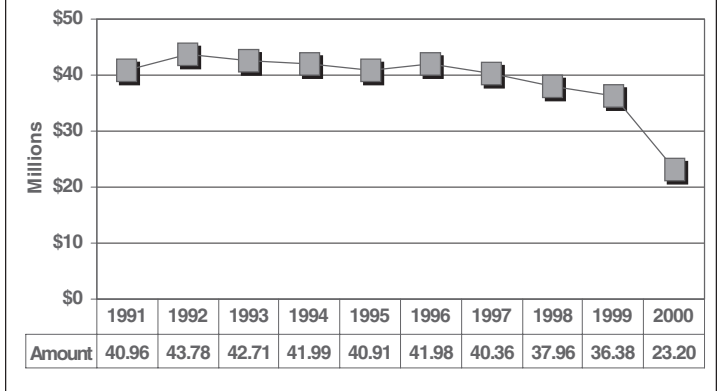


Table 29: Racing Privilege Tax Breakdown by Fund

Funds	Percentage allocated to funds	FY 97	FY 98	FY 99	FY 00
General Revenue Fund (Discontinued 12/31/99)	50% total regular breakage 100% total charity breakage	\$ 3,578,330 0	\$ 3,294,364 0	\$ 2,985,994 0	\$ 1,460,225 0
Agricultural Premium Fund (Discontinued 12/31/99)	50% total privilege tax	14,131,233	13,232,759	12,682,513	6,042,161
Metropolitan Exposition Authority Auditorium and Office Building Fund (Discontinued 12/31/99)	34.5% total privilege tax	9,750,551	9,130,604	8,750,934	4,169,091
Fair and Exposition Fund (Discontinued 12/31/99)	7% total privilege tax	312,457	224,186	156,992	98,390
Build Illinois Fund (Discontinued 12/31/99)	7% total privilege tax	1,665,916	1,628,401	1,618,560	747,512
Racetrack Improvement Fund (Discontinued 12/31/99)	50% total regular breakage	3,561,896	3,258,159	2,951,208	1,439,125
Illinois Standardbred Breeders Fund (Discontinued 12/31/99)	8.5% total privilege tax	675,068	639,789	651,031	303,505
Illinois Thoroughbred Breeders Fund (Discontinued 12/31/99)	8.5% total privilege tax	1,710,654	1,573,574	1,470,208	702,561
Horse Racing Allocation Fund (Discontinued 12/31/99)	1% pari-mutuel handle on intertrack wagering	4,978,033	4,976,074	5,115,604	2,839,665
Illinois Racing Quarterhorse @ 1/00	100% pari-mutuel tax receipts into Quarterhorse racing	0	0	0	2,378
Horse Racing Fund @ 1/00	100% with exception of Quarterhorse racing	0	0	0	4,394,022
Protest		0	0	0	1,079,281
Total		\$ 40,364,138	\$ 37,957,910	\$ 36,383,044	\$ 23,277,916

Note: Other horse-racing-related taxes and fees include

- a 15-cents admittance tax collected by the Racing Board. This money goes 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 goes into the General Revenue Fund.

The Racing Board deposits unclaimed winnings into the Veterans' Rehabilitation Fund, which is administered by the Department of Rehabilitation Services.

*Build Illinois – 1/12 of \$1,665,662 each month, then the remaining amount for that month goes into the Fair and Exposition Fund.

Gaming

Taxes

Riverboat Gambling Taxes and License Fees

Statutory Reference

230 ILCS 10/1 to 10/23

Definition

The Illinois Gaming Board regulates the riverboat gambling industry in Illinois. It conducts background investigations on applicants and issues licenses to owners, employees of owners, and suppliers. The board oversees the licensees' operations for compliance with the Illinois Riverboat Gambling Act and adopted rules. The board also conducts audits of casinos' internal control systems and financial records. In addition, the board is responsible for collecting all gaming and admission taxes, penalties, and fees.

A \$2 admission tax is imposed on every person admitted to each riverboat gambling cruise.

Originally, a 20 percent wagering tax was imposed on the daily calculation of adjusted gross receipts derived from wagering activities. Effective January 1, 1998, the wagering tax rates are graduated and are imposed on annual adjusted gross receipts at the following rates:

Annual adjusted gross receipts	Tax rate
\$0 — \$25,000,000	15%
\$25,000,001 — \$50,000,000	20%
\$50,000,001 — \$75,000,000	25%
\$75,000,001 — \$100,000,000	30%
\$100,000,001 or more	35%

Application fees must be paid when the application for license is submitted. Annual license fees are due when the license is issued. If there is cause for an investigation relating to the license, the licensee must pay the board for the cost of the investigation.

Application fees

	Application fees	License fees
Owner's license	\$50,000	\$25,000; \$5,000 *
Supplier's license	\$10,000	\$5,000
Occupational license, Level 1	\$1,000	\$50
Occupational license, Level 2	\$200	\$50
Occupational license, Level 3	\$75	\$50

* \$25,000 for the first year; \$5,000 for each succeeding year

Distribution

Riverboat gaming collections are deposited into the State Gaming Fund with the exception of fines and penalties, which are deposited into the Education Assistance Fund. All Illinois Gaming Board and Illinois State Police expenses relative to the enforcement of gaming regulations and laws are paid for from the State Gaming Fund. The balance of funds collected from riverboat gaming is appropriated to the Education Assistance Fund. Each quarter, the board issues 50 percent of the admission tax collections, subject to appropriation, to the municipality or county in which the licensee operates. Twenty-five percent of the wagering tax revenues collected from each licensee is issued, subject to appropriation, to the local government designated as the home dock.

Graph 27: Riverboat Gambling Collections

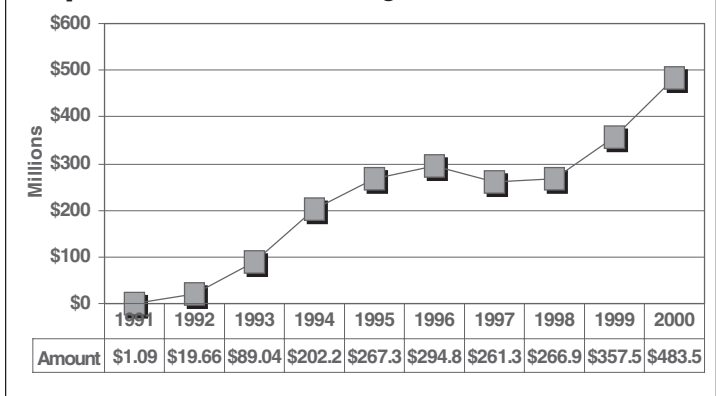


Table 30: Riverboat Gambling Collections

Fiscal year	Admission tax	Wagering tax	Owner's license application fees	Owner's license fees	Supplier's license application fees	Occupational license and application fees	Other (fines and penalties)	Total
1991	\$ 0	\$ 0	\$ 972,151	\$ 0	\$120,000	\$ 0	\$ 0	\$ 1,092,151
1992	3,047,256	15,776,217	277,195	105,000	198,077	250,610	4,335	19,658,690
1993	12,614,294	74,943,684	70,000	108,403	178,022	915,060	207,014	89,036,477
1994	31,891,288	168,317,522	124,222	0	188,384	1,384,655	358,703	202,264,774
1995	46,585,968	219,014,777	60,000	0	120,000	1,152,475	389,472	267,322,692
1996	51,293,835	242,015,934	103,409	0	130,000	1,105,166	218,291	294,866,635
1997	49,701,556	210,368,224	50,000	0	110,000	939,285	166,582	261,335,653
1998	49,741,868	215,102,027	55,000	120,000	75,000	648,905	1,184,958	266,927,758
1999	\$50,244,686	305,858,916	0	0	20,000	0	1,421,051	357,544,653
2000	\$38,533,548	\$443,533,513	\$ 55,000	\$ 0	\$ 10,000	\$ 0	\$1,426,464	\$483,558,525

Motor Fuel Taxes

Motor Fuel and Motor Fuel Use Taxes

Statutory References

- **Motor Fuel Tax** — 35 ILCS 505/1 to 505/20
- **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. The Part B rate, effective July 1, 2000, through December 31, 2000, was temporarily reduced by 5 percent to 1.25 percent.

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 31: 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

* Later declared unconstitutional on technical grounds.

A provision in the Motor Fuel Tax Law allows for refunds of tax paid to consumers for nonhighway use of motor fuel, such as a manufacturing process. Refunds for nonhighway use totalled \$13.28 million. An additional appropriation was established to pay motor fuel use taxes to other IFTA member states. This appropriation was \$53 million for fiscal year 2000.

Table 32: Motor Fuel Tax Refunds for Nonhighway Use*

Nonhighway use	Number	Amount
Agriculture	7887	\$ 2,041,299
Industrial	1,834	9,365,932
Construction	202	587,041
Lawn	413	335,089
Railroad	0	0
Fuel	54	253,051
Marine	62	30,780
Distributor	221	652,034
Supplier	10	19,284
Total	10,683	\$ 13,284,511

* Does not include reciprocal claims and common carrier refunds.

Table 33: Motor Fuel Gallonage History

Fiscal year	Gasoline	Diesel	Combustible gases	Total
1991	4,373,740,252	669,743,431	6,959,102	5,050,442,785
1992	4,402,846,104	708,071,966	6,826,285	5,117,744,355
1993	4,476,228,862	785,392,592	6,971,287	5,268,592,741
1994	4,579,543,480	839,644,173	6,646,947	5,425,834,600
1995	4,660,057,634	857,273,635	6,207,897	5,523,539,166
1996	4,735,404,376	883,291,045	6,164,852	5,624,860,273
1997	4,782,926,142	905,165,220	6,324,513	5,694,415,875
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

Motor Fuel Taxes

Table 34: Motor Fuel Tax Collections and Refunds ⁽¹⁾

Fiscal year	Collections	Non-highway refunds	No. of motor fuel taxpayers ⁽²⁾	---- No. of MFUT taxpayers ----		Total
				IFTA	IL Interstate ⁽³⁾	
1991	\$ 1,031,058,676	\$ 23,123,596	1,151		45,051	
1992	1,033,603,630	20,964,935	1,046		45,170	
1993	1,072,296,137	23,507,193	931		47,671	
1994	1,105,043,967	22,894,784	861	7,011	12,699	19,710
1995	1,141,921,067	15,477,780	826	8,507	13,047	21,554
1996	1,169,906,414	8,775,809	923	7,757	2,801	10,558
1997	1,187,335,532	13,185,825	748	8,056	0	8,056
1998	1,227,238,552	10,066,589	863	8,834	0	8,834
1999	1,258,279,198	12,360,782	851	9,412	0	9,412
2000	\$ 1,292,203,504	\$ 13,284,511	765	10,309	0	10,309

(1) Money collected for tax on fuel not used for highway travel is refundable. Includes refunds for overpayments (e.g., common carriers).

(2) Includes distributors and suppliers.

(3) The Illinois Interstate program was abolished January 1, 1997.

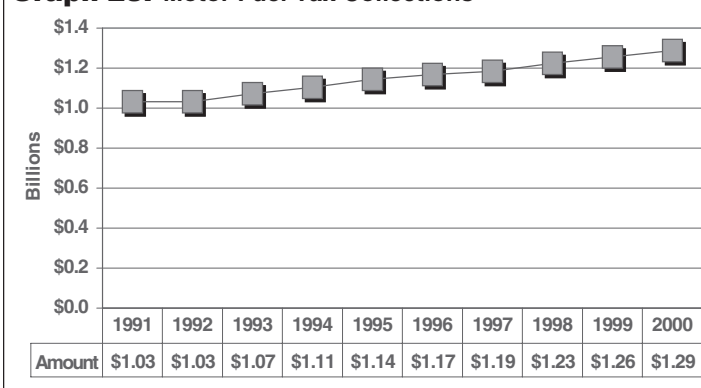
Distribution

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 \$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.

Graph 28: Motor Fuel Tax Collections



Underground Storage Tax and Environmental Impact Fee

Statutory References

- Underground Storage Tax** — 35 ILCS 505/2a-2b, 17
- Environmental Impact Fee** — 415 ILCS 125/310

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:

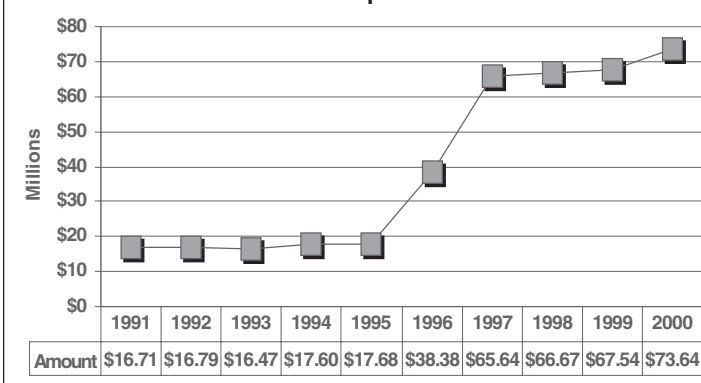
- Motor fuel
- Home heating oil
- Kerosene
- Aviation fuel (in some cases)

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 29: Underground Storage Tax and Environmental Impact Fee Collections



Occupation-related Taxes, Fees, and Credits

Automobile Renting Occupation and Use Taxes

Statutory Reference

35 ILCS 155/1 to 155/4

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 are 5 percent.

Distribution

Collections are deposited into the General Revenue Fund.

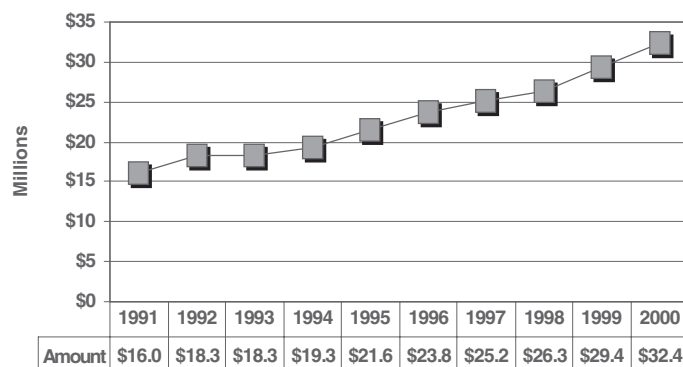
Local Taxes Collected by the Department

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
- Regional Transportation Authority (RTA) Automobile Renting Tax

Graph 30: Automobile Renting Occupation and Use Taxes Collections



Manufacturer's Purchase Credit (MPC)

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

Taxpayers who purchase sales and use tax exempt (*i.e.*, no tax is paid on the purchase) manufacturing or graphic arts machinery and equipment may earn a Manufacturer's Purchase Credit (MPC). 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. 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

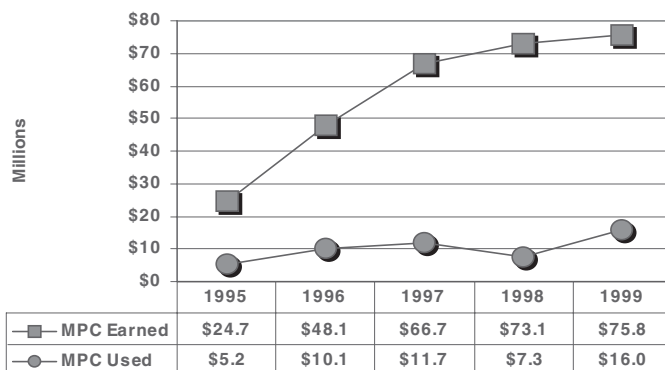
MPC to satisfy use or service use tax liabilities owed on purchases of production-related tangible personal property from suppliers not registered in Illinois.

Credit History

MPC is determined by multiplying the 6.25% 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 (.15) for purchases made on or after January 1, 1995, but before July 1, 1995 (manufacturers only)
- 25 percent (.25) for purchases made on or after July 1, 1995, but before July 1, 1996 (manufacturers only)
- 40 percent (.40) for purchases made on or after July 1, 1996, but before July 1, 1997 (manufacturers and graphic artists)
- 50 percent (.50) for purchases made on or after July 1, 1997 (manufacturers and graphic artists)

Graph 31: MPC Earned and Used



Occupation-related Taxes, Fees, and Credits

Replacement Vehicle Tax

Statutory Reference

625 ILCS 5/3-2001 to 5/3-2006

Definition

The tax is imposed on insurance companies purchasing passenger cars bought in Illinois by or on behalf of their insured person to replace an insured person's passenger car that has been deemed a total loss.

Effective August 19, 1983, the state rate of tax is \$200 per vehicle.

Distribution

Collections are deposited into the General Revenue Fund.

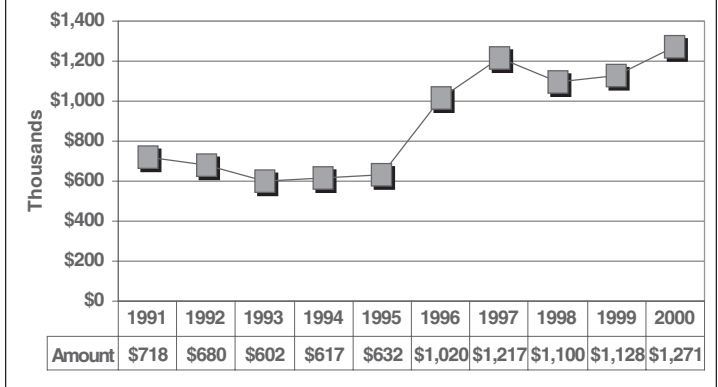
Local Taxes Collected by the Department

Municipalities and counties may impose a replacement vehicle tax of \$50. The Department of Revenue collects the tax for municipal and county governments and returns it to them minus an administrative fee of 1.6 percent for municipalities and 2 percent for counties. The specific names of these local taxes are identified below.

- County Replacement Vehicle Tax
- Municipal Replacement Vehicle Tax

See "Taxes Collected for Local Governments" for more information about these taxes.

Graph 32: Replacement Vehicle Tax Collections



Tire User Fee

Statutory Reference

415 ILCS 5/55.8 -10

Definition

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

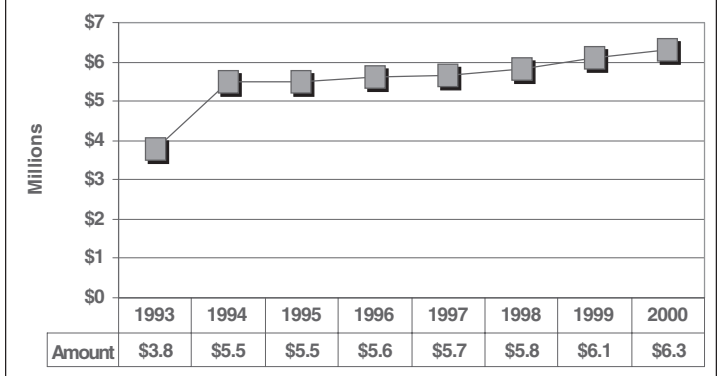
- new and used tires for vehicles in which persons or property may be transported or drawn upon a highway, as defined in the Illinois Vehicle Code, Section 1-217;
- aircraft;
- special mobile equipment (such as street sweepers, road construction and maintenance machinery); and
- implements of husbandry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

Effective July 1, 1992, the rate is \$1 per tire sold or delivered at retail.

Distribution

Collections are deposited into the Used Tire Management Fund, less a retailer seller'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.

Graph 33: Tire User Fee Collections



Vehicle Use Tax

Statutory Reference

625 ILCS 5/3-2001 to 5/3-2006

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 title to the motor vehicle. The 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 35: Vehicle Use Tax Rates			
Table A <i>Vehicles purchased for less than \$15,000:</i>		Table B <i>Vehicles purchased for \$15,000 or more:</i>	
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

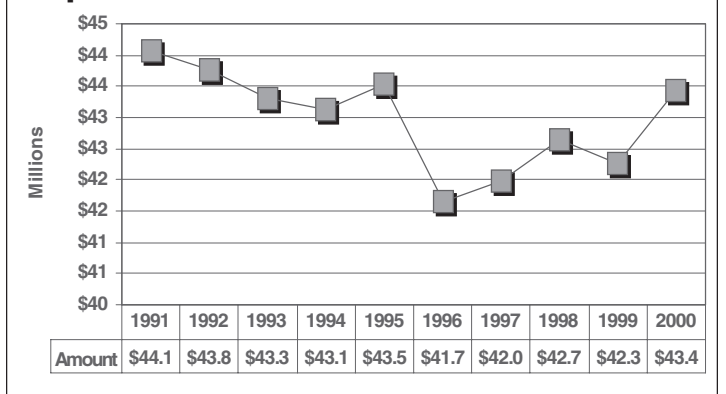
The first \$5 million of collections annually goes into the Build Illinois Fund. The remainder goes into the General Revenue Fund.

Table 36: 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 32

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 34: Vehicle Use Tax Collections



Other Taxes and Programs

Circuit Breaker Property Tax Grant Program and Pharmaceutical Assistance Program

320 ILCS 20/1 to 25/13

Program Explanation

Circuit Breaker consists of two components — a property tax grant and pharmaceutical assistance. The property tax grant portion acts to offset mobile home tax or property taxes paid by low-income senior and disabled residents who can least afford the burden of property taxes on residences (whether paid directly or indirectly in the form of increased rent or nursing home charges). When property taxes begin to “overload” the elderly or disabled person’s income, the Circuit Breaker property tax relief program provides compensation, just as a circuit breaker prevents an overload in an electrical system. By providing compensation for property taxes paid, the program can provide incentives for senior citizens and disabled persons to acquire and retain private housing and thereby reduce the need for public housing.

The Property Tax grant for claim year 1999 was calculated as follows:

Claimants having an annual combined household income of less than \$14,000

The amount of the grant was either the amount of the claimant’s property tax bill minus 3.5 percent of household income; or \$700 (the maximum grant allowable) minus 4.5 percent of household income, whichever was less.

Claimants having an annual combined household income of \$14,000 or more and less than \$16,000 The amount of the grant was either the amount of the claimant’s property tax bill minus 3.5 percent of household income; or \$70, whichever was less.

The claimant’s property tax bill was figured by using

- the entire amount of property tax,
- the entire amount of mobile home tax,
- 25 percent of rent, or
- 6.25 percent of nursing home charges.

The Pharmaceutical Assistance Program helps participants pay for approved prescription medications used for the treatment of heart and blood pressure problems, diabetes (including insulin and syringes and needles used to administer insulin), and arthritis.

During the 2000 calendar year, a two-tiered structure was in effect: the cost of pharmaceutical coverage and the amount in monthly deductible payments required from the participant were determined by the participant’s income. If a participant’s annual income for calendar year 1999 was at or below the federal poverty level guidelines in effect at that time (\$8,240 for single individuals and \$11,060 for married couples), the coverage cost was \$40, and the monthly deductible was \$15; if a participant’s income was above the federal poverty level, the coverage cost was \$80, and the monthly deductible was \$25. Participants were liable for 20 percent of drug costs after the accumulated total paid by the program reached \$800 for the fiscal year.

Amount Expended

Circuit Breaker and Pharmaceutical Assistance Property Tax Grant — A total of 200,314 Property Tax grants were processed during the 2000 calendar year, amounting to more than \$51.4 million in grants.

Pharmaceutical Assistance Program — The total amount expended in the 1999 calendar year was \$38,836,808.00 for 51,823 members.

Note: An annual report for the Circuit Breaker and Pharmaceutical Assistance programs is available and outlines the two programs in greater detail. To obtain a copy, visit our web site at www.revenue.state.il.us or write to us at the address below.

PHARMACEUTICAL ASSISTANCE SECTION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19021
SPRINGFIELD IL 62794-9021

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 government taxing districts. The property tax is a local tax, imposed by local government taxing districts, which include counties, townships, municipalities, school districts, special districts, etc. Property tax is administered by local officials.

In Illinois, the property tax is imposed on the value of real property (typically land, buildings, and permanent fixtures) owned. 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 non-homestead 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 1999 assessment is paid in 2000). Steps in the property tax cycle are shown in Table 37.

Table 37: Steps in the Property Tax Cycle

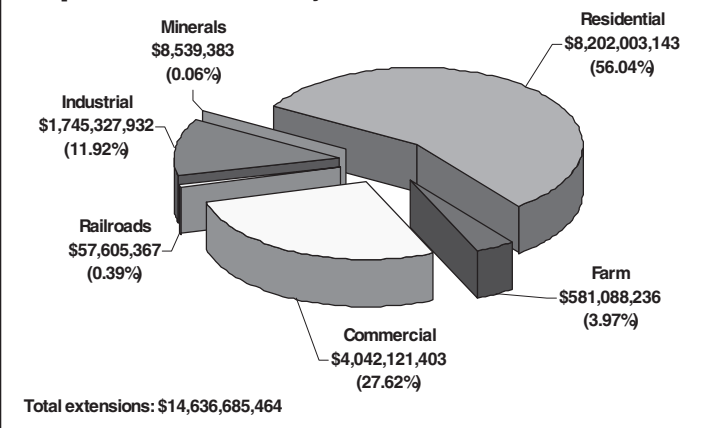
- 1 Assessment — Local assessing officials establish a value (assessment) for each parcel of property.
- 2 Review — Opportunity for property owners to appeal their assessments.
- 3 Equalization — Application of Department of Revenue equalization factor (multiplier) to assure that the median level of assessments in all counties is 33 $\frac{1}{3}$ 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 equalized — Taxpayers pay their bills and payments are allocated to the local government taxing districts.

Except for farmland and other preferentially-assessed property, and property in Cook County, property is assessed at 33 $\frac{1}{3}$ 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, market conditions, production costs, and interest rates.

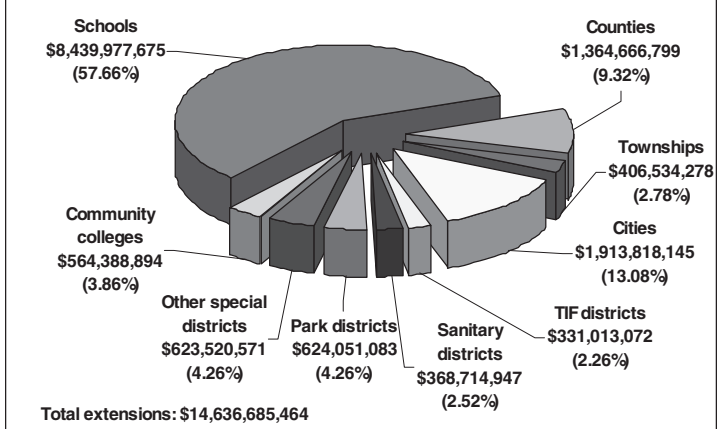
By law, the department must equalize any assessment discrepancies between counties to be sure that the median level of assessments in each county is 33 $\frac{1}{3}$ percent. To do this, the department conducts an annual study that compares the selling price of property to its assessed value. Based on 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.

Graph 35: Extensions by Class



Graph 36: Extensions by Type of District



Tax Relief Provisions

General Homestead Exemption — This annual exemption is available for residential property that is occupied as the principal dwelling place by the owner or a lessee with an equitable interest in the property and an obligation to pay the property taxes on the leased 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 \$3,500 (\$4,500 in Cook County).

Homestead Improvement Exemption — This exemption is limited to the fair cash value that was added to homestead property by any new improvement, up to an annual maximum of \$45,000. The exemption continues for four years from the date the improvement is completed and occupied.

Senior Citizens Assessment Freeze Homestead Exemption — This exemption allows senior citizens who have a total household income of less than \$40,000, 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.

Senior Citizens Homestead Exemption — This exemption allows a \$2,000 reduction (\$2,500 in Cook County) in the EAV of the property that a person 65 years of age or older is obligated to pay taxes on, and owns and occupies, or leases and occupies as a residence.

Senior Citizens Real Estate Tax Deferral Program — This program allows persons 65 years of age and older, who have a total household income of less than \$25,000 and meet certain other qualifications, to defer all or part of the real estate taxes and special assessments on their principal 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.

Other Taxes and Programs

Table 38: Comparison of Equalized Assessed Values and Taxes Extended, 1997 and 1998

County	1998 Total EAV	1997 Total EAV	Amount of increase or decrease	% of increase or decrease	Total taxes extended 1998	Total taxes extended 1997	Amount of increase or decrease	% of increase or decrease
Statewide	\$ 182,725,993,240	\$ 173,812,593,140	\$ 8,913,400,100	5.13%	\$ 14,636,685,464	\$ 14,051,445,776	\$ 585,239,688	4.16%
Cook County	80,903,077,178	77,577,276,759	3,325,800,419	4.29%	7,432,559,949	7,208,368,579	224,191,370	3.11%
Collar Counties	56,104,535,933	53,024,177,766	3,080,358,167	5.81%	3,785,979,554	3,582,298,984	203,680,570	5.69%
Rest of State	45,718,380,129	43,211,138,615	2,507,241,514	5.80%	3,418,145,961	3,260,778,213	157,367,748	4.83%
Adams	642,102,459	602,412,299	39,690,160	6.59%	40,989,706	40,613,573	376,133	0.93%
Alexander	38,327,183	38,348,746	(21,563)	-0.06%	3,290,053	3,390,681	(100,628)	-2.97%
Bond	111,205,041	104,682,784	6,522,257	6.23%	8,857,659	8,335,805	521,854	6.26%
Boone	574,539,883	549,042,645	25,497,238	4.64%	38,611,840	36,958,798	1,653,042	4.47%
Brown	46,358,193	41,019,750	5,338,443	13.01%	3,509,217	3,247,639	261,578	8.05%
Bureau	445,604,433	415,823,768	29,780,665	7.16%	34,125,924	32,748,424	1,377,500	4.21%
Callhoun	40,186,560	37,609,972	2,576,588	6.85%	2,612,459	2,484,819	127,640	5.14%
Carroll	212,311,500	197,154,665	15,156,835	7.69%	15,918,077	15,029,589	888,488	5.91%
Cass	104,558,036	97,774,321	6,783,715	6.94%	8,360,712	7,846,616	514,095	6.55%
Champaign	1,940,589,316	1,833,529,390	107,059,926	5.84%	149,100,238	143,189,998	5,910,240	4.13%
Christian	352,773,405	335,480,643	17,292,762	5.15%	24,873,483	23,881,076	992,407	4.16%
Clark	136,523,861	122,859,721	13,664,140	11.12%	8,936,490	8,249,921	686,569	8.32%
Clay	100,032,601	91,808,414	8,224,187	8.96%	7,580,483	7,138,245	442,238	6.20%
Clinton	292,872,412	273,859,370	19,013,042	6.94%	20,337,355	19,191,630	1,145,726	5.97%
Coles	483,830,784	461,055,147	22,775,637	4.94%	37,791,051	35,911,519	1,879,531	5.23%
Cook	80,903,077,178	77,577,276,759	3,325,800,419	4.29%	7,432,559,949	7,208,368,579	224,191,370	3.11%
Crawford	235,186,763	235,653,198	(466,435)	-0.20%	14,930,528	14,729,928	200,600	1.36%
Cumberland	80,593,973	74,524,896	6,069,077	8.14%	5,631,872	5,381,369	250,503	4.66%
DeKalb	1,168,806,986	1,101,765,402	67,041,584	6.08%	92,044,621	85,787,417	6,257,204	7.29%
DeWitt	710,517,705	756,873,216	(46,355,511)	-6.12%	29,371,391	30,017,357	(645,965)	-2.15%
Douglas	252,024,031	229,315,498	22,708,533	9.90%	16,996,560	15,802,980	1,193,579	7.55%
Du Page	21,417,669,202	20,415,047,098	1,002,622,104	4.91%	1,381,305,538	1,328,110,736	53,194,802	4.01%
Edgar	204,385,106	186,794,677	17,590,429	9.42%	14,131,143	13,542,366	588,777	4.35%
Edwards	47,752,476	41,265,962	6,486,514	15.72%	3,485,981	3,647,774	(161,793)	-4.44%
Effingham	392,162,738	362,450,102	29,712,636	8.20%	24,790,542	23,594,715	1,195,827	5.07%
Fayette	141,675,355	133,045,665	8,629,690	6.49%	10,282,556	9,752,057	530,499	5.44%
Ford	174,391,880	161,246,788	13,145,092	8.15%	14,109,768	13,635,616	474,152	3.48%
Franklin	169,552,226	160,297,484	9,254,742	5.77%	16,374,476	15,822,415	552,060	3.49%
Fulton	284,889,747	265,814,067	19,075,680	7.18%	22,677,989	21,938,037	739,951	3.37%
Gallatin	47,650,914	43,330,297	4,320,617	9.97%	3,469,115	3,242,299	226,816	7.00%
Greene	128,232,243	119,664,307	8,567,936	7.16%	8,142,935	7,700,095	442,840	5.75%
Grundy	1,091,790,236	1,055,325,502	36,464,734	3.46%	60,179,988	58,357,982	1,822,005	3.12%
Hamilton	49,648,019	45,249,530	4,398,489	9.72%	3,825,456	3,556,490	268,966	7.56%
Hancock	199,627,006	181,980,636	17,646,370	9.70%	14,658,867	13,707,227	951,641	6.94%
Hardin	17,728,194	16,669,062	1,059,132	6.35%	917,483	908,011	9,471	1.04%
Henderson	88,704,248	80,551,174	8,153,074	10.12%	6,198,568	5,879,885	318,683	5.42%
Henry	518,192,943	474,400,683	43,792,260	9.23%	37,547,776	35,269,575	2,278,201	6.46%
Iroquois	388,590,378	359,772,066	28,818,312	8.01%	28,454,532	27,180,468	1,274,064	4.69%
Jackson	405,389,483	377,507,532	27,881,951	7.39%	33,078,617	32,165,451	913,165	2.84%
Jasper	160,109,767	148,430,467	11,679,300	7.87%	9,699,866	9,556,835	143,030	1.50%
Jefferson	289,841,734	284,346,164	5,495,570	1.93%	22,318,024	21,372,832	945,192	4.42%
Jersey	194,442,265	178,091,956	16,350,309	9.18%	10,452,734	9,695,199	757,534	7.81%
Jo Daviess	421,555,855	393,234,707	28,321,148	7.20%	27,178,135	26,496,924	681,210	2.57%
Johnson	64,124,640	58,429,406	5,695,234	9.75%	4,332,019	4,005,121	326,898	8.16%
Kane	6,413,546,086	6,033,146,365	380,399,721	6.31%	464,470,052	438,341,718	26,128,335	5.96%
Kankakee	1,140,191,364	1,082,902,577	57,288,787	5.29%	87,804,342	84,705,862	3,098,480	3.66%
Kendall	886,578,322	821,930,414	64,647,908	7.87%	67,867,935	62,991,100	4,876,835	7.74%
Knox	509,787,119	470,419,345	39,367,774	8.37%	37,523,026	35,478,260	2,044,765	5.76%
Lake	15,164,632,227	14,387,833,398	776,798,829	5.40%	1,049,665,272	987,398,436	62,266,836	6.31%
LaSalle	1,641,116,991	1,636,277,415	4,839,576	0.30%	115,599,842	112,079,270	3,520,573	3.14%
Lawrence	89,921,131	115,709,287	(25,788,156)	-22.29%	6,690,893	8,214,553	(1,523,660)	-18.55%
Lee	447,152,693	419,017,541	28,135,152	6.71%	32,164,263	31,183,465	980,798	3.15%
Livingston	479,345,242	446,901,724	32,443,518	7.26%	38,172,447	36,623,174	1,549,273	4.23%
Logan	351,092,944	327,650,753	23,442,191	7.15%	26,666,635	25,797,180	869,455	3.37%

Other Taxes and Programs

Table 38: Comparison of Equalized Assessed Values and Taxes Extended, 1997 and 1998 (continued)

County	1998 Total EAV	1997 Total EAV	Amount of increase or decrease	% of increase or decrease	Total taxes extended 1998	Total taxes extended 1997	Amount of increase or decrease	% of increase or decrease
Macon	1,101,772,747	1,040,877,167	60,895,580	5.85%	87,351,754	82,456,260	4,895,493	5.94%
Macoupin	349,901,459	324,057,196	25,844,263	7.98%	24,485,179	23,586,547	898,632	3.81%
Madison	2,423,363,564	2,300,531,903	122,831,661	5.34%	179,334,067	169,434,540	9,899,527	5.84%
Marion	235,812,194	216,291,408	19,520,786	9.03%	19,994,524	18,695,706	1,298,818	6.95%
Marshall	158,388,760	146,445,889	11,942,871	8.16%	12,251,069	11,423,478	827,591	7.24%
Mason	147,679,761	138,239,719	9,440,042	6.83%	12,081,474	11,328,768	752,705	6.64%
Massac	123,993,277	115,885,524	8,107,753	7.00%	7,664,808	7,592,338	72,469	0.95%
McDonough	257,431,481	245,844,999	11,586,482	4.71%	24,308,278	24,032,400	275,878	1.15%
McHenry	4,762,856,391	4,496,260,549	266,595,842	5.93%	338,303,001	319,540,174	18,762,827	5.87%
McLean	2,078,183,074	1,969,639,657	108,543,417	5.51%	150,058,666	142,378,577	7,680,089	5.39%
Menard	157,902,038	146,256,674	11,645,364	7.96%	10,417,144	9,884,996	532,148	5.38%
Mercer	165,419,556	153,086,642	12,332,914	8.06%	12,466,756	11,729,712	737,043	6.28%
Monroe	342,050,067	315,636,157	26,413,910	8.37%	19,415,684	18,238,931	1,176,753	6.45%
Montgomery	277,635,824	260,548,381	17,087,443	6.56%	21,113,113	20,589,079	524,034	2.55%
Morgan	375,903,234	353,055,770	22,847,464	6.47%	24,938,179	24,010,189	927,991	3.86%
Moultrie	162,912,487	151,897,790	11,014,697	7.25%	12,469,795	11,860,755	609,040	5.13%
Ogle	1,118,775,527	1,076,709,187	42,066,340	3.91%	70,352,279	67,086,006	3,266,273	4.87%
Peoria	1,887,201,536	1,742,286,218	144,915,318	8.32%	144,445,607	135,033,056	9,412,551	6.97%
Perry	129,357,840	124,416,861	4,940,979	3.97%	9,463,493	8,546,454	917,039	10.73%
Piatt	240,163,286	221,098,187	19,065,099	8.62%	15,818,004	14,926,863	891,141	5.97%
Pike	153,897,882	140,994,933	12,902,949	9.15%	10,524,698	9,997,129	527,569	5.28%
Pope	24,126,699	23,182,577	944,122	4.07%	1,449,627	1,393,705	55,923	4.01%
Pulaski	24,689,858	22,152,343	2,537,515	11.45%	1,749,852	1,672,631	77,221	4.62%
Putnam	90,844,524	79,683,421	11,161,103	14.01%	6,188,021	5,519,175	668,847	12.12%
Randolph	254,201,977	242,101,901	12,100,076	5.00%	16,052,978	15,496,727	556,252	3.59%
Richland	144,733,296	124,838,123	19,895,173	15.94%	9,739,314	8,704,332	1,034,982	11.89%
Rock Island	1,505,482,644	1,421,115,118	84,367,526	5.94%	123,064,173	117,997,570	5,066,603	4.29%
St. Clair	2,041,496,667	1,926,958,369	114,538,298	5.94%	158,578,224	147,145,911	11,432,313	7.77%
Saline	162,655,432	153,166,093	9,489,339	6.20%	13,262,675	12,837,663	425,012	3.31%
Sangamon	2,388,941,582	2,275,410,608	113,530,974	4.99%	172,784,568	165,558,252	7,226,316	4.36%
Schuyler	63,546,701	59,406,284	4,140,417	6.97%	5,348,733	5,186,883	161,850	3.12%
Scott	50,910,594	47,636,588	3,274,006	6.87%	3,460,172	3,276,291	183,881	5.61%
Shelby	211,582,597	194,464,012	17,118,585	8.80%	15,399,971	14,573,220	826,751	5.67%
Stark	88,416,119	81,620,730	6,795,389	8.33%	6,018,685	5,927,150	91,535	1.54%
Stephenson	495,354,407	463,944,238	31,410,169	6.77%	42,038,913	40,380,600	1,658,312	4.11%
Tazewell	1,389,784,478	1,288,743,814	101,040,664	7.84%	108,320,858	99,909,394	8,411,464	8.42%
Union	93,339,094	87,647,131	5,691,963	6.49%	7,311,795	7,082,271	229,524	3.24%
Vermilion	648,169,394	610,318,138	37,851,256	6.20%	53,979,461	51,160,346	2,819,115	5.51%
Wabash	93,624,852	85,598,068	8,026,784	9.38%	6,228,078	5,981,197	246,881	4.13%
Warren	201,320,915	185,532,170	15,788,745	8.51%	14,186,721	13,982,417	204,305	1.46%
Washington	135,296,498	128,919,352	6,377,146	4.95%	11,055,967	10,563,593	492,374	4.66%
Wayne	122,720,585	114,618,030	8,102,555	7.07%	8,935,292	8,441,847	493,446	5.85%
White	111,428,377	109,968,413	1,459,964	1.33%	7,757,145	8,021,399	(264,254)	-3.29%
Whiteside	569,942,024	530,895,423	39,046,601	7.35%	44,232,639	42,094,928	2,137,711	5.08%
Will	8,345,832,027	7,691,890,356	653,941,671	8.50%	552,235,690	508,907,920	43,327,769	8.51%
Williamson	492,008,650	453,502,030	38,506,620	8.49%	32,042,009	30,573,796	1,468,212	4.80%
Winnebago	2,984,321,264	2,856,297,175	128,024,089	4.48%	294,595,897	285,876,790	8,719,107	3.05%
Woodford	447,126,923	410,317,069	36,809,854	8.97%	32,743,957	30,550,720	2,193,237	7.18%

Other Taxes and Programs

Table 39: Senior Citizens Real Estate Tax Deferrals — Tax Year 1998

County	Deferral	County	Deferral
Boone	\$ 11,383	Madison	21,104
Cass	275	Marshall	1,304
Champaign	21,583	Massac	1,405
Christian	1,834	McDonough	580
Clinton	718	McHenry	229,210
Coles	2,882	McLean	13,113
Cook	1,091,337	Menard	1,006
DeKalb	82,460	Monroe	3,606
Douglas	921	Montgomery	680
Du Page	717,169	Morgan	1,203
Effingham	769	Moultrie	972
Ford	851	Ogle	14,738
Fulton	343	Peoria	33,547
Henry	994	Perry	1,243
Iroquois	6,010	Rock Island	7,244
Jefferson	524	Sangamon	35,860
Jo Daviess	3,491	St. Clair	9,896
Kane	257,687	Stephenson	9,875
Kankakee	30,256	Tazewell	5,163
Kendall	39,257	Vermilion	2,471
Knox	5,609	Wayne	1,020
Lake	671,298	Whiteside	527
LaSalle	21,068	Will	105,084
Lee	13,933	Williamson	2,271
Livingston	3,675	Winnebago	193,422
Logan	600	Special assessment deferrals	14,077
Macon	10,632	Total	\$3,712,352
Macoupin	4,172		
Total number of participants: 1,771			

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.

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 31¹/₃ percent and 35¹/₃ percent of the total fair cash value of property in the county.

County treasurer stipends — The department pays each county treasurer a stipend per year.

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 remainder to the three counties (Franklin, Hamilton, and Jefferson) in which the TVA owns property based on the value of that property. Illinois received \$166,295 in FY 2000.

Table 40: TVA Payments

County	FY 2000
Franklin	\$ 73,378
Hamilton	64,161
Jefferson	17,148
Total	\$ 154,687

Other Taxes and Programs

Table 41: FY 2000 Stipends and Reimbursements

County	Assessor Training Stipend	Assessor Performance Stipends	S of A Salary Reimbursement	County Treasurer Stipends	County	Assessor Training Stipend	Assessor Performance Stipends	S of A Salary Reimbursement	County Treasurer Stipends
Adams	\$ 3,000.00	\$ 0.00	\$ 17,468.78	\$ 6,083.33	Lee	\$ 5,750.00	\$ 3,000.00	\$ 20,262.29	\$ 6,083.33
Alexander	1,000.00	0.00	14,031.93	6,083.33	Livingston	4,500.00	3,000.00	20,948.83	6,083.33
Bond	500.00	0.00	16,733.37	6,083.33	Logan	3,000.00	0.00	13,916.67	6,083.33
Boone	7,500.00	12,000.00	22,429.26	6,083.33	Macon	9,250.00	0.00	19,923.31	6,083.33
Brown	2,000.00	0.00	11,766.59	6,083.33	Macoupin	2,500.00	0.00	15,875.53	6,083.33
Bureau	4,500.00	6,000.00	16,495.87	6,083.33	Madison	22,500.00	0.00	21,576.06	6,083.33
Calhoun	500.00	3,000.00	10,397.94	6,083.33	Marion	2,500.00	0.00	17,159.37	6,083.33
Carroll	4,000.00	3,000.00	14,666.63	6,083.33	Marshall	2,000.00	0.00	13,018.84	6,083.33
Cass	2,000.00	3,000.00	11,842.44	6,083.33	Mason	1,500.00	0.00	19,066.63	6,083.33
Champaign	12,250.00	24,000.00	21,541.63	6,083.33	Massac	1,000.00	0.00	13,469.37	6,083.33
Christian	3,500.00	12,000.00	18,517.29	6,083.33	McDonough	4,000.00	0.00	14,039.74	6,083.33
Clark	1,000.00	0.00	5,618.75	6,083.33	McHenry	13,500.00	27,000.00	30,950.29	6,083.33
Clay	1,000.00	0.00	17,055.60	6,083.33	McLean	10,500.00	12,000.00	20,572.38	6,083.33
Clinton	3,500.00	21,000.00	16,511.51	6,083.33	Menard	500.00	3,000.00	15,242.09	6,083.33
Coles	2,500.00	0.00	18,633.37	6,083.33	Mercer	2,500.00	0.00	14,108.26	6,083.33
Cook	56,500.00	0.00	0.00	6,083.33	Monroe	1,000.00	3,000.00	20,398.93	6,083.33
Crawford	2,000.00	6,000.00	15,145.78	6,083.33	Montgomery	3,500.00	0.00	15,604.20	6,083.33
Cumberland	1,500.00	3,000.00	12,854.20	6,083.33	Morgan	3,000.00	3,000.00	16,533.93	6,083.33
Dekalb	6,500.00	9,000.00	26,908.95	6,083.33	Moultrie	2,500.00	6,000.00	16,041.74	6,083.33
Dewitt	4,000.00	12,000.00	15,861.05	6,083.33	Ogle	6,500.00	18,000.00	22,609.14	6,083.33
Douglas	4,000.00	6,000.00	16,666.65	6,083.33	Peoria	13,500.00	0.00	29,990.85	6,083.33
Du Page	31,500.00	30,000.00	40,341.76	6,083.33	Perry	1,000.00	3,000.00	13,571.25	6,083.33
Edgar	3,500.00	6,000.00	15,966.98	6,083.33	Piatt	3,500.00	6,000.00	15,999.96	6,083.33
Edwards	500.00	0.00	11,910.16	6,083.33	Pike	1,500.00	0.00	13,205.00	6,083.33
Effingham	4,000.00	0.00	18,541.63	6,083.33	Pope		0.00	14,887.50	6,083.33
Fayette	2,000.00	0.00	19,087.56	6,083.33	Pulaski	500.00	0.00	11,804.98	6,083.33
Ford	2,500.00	0.00	17,281.25	6,083.33	Putnam	1,500.00	0.00	12,148.41	6,083.33
Franklin	1,000.00	0.00	14,249.83	6,083.33	Randolph	1,000.00	0.00	17,717.14	6,083.33
Fulton	4,500.00	0.00	14,375.02	6,083.33	Richland	1,000.00	0.00	14,641.32	6,083.33
Gallatin	1,000.00	0.00	13,092.12	6,083.33	Rock Island	10,500.00	0.00	18,202.25	6,083.33
Greene	2,000.00	0.00	12,933.16	6,083.33	Saline	3,000.00	0.00	20,504.12	6,083.33
Grundy	1,500.00	3,000.00	23,796.15	6,083.33	Sangamon	13,000.00	12,000.00	22,360.00	6,083.33
Hamilton	1,000.00	0.00	11,916.63	6,083.33	Schuyler	1,500.00	0.00	14,265.83	6,083.33
Hancock	2,500.00	0.00	15,562.25	6,083.33	Scott	1,000.00	3,000.00	12,399.73	6,083.33
Hardin	500.00	0.00	9,864.48	6,083.33	Shelby	1,500.00	0.00	0.00	6,083.33
Henderson	500.00	0.00	12,300.68	6,083.33	St. Clair	6,500.00	0.00	0.00	6,083.33
Henry	4,000.00	0.00	21,366.85	6,083.33	Stark	1,000.00	0.00	12,054.17	6,083.33
Iroquois	8,000.00	12,000.00	17,545.85	6,083.33	Stephenson	3,500.00	18,000.00	18,991.13	6,083.33
Jackson	3,500.00	0.00	20,875.02	6,083.33	Tazewell	6,000.00	0.00	19,196.92	6,083.33
Jasper	1,500.00	0.00	15,583.48	6,083.33	Union	1,000.00	0.00	18,633.37	6,083.33
Jefferson	3,500.00	3,000.00	19,918.91	6,083.33	Vermillion	8,250.00	0.00	17,750.02	6,083.33
Jersey	2,000.00	0.00	11,603.34	6,083.33	Wabash	500.00	3,000.00	15,195.06	6,083.33
Jo Daviess	4,000.00	12,000.00	17,020.95	6,083.33	Warren	1,000.00	0.00	13,520.87	6,083.33
Johnson	1,000.00	0.00	16,972.92	6,083.33	Washington	3,500.00	0.00	15,583.37	6,083.33
Kane	20,250.00	36,000.00	29,000.03	6,083.33	Wayne	1,500.00	0.00	12,708.98	6,083.33
Kankakee	10,000.00	0.00	22,565.67	6,083.33	White	500.00	0.00	17,982.58	6,083.33
Kendall	2,500.00	15,000.00	24,119.22	6,083.33	Whiteside	5,000.00	0.00	21,674.18	6,083.33
Knox	5,500.00	0.00	12,157.51	6,083.33	Will	24,500.00	39,000.00	36,386.20	6,083.33
Lake	29,250.00	45,000.00	24,024.13	6,083.33	Williamson	2,500.00	0.00	17,107.75	6,083.33
LaSalle	6,000.00	0.00	48,338.60	6,083.33	Winnebago	18,000.00	18,000.00	27,229.88	6,083.33
Lawrence	1,500.00	0.00	9,300.00	6,083.33	Woodford	3,500.00	15,000.00	20,671.56	6,083.33
Total	\$ 527,000.00	\$ 477,000.00	\$ 1,760,461.71	\$ 620,499.66					

Other Taxes and Programs

Property Tax Extension Limitation Law Statutory Reference

35 ILCS 200/18-185 to 18-245

Definition

The Property Tax Extension Limitation Law (PTELL) is designed to limit increases in property tax extensions (total taxes billed) for non-home rule taxing districts.

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. Instead, 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 property tax 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 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. Taxing districts are allowed additional increases for

- new property,
- annexations to the district,
- voter-approved increase in the limit,
- voter-approved increases in maximum tax rates and voter-approved new rates, and
- the Tax Increment Financing (TIF) increment value when the TIF expires.

Some extensions, by law, are not included in the aggregate extension. These extensions are not limited.

The following districts are subject to the PTELL:

- Non-home rule taxing districts with a majority of their 1990 EAV in Du Page, 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 or the collar counties.

The CPI used is for all urban consumers for all items as published by the United States Department of Labor. For levy year 1999 taxes, payable in 2000, the limitation was 1.6 percent.

In tax year 1998 (taxes payable in 1999), the PTELL caused county clerks to reduce extensions by \$239 million. The cumulative savings to taxpayers for 1991 through 1998 was \$1.599 billion.

Real Estate Transfer Tax

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 municipalities may also impose an additional real estate transfer tax.

Distribution

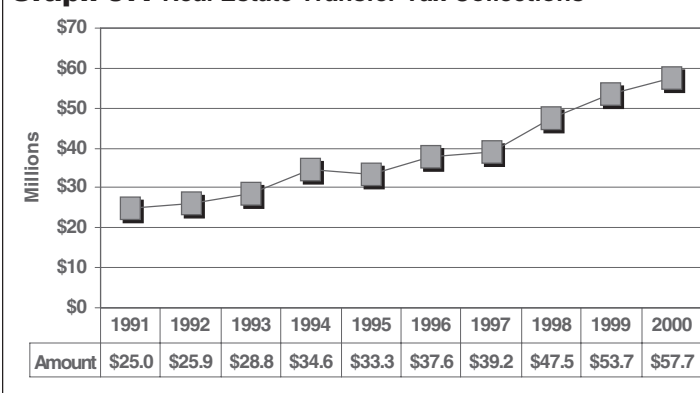
Collections are deposited as follows: 50 percent into the Illinois Affordable Housing Trust Fund; 35 percent into the Open Space Lands Acquisition and Development Fund; and 15 percent into the Natural Areas Acquisition Fund.

Table 42: Real Estate Transfer Tax Rate History

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

* or fraction thereof

Graph 37: Real Estate Transfer Tax Collections



Other Taxes and Programs

Table 43: Real Estate Stamp Sales by County

County	FY 1997	FY 1998	FY 1999	FY 2000	County	FY 1997	FY 1998	FY 1999	FY 2000
Adams	\$ 109,000	\$ 129,000	\$ 144,000	\$ 154,000	Lee	\$ 81,400	\$ 163,425	\$ 98,825	\$ 76,975
Alexander	3,660	5,655	8,485	4,530	Livingston	85,000	63,000	72,000	80,001
Bond	22,400	27,020	25,525	26,095	Logan	50,639	62,875	52,138	35,000
Boone	83,688	111,789	219,011	135,548	Macon	195,000	225,000	270,000	265,000
Brown	8,575	11,915	8,010	6,434	Macoupin	58,378	61,500	109,000	78,950
Bureau	56,000	80,000	80,000	88,000	Madison	440,022	560,028	744,787	806,707
Calhoun	7,110	10,335	9,300	6,060	Marion	46,925	55,000	55,813	49,000
Carroll	35,842	46,650	49,047	53,938	Marshall	28,165	29,360	29,306	32,680
Cass	20,500	20,487	15,245	20,909	Mason	21,720	29,025	16,550	38,200
Champaign	472,000	430,500	420,000	450,000	Massac	16,929	21,750	20,045	16,586
Christian	48,000	110,580	60,000	60,000	McDonough	45,000	57,000	55,905	55,000
Clark	10,815	28,740	37,985	27,620	McHenry	1,130,000	1,255,000	1,680,000	1,920,000
Clay	22,980	20,475	20,785	18,350	McLean	479,500	504,500	667,500	568,000
Clinton	45,195	49,480	50,650	61,105	Menard	33,680	19,190	29,948	26,641
Coles	90,000	110,000	110,000	120,000	Mercer	25,000	35,000	35,000	31,915
Cook	16,455,243	21,654,487	24,225,284	25,760,893	Monroe	50,002	80,004	90,004	90,005
Crawford	30,910	31,167	28,558	32,931	Montgomery	40,002	40,002	49,939	150,737
Cumberland	14,153	20,958	13,521	18,220	Morgan	73,000	85,000	68,000	95,000
DeKalb	210,000	280,000	280,000	315,000	Moultrie	33,361	33,827	23,132	37,288
DeWitt	38,904	35,135	37,800	51,800	Ogle	119,050	139,550	164,950	157,964
Douglas	43,580	50,065	37,750	42,105	Peoria	360,350	435,060	467,501	473,850
Du Page	5,306,451	6,389,732	6,389,350	6,860,000	Perry	21,445	24,955	31,800	23,090
Edgar	25,850	34,273	46,223	43,721	Piatt	42,430	40,155	39,407	50,091
Edwards	6,358	8,810	6,562	7,663	Pike	30,772	42,138	27,993	40,605
Effingham	64,650	59,765	80,948	67,218	Pope	2,998	8,425	2,995	8,876
Fayette	22,855	41,655	26,850	33,270	Pulaski	4,545	6,260	7,060	7,626
Ford	25,825	36,145	26,431	34,380	Putnam	8,660	17,115	15,300	24,460
Franklin	35,000	39,878	35,000	50,001	Randolph	33,412	35,895	37,243	139,189
Fulton	30,000	60,000	50,000	80,001	Richland	28,589	26,044	24,003	22,784
Gallatin	5,490	17,120	7,800	8,124	Rock Island	245,000	365,000	330,000	263,761
Greene	24,000	12,000	20,000	22,000	St. Clair	524,861	503,988	545,285	607,136
Grundy	104,848	141,162	139,221	213,756	Saline	31,378	32,845	34,263	34,875
Hamilton	9,145	20,330	15,955	9,465	Sangamon	508,955	576,710	644,527	534,177
Hancock	27,287	34,207	31,460	38,730	Schuyler	14,060	7,885	15,108	16,038
Hardin	2,772	4,804	5,451	7,636	Scott	7,915	9,914	13,134	8,194
Henderson	13,025	14,981	10,125	9,275	Shelby	39,022	53,527	36,271	40,526
Henry	92,070	102,045	108,940	104,190	Stark	13,416	13,434	12,855	15,797
Iroquois	75,000	75,000	75,000	75,000	Stephenson	108,895	108,450	100,017	117,796
Jackson	81,117	72,000	80,000	98,542	Tazewell	240,000	265,000	300,000	390,000
Jasper	13,166	18,945	11,010	218,298	Union	17,644	20,703	20,783	18,176
Jefferson	60,002	60,003	60,003	60,002	Vermilion	119,000	121,400	136,200	157,805
Jersey	28,000	35,000	40,000	36,000	Wabash	11,388	22,940	17,590	17,215
Jo Daviess	59,412	245,425	84,700	255,613	Warren	27,137	39,084	32,106	38,522
Johnson	12,865	18,424	18,532	13,104	Washington	14,526	27,563	41,486	27,275
Kane	1,650,172	1,945,749	2,644,013	2,741,424	Wayne	25,648	26,181	22,722	23,823
Kankakee	200,000	240,000	240,000	280,000	White	12,108	19,162	22,063	19,065
Kendall	256,925	259,694	340,403	447,478	Whiteside	110,000	90,000	120,000	130,000
Knox	80,000	100,000	110,000	90,000	Will	2,466,273	2,767,649	3,390,228	3,999,072
Lake	3,745,497	4,089,197	5,038,410	4,848,122	Williamson	110,913	89,187	98,461	106,280
LaSalle	200,000	240,000	285,000	376,000	Winnebago	550,000	700,000	700,000	800,000
Lawrence	20,532	15,755	22,355	20,273	Woodford	81,689	58,720	87,616	82,665
					Total	\$ 38,972,671	\$ 47,141,957	\$ 53,637,548	\$ 57,453,233

Disbursements to Local Governments

Table 44: Taxes Disbursed to Local Governments

Section 1: Taxes Collected for Local Governments	FY 1998	FY 1999	FY 2000
Automobile Renting Taxes			
1 County Automobile Renting Tax	81,138	87,839	82,814
2 MPEA Automobile Renting Tax	22,578,883	24,865,908	26,043,707
3 Municipal Automobile Renting Tax	4,741,404	5,257,699	5,556,834
A. Total Automobile Renting Taxes	\$ 27,401,425	\$ 30,211,446	\$ 31,683,355
B. Chicago Soft Drink Tax	\$ 6,836,602	\$ 7,043,114	\$ 7,487,522
C. County Motor Fuel Tax	\$ 23,955,660	\$ 25,770,627	\$ 27,132,259
D. County Water Commission Tax ⁽¹⁾	\$ 30,266,254	\$ 31,900,065	\$ 33,847,785
Home Rule and Non-home Rule Taxes			
1 County Home Rule	247,230,490	253,889,914	268,646,063
2 Municipal Home Rule	329,733,904	353,197,945	389,006,575
3 Municipal Non-home Rule	2,124,017	2,558,675	2,699,861
E. Total Home Rule and Non-home Rule Taxes	\$ 579,088,411	\$ 609,646,534	\$ 660,352,499
Hotel Taxes			
1 Illinois Sport Facilities Tax ⁽²⁾	12,312,007	14,537,787	25,708,565
2 MPEA Hotel Tax	25,296,199	27,452,548	29,971,464
3 Municipal Hotel Tax	10,259,636	11,383,882	12,985,447
F. Total Hotel Taxes	\$ 47,867,842	\$ 53,374,217	\$ 68,665,476
Mass Transit District Sales and Use Taxes			
1 RTA	452,100,680	472,731,068	506,053,815
2 MED	19,716,762	20,642,627	22,421,618
3 RTA Motor Fuel Sales/Use Tax ⁽³⁾	10,387	0	12,528
G. Total Mass Transit District Sales and Use Taxes	\$ 471,827,829	\$ 493,373,695	\$ 528,487,961
H. MPEA Food and Beverage Tax	\$ 18,005,841	\$ 19,268,700	\$ 21,062,415
Replacement Vehicle Taxes			
1 County Replacement Vehicle	1,739	326	226
2 Municipal Replacement Vehicle	39,309	38,599	46,950
I. Total Replacement Vehicle Taxes	\$ 41,048	\$ 38,925	\$ 47,176
J. Tennessee Valley Authority (TVA)	\$ 121,564	\$ 137,010	\$ 154,687
K. Special County ROT for Public Safety	\$ 1,446,391	\$ 6,111,963	\$ 15,242,091
Total Section 1: Taxes Collected for Local Governments (A+B+C+D+E+F+G+H+I+J+K)	\$ 1,206,858,867	\$ 1,276,876,296	\$ 1,394,163,226

Table 44: Taxes Disbursed to Local Governments (continued)

Section 2: Revenue-sharing with Local Governments	FY 1998	FY 1999	FY 2000
Gaming Taxes			
1 Charitable Games	73,054	58,450	49,550
2 Pull Tabs and Jar Games	1,546,809	1,339,898	1,350,203
A. Total Gaming Taxes	\$ 1,619,863	\$ 1,398,348	\$ 1,399,753
Fund Transfers to Local Governments			
1 Income Tax (LGDF)	798,420,139	834,885,821	892,526,660
2 Photoprocessing (LGDF)	22,512,367	23,835,167	25,597,857
3 Local Share of Use Tax (State and Local Sales Tax Reform Fund)			
<i>Build Illinois</i>	37,800,000	37,800,000	37,800,000
<i>City of Chicago (Chicago Use Tax)</i>	35,139,715	38,832,054	42,102,980
<i>Metro-East Public Transportation Fund</i>	1,054,235	1,164,962	1,263,139
<i>Local Use Tax (subsequently deposited into the LGDF)</i>	84,139,827	96,947,226	108,303,074
<i>RTA Occupation and Use Tax Replacement Fund</i>	17,663,608	19,469,430	21,249,529
Total Local Share of Use Tax	175,797,385	194,213,672	210,718,722
4 Sales Tax Transfers for Local Transportation			
<i>Public Transportation Fund</i>	143,034,862	149,862,170	160,164,660
<i>Downstate Public Transportation Fund</i>	28,551,359	32,457,773	35,065,917
<i>Metro-East Public Transportation Fund</i>	13,437,492	14,247,691	15,509,521
Total Sales Tax Transfers for Local Transportation	185,023,713	196,567,634	210,740,098
B. Total Fund Transfers to Local Governments	\$ 1,181,753,604	\$ 1,249,502,294	\$ 1,339,583,337
Local Share of Sales and Use Taxes			
1 Cook County Share of State Taxes ⁽¹⁾	98,702,630	102,456,696	109,187,314
2 County Share of State Taxes ⁽¹⁾	47,870,694	48,558,494	50,713,891
3 Countywide Share of State Taxes ⁽¹⁾	147,738,201	155,126,789	167,570,136
4 Municipal Share of State Taxes ⁽¹⁾	1,111,231,892	1,166,732,063	1,257,167,935
C. Total Local Share of Sales and Use Taxes	\$ 1,405,543,417	\$ 1,472,874,042	\$ 1,584,639,276
Motor Fuel Taxes (Collected by IDOR and Distributed by IDOT)			
1 Counties	168,034,061	174,572,006	200,400,000
2 Municipalities	235,660,451	244,829,634	281,100,000
3 Townships	76,265,673	79,233,053	91,000,000
D. Total Motor Fuel Taxes	\$ 479,960,185	\$ 498,634,693	\$ 572,500,000
E. Replacement Taxes	\$ 935,925,490	\$ 957,643,485	\$ 1,041,563,463
F. Tax Increment Financing Districts	\$ 14,855,733	\$ 15,761,401	\$ 16,945,826
Total Section 2: Revenue-sharing with Local Governments (A+B+C+D+E+F)	\$ 4,019,658,292	\$ 4,195,814,263	\$ 4,556,631,655
Disbursements Grand Total (Section 1 + Section 2)	\$5,226,517,159	\$5,472,690,559	\$5,950,794,881

(1) Excludes hardship refunds.

(2) Payments exclude \$8 million dollar advance to the authority from the General Revenue Fund.

(3) The tax was discontinued October 31, 1979.

Taxes

Collected for Local Governments

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 Du Page, Kane, Lake, McHenry, and Will counties.

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

Local occupation and use taxes on automobile rentals were authorized in 1982. At the end of FY 99, 261 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

Du Page, Kane, and McHenry counties may impose a tax on the retail sale of motor fuel at a rate not exceeding 4 cents per gallon. Du Page 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. Du Page 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.

County Water Commission Taxes

Statutory Reference

70 ILCS 3720/4

Definition

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

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

Distribution

Collections are distributed monthly to the County 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 65 ILCS 5/8-11-1.6 (non-home rule provisions); 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,

Du Page, 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. However, some home rule units imposed only partial taxes by "capping" the amount taxed. 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 East Peoria's non-home rule sales tax on January 1, 1994.

Distribution

Collections are distributed monthly to Cook County and municipalities imposing the home rule and non-home rule sales tax based on sales occurring in each municipality and county. Chicago Home Rule Use Tax collections, minus a 2% administrative fee, are distributed to Chicago.

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 the 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.

Taxes

Collected for Local Governments

Table 45: Fiscal Year 2000 Home Rule, Non-home Rule, and Special County ROT for Public Safety Sales Tax Disbursements

Municipality	Tax	Interest	Advanced Payment	Total	Municipality	Tax	Interest	Advanced Payment	Total
Addison	\$ 2,501,018.16	\$ 6,925.01	\$ 7,473.60	\$ 2,515,416.77	Murphysboro	\$ 279,028.61	\$ 770.35	\$ 0.00	\$ 279,798.96
Alsip	608,834.89	1,646.43	0.00	610,481.32	Niles	4,811,200.75	12,357.00	17,870.22	4,841,427.97
Alton	1,623,795.94	4,460.12	11,048.31	1,639,304.37	Normal	3,843,623.97	10,543.08	24,281.67	3,878,448.72
Arlington Heights	3,586,758.10	10,016.18	0.00	3,596,774.28	Norrridge	3,085,845.05	8,485.67	3,303.56	3,097,634.28
Aurora	11,288,265.54	30,964.83	366,327.69	11,685,558.06	Northlake	1,580,744.29	4,425.29	10,881.38	1,596,050.96
Belleville	802,897.02	2,211.35	0.00	805,108.37	Oak Lawn	1,011,952.13	2,818.04	0.00	1,014,770.17
Berwyn	1,842,452.26	5,101.35	135,976.90	1,983,530.51	Oak Park	1,909,514.70	5,224.07	0.00	1,914,738.77
Bloomington	2,105,552.58	6,008.90	8,644.91	2,120,206.39	Palatine	2,005,386.95	5,531.13	15,232.89	2,026,150.97
Bloomington	8,356,489.94	23,225.17	0.00	8,379,715.11	Park Ridge	1,003,265.43	2,764.45	0.00	1,006,029.88
Bolingbrook	4,063,403.66	10,817.76	28,419.72	4,102,641.14	Pekin	2,617,789.48	7,320.32	11,501.61	2,636,611.41
Buffalo Grove	1,474,257.56	4,004.30	0.00	1,478,261.86	Peoria	13,752,163.09	38,227.36	18,231.91	13,808,622.36
Burbank	1,858,304.33	5,074.40	6,190.14	1,869,568.87	Peoria Heights	330,836.08	902.47	0.00	331,738.55
Burnham	48,566.18	138.92	0.00	48,705.10	Quincy	3,305,567.30	9,152.39	6,839.35	3,321,559.04
Cahokia	228,121.32	643.66	0.00	228,764.98	Rock Island	856,310.21	2,390.85	2,401.48	861,102.54
Calumet City	2,791,091.30	7,612.21	0.00	2,798,703.51	Rolling Meadows	1,219,039.81	3,255.61	1,047.16	1,223,342.58
Carbondale	3,178,857.26	8,323.19	2,737.29	3,189,917.74	Rosemont	2,327,872.68	6,533.50	0.00	2,334,406.18
Carpentersville	1,266,680.89	3,484.09	2,325.37	1,272,490.35	Sauget	40,646.63	113.39	0.00	40,760.02
Champaign	9,351,609.78	25,485.07	7,950.53	9,385,045.38	Schaumburg	10,549,118.18	29,300.13	0.00	10,578,418.31
Channahon	501,677.32	1,017.83	0.00	502,695.15	Sesser	73,573.97	206.10	0.00	73,780.07
Chicago	160,319,123.36	442,308.04	0.00	160,761,431.40	Skokie	7,079,679.30	20,038.81	4,561.69	7,104,279.80
Chicago Ridge	2,125,999.65	5,775.31	9,088.24	2,140,863.20	South Barrington	181,421.89	507.93	0.00	181,929.82
Cicero	3,249,816.92	9,021.87	19,538.34	3,278,377.13	Springfield	13,619,101.50	37,752.75	26,938.20	13,683,792.45
Danville	3,403,293.59	9,514.59	8,339.23	3,421,147.41	St. Charles	2,255,913.06	6,226.86	70,382.07	2,332,521.99
DeKalb	2,044,082.09	5,526.85	8,718.28	2,058,327.22	Stone Park	150,525.08	414.07	0.00	150,939.15
Decatur	7,714,633.81	21,482.96	14,416.26	7,750,533.03	Streamwood	955,190.90	2,625.28	970.46	958,786.64
Des Plaines	3,637,640.69	10,026.25	24,038.54	3,671,705.48	Sycamore	480,844.17	1,324.96	0.00	482,169.13
Dolton	405,126.11	1,142.84	0.00	406,268.95	Urbana	1,716,119.22	4,771.91	417.79	1,721,308.92
East Hazel Crest	41,471.09	115.01	0.00	41,586.10	Washington	758,639.28	1,700.80	0.00	760,340.08
East St. Louis	541,005.43	1,476.82	0.00	542,482.25	Watseka	457,431.04	1,250.52	0.00	458,681.56
Elgin	4,435,375.42	12,257.72	20,023.45	4,467,656.59	West Dundee	2,994,018.80	8,128.07	13,103.21	3,015,250.08
Elk Grove Village	3,688,355.99	10,332.00	12,944.29	3,711,632.28	Wheeling	1,662,007.18	4,674.14	8,736.55	1,675,417.87
Elmhurst	1,364,741.07	3,779.45	5,611.45	1,374,131.97	Total	\$ 386,632,756.34	\$1,064,526.00	\$1,309,292.82	\$389,006,575.16
Elmwood Park	841,584.15	2,310.33	0.00	843,894.48	Municipal Non-home Rule				
Evanston	3,958,144.13	11,055.34	25,866.37	3,995,065.84	East Peoria	\$ 2,654,944.93	\$ 44,916.00	\$ 0.00	\$ 2,699,860.93
Evergreen Park	1,241,395.78	3,416.48	6,112.38	1,250,924.64	County Home Rule				
Fairview Heights	1,730,710.21	4,729.12	5,379.62	1,740,818.95	Cook	\$ 266,837,858.06	\$ 873,634.00	\$ 934,571.43	\$268,646,063.49
Galesburg	2,791,956.39	8,091.34	12,765.52	2,812,813.25	County Public Safety				
Glendale Heights	894,204.77	2,479.27	56,416.33	953,100.37	Boone	\$ 337,916.14	\$ 0.00	\$ 0.00	\$ 337,916.14
Granite City	1,769,690.01	4,844.12	4,282.11	1,778,816.24	Carroll	70,318.86	0.00	0.00	70,318.86
Hanover Park	868,571.87	2,356.67	6,655.51	877,584.05	Champaign	3,073,333.19	0.00	121,854.55	3,195,187.74
Harwood Heights	773,360.69	2,110.22	0.00	775,470.91	Knox	340,867.89	0.00	0.00	340,867.89
Highland Park	1,912,015.42	5,214.53	20,167.72	1,937,397.67	LaSalle	2,287,239.37	0.00	162,258.95	2,449,498.32
Hoffman Estates	1,478,888.50	4,042.42	0.00	1,482,930.92	Marion	467,041.54	0.00	0.00	467,041.54
Joliet	12,620,082.62	34,724.07	73,427.92	12,728,234.61	Peoria	4,079,450.10	0.00	11,707.97	4,091,158.07
Lincolnwood	1,453,283.91	4,023.58	0.00	1,457,307.49	Pike	173,409.44	0.00	0.00	173,409.44
Marion	2,352,792.45	6,492.65	102,290.87	2,461,575.97	Richland	191,177.60	0.00	0.00	191,177.60
Moline	4,628,261.03	12,715.65	28,684.67	4,669,661.35	Stephenson	1,346,035.46	0.00	101,035.85	1,447,071.31
Monee	275,450.09	749.31	0.00	276,199.40	Vermilion	1,191,959.94	0.00	89,993.45	1,281,953.39
Monmouth	194,525.08	332.71	0.00	194,857.79	Woodford	1,196,490.30	0.00	0.00	1,196,490.30
Morton Grove	2,801,487.11	7,749.84	12,145.47	2,821,382.42	Total	\$ 14,755,239.83	\$ 0.00	\$ 486,850.77	\$ 15,242,090.60
Mount Prospect	2,981,280.24	8,100.93	0.00	2,989,381.17					
Mount Vernon	2,918,783.04	8,084.51	18,584.59	2,945,452.14					

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; Regional Transportation Authority (RTA) Service Occupation Tax, 70 ILCS 3615/4.03; Regional Transportation Authority (RTA) Use Tax, 70 ILCS 3615/4.03

Definition

The **Regional Transportation Authority (RTA)** is authorized to impose a sales tax in Cook, Du Page, 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 Du Page, Kane, Lake, McHenry, and Will counties

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

- 0.25 percent sales tax on general merchandise and sales of qualifying food, drugs, and medical appliances in Madison County
- 0.75 percent sales tax on general merchandise (excluding items that are titled or registered) and sales of qualifying food, drugs, and medical appliances in St. Clair County
- 0.25 percent sales tax on sales of titled or registered general merchandise in St. Clair County and Madison County

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 ordinances became effective on February 1, 1981. Monroe County rescinded its ordinance effective July 1, 1981.

Distribution

Collections are distributed monthly to each mass transit district based on the dollar volume of sales occurring within the district boundaries.

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.

Table 46: Regional Transportation Authority Payments

Regional Sales Tax		
County	FY 2000 payment	Percent of total
Cook	\$ 411,128,203.68	66.8%
Du Page	41,141,210.14	6.7%
Kane	10,899,817.03	1.8%
Lake	22,644,475.07	3.7%
McHenry	6,617,796.53	1.1%
Will	10,901,590.48	1.8%
Total	\$ 503,333,092.93	81.8%
Cook County Share of State Taxes		
	\$ 109,187,314.05	17.7%
Advanced Payment to Cook County RTA		
	\$ 2,720,722.34	0.4%
Total	\$ 615,241,129.32	100.0%

Note: Cook County's total from both its regional sales tax and its 0.25 percent of the state 6.25 percent rate (County and Mass Transit Fund) is \$520,315,517.73. The total percentage for Cook County from both sources is 84.57%.

**Table 47: Metro-East Mass Transit District—Total of
Sales/Use Tax by County**

County	FY 2000 payment	Percent of total
Madison	\$ 6,072,849.63	27.1%
Saint Clair	16,348,768.77	72.9%
Total	\$ 22,421,618.40	100.0%

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.

Taxes

Collected for Local Governments

Replacement Vehicle Taxes **(County Replacement Vehicle Tax, Municipal Replacement Vehicle Tax)**

Definition

The Counties Code allows Illinois counties to impose a \$50 replacement vehicle tax on any vehicle purchased within the county (but outside any incorporated municipality imposing a replacement vehicle tax) by an insurance company as settlement for a total loss.

The Illinois Municipal Code authorizes Illinois municipalities to impose a replacement vehicle tax of \$50 on any vehicle purchased within the municipality by an insurance company as settlement for a total loss.

Distribution

Collections, minus an administrative fee of 1.6 percent for municipalities and 2 percent for counties are distributed monthly to the municipality or county from which the tax was collected.

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 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.

Revenue-sharing with Local Governments

Gaming Taxes

(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.

Table 48: Charitable Games Distributions to Municipalities and Counties

Treasurer County	Number of licenses	Allocation	Treasurer Municipality	Number of licenses	Allocation
Cook County Treasurer	1	\$ 212.66	Glendale Heights Vlg Treasurer	1	\$ 212.66
Du Page County Treasurer	1	212.66	Glenview Village Treasurer	2	425.32
Kankakee County Treasurer	1	212.66	Granite City Treasurer	2	425.32
Lake County Treasurer	3	637.98	Grayslake Village Treasurer	1	212.66
Ogle County Treasurer	1	212.66	Highland City Treasurer	1	212.66
Municipality			Homewood Village Treasurer	1	212.66
Addison Village Treasurer	1	212.66	Itasca Village Treasurer	3	637.98
Albers Village Treasurer	1	212.66	Kankakee City Treasurer	4	850.64
Algonquin Village Treasurer	1	212.66	Kaskaskia Village Treasurer	1	212.66
Antioch Village Treasurer	2	425.32	Lake Bluff Village Treasurer	1	212.66
Arlington Heights Treasurer	2	425.32	Lake Villa Village Treasurer	2	425.32
Aviston Village Treasurer	1	212.66	Lemont Village Treasurer	1	212.66
Bartlett Village Treasurer	1	212.66	Lexington City Treasurer	1	212.66
Belleville City Treasurer	5	1,063.30	Lincolnshire Village Treasurer	2	425.32
Berwyn City Treasurer	1	212.66	Lisle Village Treasurer	4	850.64
Bolingbrook Village Treasurer	1	212.66	Lockport City Treasurer	1	212.66
Bradley Village Treasurer	1	212.66	Lombard Village Treasurer	1	212.66
Breese City Treasurer	1	212.66	Long Grove Village Treasurer	1	212.66
Brookfield Village Treasurer	1	212.66	Loves Park City Treasurer	1	212.66
Burbank City Treasurer	3	637.98	McHenry City Treasurer	1	212.66
Cahokia Village Treasurer	1	212.66	Macomb City Treasurer	1	212.66
Cherry Valley Village Treasurer	1	212.66	Madison City Treasurer	1	212.66
Chicago City Treasurer	53	11,270.98	Manhattan Village Treasurer	1	212.66
Cicero Town Treasurer	1	212.66	Marseilles City Treasurer	1	212.66
Collinsville City Treasurer	1	212.66	Maryville Village Treasurer	1	212.66
Columbia City Treasurer	1	212.66	Mokena Village Treasurer	1	212.66
Crainville Village Treasurer	1	212.66	Mount Prospect Village Treasurer	1	212.66
Crystal Lake City Treasurer	2	425.32	Mount Zion Village Treasurer	1	212.66
Danville City Treasurer	2	425.32	Mundelein Village Treasurer	3	637.98
Decatur City Treasurer	1	212.66	Murphysboro City Treasurer	1	212.66
Deerfield Village Treasurer	3	637.98	Naperville City Treasurer	2	425.32
Des Plaines City Treasurer	2	425.32	New Berlin Village Treasurer	1	212.66
Dolton Village Treasurer	1	212.66	New Lenox Village Treasurer	1	212.66
Effingham City Treasurer	2	425.32	North Aurora Village Treasurer	1	212.66
Elmhurst City Treasurer	1	212.66	Northbrook Village Treasurer	2	425.32
Evanston Finance Director	5	1,063.30	Northfield Village Treasurer	1	212.66
Evergreen Park Village Treasurer	2	425.32	North Riverside Vlg Treasurer	2	425.32
Fox Lake Village Treasurer	1	212.66	Oakbrook Terrace City Treasurer	2	425.32
Frankfort Village Treasurer	1	212.66	Oak Brook Village Treasurer	5	1,063.30
Geneva City Treasurer	1	212.66	Oak Forest Village Treasurer	1	212.66

Revenue-sharing with Local Governments

Table 48: Charitable Games Distributions to Municipalities and Counties (continued)

Treasurer	Number of licenses	Allocation	Treasurer	Number of licenses	Allocation
Municipality			Municipality		
Ottawa City Treasurer	1	\$ 212.66	Skokie Village Treasurer	3	\$ 637.98
Palatine Village Treasurer	1	212.66	South Beloit City Treasurer	1	212.66
Palos Heights City Treasurer	1	212.66	Springfield City Treasurer	4	850.64
Park Ridge City Treasurer	1	212.66	Summit Village Treasurer	1	212.66
Pawnee Village Treasurer	1	212.66	Taylorville City Treasurer	1	212.66
Peoria City Treasurer	1	212.66	Tinley Park Village Treasurer	1	212.66
Quincy City Treasurer	1	212.66	Trenton City Treasurer	1	212.66
Robbins Village Treasurer	1	212.66	Troy City Treasurer	1	212.66
Rockford City Comptroller	13	2,764.58	Vernon Hills Village Treasurer	1	212.66
Rolling Meadows City Treasurer	1	212.66	Waterloo City Treasurer	1	212.66
Rosemont Village Treasurer	5	1,063.30	Waukegan City Treasurer	3	637.98
St Charles City Treasurer	2	425.32	Wayne Village Treasurer	1	212.66
St Jacob Village Treasurer	1	212.66	Wheaton City Treasurer	1	212.66
Salem City Treasurer	1	212.66	Willow Springs Village Treasurer	1	212.66
Schaumburg Village Treasurer	1	212.66	Winnetka Village Treasurer	1	212.66
Sheldon Village Treasurer	1	212.66	Winthrop Harbor Village Treasurer	1	212.66
Shiloh Village Treasurer	2	425.32	Wood Dale Village Treasurer	1	212.66
			Total	233	\$ 49,549.78

Table 49: Pull Tabs and Jar Games Distributions to Municipalities and Counties

Treasurer	Number of licenses	Allocation	Treasurer	Number of licenses	Allocation
County			Municipality		
Adams County Treasurer	2	\$ 2,419.72	Altamont City Treasurer	1	\$ 1,209.86
Bond County Treasurer	1	1,209.86	Alton City Treasurer	4	4,839.44
Cass County Treasurer	1	1,209.86	Antioch Village Treasurer	2	2,419.72
Clinton County Treasurer	1	1,209.86	Arlington Heights Treasurer	6	7,259.16
Cook County Treasurer	19	22,987.34	Aurora City Treasurer	12	14,518.32
Cumberland County Treasurer	1	1,209.86	Bartlett Village Treasurer	1	1,209.86
Du Page County Treasurer	7	8,469.02	Bartonville Village Treasurer	1	1,209.86
Franklin County Treasurer	1	1,209.86	Batavia City Treasurer	2	2,419.72
Grundy County Treasurer	1	1,209.86	Beardstown City Treasurer	1	1,209.86
Henderson County Treasurer	1	1,209.86	Beckemeyer Village Treasurer	2	2,419.72
Jackson County Treasurer	1	1,209.86	Beecher Village Treasurer	1	1,209.86
Jefferson County Treasurer	1	1,209.86	Belleville City Treasurer	5	6,049.30
Kane County Treasurer	9	10,888.74	Bellwood Village Treasurer	1	1,209.86
Kendall County Treasurer	1	1,209.86	Belvidere City Treasurer	4	4,839.44
Lake County Treasurer	5	6,049.30	Bensenville Village Treasurer	2	2,419.72
LaSalle County Treasurer	4	4,839.44	Benton City Treasurer	5	6,049.30
Lee County Treasurer	2	2,419.72	Berwyn City Treasurer	8	9,678.88
Livingston County Treasurer	2	2,419.72	Bethalto Village Treasurer	3	3,629.58
Macoupin County Treasurer	3	3,629.58	Bloomington City Treasurer	5	6,049.30
Madison County Treasurer	3	3,629.58	Blue Island City Treasurer	2	2,419.72
Mason County Treasurer	1	1,209.86	Bolingbrook Village Treasurer	6	7,259.16
McHenry County Treasurer	2	2,419.72	Bradley Village Treasurer	3	3,629.58
McLean County Treasurer	1	1,209.86	Braidwood City Treasurer	1	1,209.86
Peoria County Treasurer	2	2,419.72	Breese City Treasurer	1	1,209.86
Perry County Treasurer	2	2,419.72	Bridgeview Village Treasurer	6	7,259.16
Randolph County Treasurer	1	1,209.86	Brookfield Village Treasurer	3	3,629.58
St Clair County Treasurer	5	6,049.30	Burbank City Treasurer	3	3,629.58
Sangamon County Treasurer	3	3,629.58	Bushnell City Treasurer	1	1,209.86
Tazewell County Treasurer	3	3,629.58	Cahokia Village Treasurer	4	4,839.44
Union County Treasurer	1	1,209.86	Cairo City Treasurer	2	2,419.72
Vermilion County Treasurer	2	2,419.72	Calumet City Treasurer	1	1,209.86
Washington County Treasurer	2	2,419.72	Canton City Treasurer	3	3,629.58
Will County Treasurer	6	7,259.16	Carbondale City Treasurer	3	3,629.58
Williamson County Treasurer	1	1,209.86	Carlinville City Treasurer	4	4,839.44
Winnebago County Treasurer	4	4,839.44	Carlyle City Treasurer	2	2,419.72
Woodford County Treasurer	2	2,419.72	Carmi City Treasurer	2	2,419.72
Municipality			Carpentersville Vlg Treasurer	1	1,209.86
Abingdon City Treasurer	1	1,209.86	Carthage City Treasurer	1	1,209.86
Albion City Treasurer	2	2,419.72	Casey City Treasurer	2	2,419.72
Aledo City Treasurer	1	1,209.86	Caseyville Village Treasurer	1	1,209.86
Algonquin Village Treasurer	1	1,209.86	Cedar Point Village Treasurer	1	1,209.86
Alsip Village Treasurer	1	1,209.86			

Revenue-sharing with Local Governments

Table 49: Pull Tabs and Jar Games Distributions to Municipalities and Counties (continued)

Treasurer Municipality	Number of licenses	Allocation	Treasurer Municipality	Number of licenses	Allocation
Centralia City Treasurer	4	\$ 4,839.44	Gurnee Village Treasurer	1	\$ 1,209.86
Champaign City Treasurer	3	3,629.58	Hamilton City Treasurer	1	1,209.86
Channahon Village Treasurer	4	4,839.44	Hanna City Village Treasurer	1	1,209.86
Charleston City Treasurer	4	4,839.44	Harrisburg City Treasurer	6	7,259.16
Chenoa City Treasurer	1	1,209.86	Harvard City Treasurer	2	2,419.72
Chester City Treasurer	6	7,259.16	Harvey City Treasurer	2	2,419.72
Machesney Park Village Treasurer	1	1,209.86	Harwood Heights Vlg Treasurer	2	2,419.72
Chicago City Treasurer	128	154,862.08	Havana City Treasurer	1	1,209.86
Chicago Heights City Treasurer	6	7,259.16	Hecker Village Treasurer	1	1,209.86
Chicago Ridge Village Treasurer	2	2,419.72	Herrin City Treasurer	4	4,839.44
Chillicothe City Treasurer	2	2,419.72	Hickory Hills Vlg Treasurer	2	2,419.72
Christopher City Treasurer	1	1,209.86	Highland City Treasurer	1	1,209.86
Cicero Town Treasurer	9	10,888.74	Hillsboro City Treasurer	2	2,419.72
Clinton City Treasurer	2	2,419.72	Hillside Village Treasurer	1	1,209.86
Coal City Village Treasurer	1	1,209.86	Hometown City Treasurer	1	1,209.86
Collinsville City Treasurer	5	6,049.30	Hoopston City Treasurer	1	1,209.86
Columbia City Treasurer	2	2,419.72	Huntley Village Treasurer	2	2,419.72
Creve Coeur Village Treasurer	8	9,678.88	Itasca Village Treasurer	1	1,209.86
Cuba City Treasurer	1	1,209.86	Jacksonville City Treasurer	6	7,259.16
Cullom Village Treasurer	1	1,209.86	Jerseyville City Treasurer	3	3,629.58
Danville City Treasurer	2	2,419.72	Joliet City Treasurer	13	15,728.18
Darien City Treasurer	1	1,209.86	Justice Village Treasurer	1	1,209.86
Decatur City Treasurer	12	14,518.32	Kankakee City Treasurer	3	3,629.58
Deer Grove Village Treasurer	1	1,209.86	Kewanee City Treasurer	2	2,419.72
DeKalb City Treasurer	4	4,839.44	Kincaid Village Treasurer	3	3,629.58
Des Plaines City Treasurer	4	4,839.44	Lacon City Treasurer	1	1,209.86
Dixon City Treasurer	2	2,419.72	LaGrange Village Treasurer	3	3,629.58
Dolton Village Treasurer	14	16,938.04	Lake in the Hills Vlg Treasurer	1	1,209.86
Downers Grove Village Treasurer	4	4,839.44	Lake Villa Village Treasurer	2	2,419.72
DuBois Village Treasurer	2	2,419.72	Lake Zurich Village Treasurer	1	1,209.86
Dupo Village Treasurer	1	1,209.86	LaSalle City Treasurer	5	6,049.30
DuQuoin City Treasurer	4	4,839.44	Lawrenceville City Treasurer	3	3,629.58
Dwight Village Treasurer	1	1,209.86	Lemont Village Treasurer	3	3,629.58
East Alton Village Treasurer	1	1,209.86	Lewistown City Treasurer	1	1,209.86
East Moline City Treasurer	5	6,049.30	Lexington City Treasurer	1	1,209.86
East Peoria City Treasurer	2	2,419.72	Libertyville Village Treasurer	2	2,419.72
Edgewood Village Treasurer	1	1,209.86	Lincoln City Treasurer	4	4,839.44
Edwardsville City Treasurer	3	3,629.58	Lindenhurst Village Treasurer	1	1,209.86
Effingham City Treasurer	7	8,469.02	Litchfield City Treasurer	3	3,629.58
Elgin City Treasurer	7	8,469.02	Lockport City Treasurer	4	4,839.44
Elk Grove Village Treasurer	2	2,419.72	Lombard Village Treasurer	5	6,049.30
Elmhurst City Treasurer	5	6,049.30	Loves Park City Treasurer	6	7,259.16
Evergreen Park Village Treasurer	2	2,419.72	Lyons Village Treasurer	1	1,209.86
Fairbury City Treasurer	1	1,209.86	McHenry City Treasurer	2	2,419.72
Fairfield City Treasurer	3	3,629.58	Macomb City Treasurer	3	3,629.58
Fairmont City Village Treasurer	1	1,209.86	Macon City Treasurer	1	1,209.86
Fairview Heights City Treasurer	2	2,419.72	Madison City Treasurer	1	1,209.86
Farina Village Treasurer	1	1,209.86	Manteno Village Treasurer	2	2,419.72
Farmer City Treasurer	1	1,209.86	Marion City Treasurer	3	3,629.58
Farmington City Treasurer	1	1,209.86	Marseilles City Treasurer	2	2,419.72
Fayetteville Village Treasurer	1	1,209.86	Marshall City Treasurer	3	3,629.58
Flora City Treasurer	5	6,049.30	Maryville Village Treasurer	1	1,209.86
Forest Park Village Treasurer	1	1,209.86	Mascoutah City Treasurer	2	2,419.72
Fox Lake Village Treasurer	2	2,419.72	Matteson Village Treasurer	1	1,209.86
Franklin Park Village Treasurer	1	1,209.86	Mattoon City Treasurer	4	4,839.44
Freeburg Village Treasurer	1	1,209.86	Mazon Village Treasurer	1	1,209.86
Freeport City Treasurer	3	3,629.58	Melrose Park Village Comptroller	2	2,419.72
Galena City Treasurer	1	1,209.86	Mendota City Treasurer	2	2,419.72
Galesburg City Treasurer	5	6,049.30	Metropolis City Treasurer	2	2,419.72
Gardner Village Treasurer	1	1,209.86	Midlothian Village Treasurer	4	4,839.44
Geneseo City Treasurer	1	1,209.86	Milan Village Treasurer	3	3,629.58
Genoa City Treasurer	1	1,209.86	Millstadt Village Treasurer	4	4,839.44
Germantown Village Treasurer	3	3,629.58	Mokena Village Treasurer	2	2,419.72
Glendale Heights Vlg Treasurer	3	3,629.58	Moline City Treasurer	6	7,259.16
Glen Ellyn Village Treasurer	1	1,209.86	Monee Village Treasurer	1	1,209.86
Glenview Village Treasurer	1	1,209.86	Monmouth City Treasurer	3	3,629.58
Godfrey Village Treasurer	1	1,209.86	Montgomery Village Treasurer	1	1,209.86
Granite City Treasurer	16	19,357.76	Morris City Treasurer	3	3,629.58
Grayslake Village Treasurer	1	1,209.86	Morrisonville Village Treasurer	1	1,209.86
Grayville City Treasurer	1	1,209.86	Morton Village Treasurer	1	1,209.86
Greenup Village Treasurer	2	2,419.72	Morton Grove Village Treasurer	1	1,209.86
Griggsville City Treasurer	1	1,209.86	Mount Carmel City Treasurer	6	7,259.16

Revenue-sharing

with Local Governments

Table 49: Pull Tabs and Jar Games Distributions to Municipalities and Counties (continued)

Treasurer	Number of licenses	Allocation	Treasurer	Number of licenses	Allocation
Municipality			Municipality		
Mount Morris Village Treasurer	1	\$ 1,209.86	Sandwich City Treasurer	1	\$ 1,209.86
Mount Olive City Treasurer	1	1,209.86	Sauk Village Treasurer	1	1,209.86
Mount Prospect Village Treasurer	1	1,209.86	Savanna City Treasurer	1	1,209.86
Mount Vernon City Treasurer	5	6,049.30	Savoy Village Treasurer	1	1,209.86
Mount Zion Village Treasurer	9	10,888.74	Schaumburg Village Treasurer	1	1,209.86
Murphysboro City Treasurer	5	6,049.30	Schiller Park Village Treasurer	1	1,209.86
Naperville City Treasurer	2	2,419.72	Shelbyville City Treasurer	1	1,209.86
Neoga City Treasurer	1	1,209.86	Shiloh Village Treasurer	2	2,419.72
Newark Village Treasurer	1	1,209.86	Sims Village Treasurer	1	1,209.86
New Athens Village Treasurer	1	1,209.86	Skokie Village Treasurer	1	1,209.86
New Baden Village Treasurer	2	2,419.72	Smithton Village Treasurer	1	1,209.86
New Lenox Village Treasurer	3	3,629.58	South Beloit City Treasurer	1	1,209.86
Newton City Treasurer	1	1,209.86	South Chicago Hts Vlg Treasurer	1	1,209.86
Niles Village Treasurer	3	3,629.58	South Elgin Village Treasurer	2	2,419.72
Norridge Village Treasurer	1	1,209.86	South Roxana Village Treasurer	1	1,209.86
North Aurora Village Treasurer	1	1,209.86	Sparta City Treasurer	4	4,839.44
Northbrook Village Treasurer	1	1,209.86	Springfield City Treasurer	14	16,938.00
Northlake City Treasurer	3	3,629.58	Spring Valley City Treasurer	1	1,209.86
North Pekin Village Treasurer	1	1,209.86	Staunton City Treasurer	1	1,209.86
North Riverside Vlg Treasurer	2	2,419.72	Steeleville Village Treasurer	1	1,209.86
Oak Forest Village Treasurer	2	2,419.72	Steger Village Treasurer	2	2,419.72
Oak Lawn Village Treasurer	7	8,469.02	Sterling City Treasurer	5	6,049.30
O'Fallon City Treasurer	3	3,629.58	Stickney Village Treasurer	1	1,209.86
Oglesby City Treasurer	2	2,419.72	Streamwood Village Treasurer	5	6,049.30
Okawville Village Treasurer	1	1,209.86	Streator City Treasurer	6	7,259.16
Olney City Treasurer	4	4,839.44	Sugar Grove Village Treasurer	1	1,209.86
Oregon City Treasurer	1	1,209.86	Sullivan City Treasurer	1	1,209.86
Orient Village Treasurer	1	1,209.86	Summit Village Treasurer	3	3,629.58
Orion Village Treasurer	1	1,209.86	Swansea Village Treasurer	3	3,629.58
Orland Park Village Treasurer	3	3,629.58	Sycamore City Treasurer	3	3,629.58
Oswego Village Treasurer	2	2,419.72	Taylor Springs Village Treasurer	2	2,419.72
Ottawa City Treasurer	6	7,259.16	Taylorville City Treasurer	5	6,049.30
Palestine City Treasurer	2	2,419.72	Teutopolis Village Treasurer	1	1,209.86
Palos Hills City Treasurer	1	1,209.86	Tilton Village Treasurer	1	1,209.86
Pana City Treasurer	5	6,049.30	Tinley Park Village Treasurer	4	4,839.44
Paris City Treasurer	2	2,419.72	Toledo Village Treasurer	1	1,209.86
Pekin City Treasurer	5	6,049.30	Troy City Treasurer	1	1,209.86
Peoria City Treasurer	11	13,308.46	Tuscola City Treasurer	1	1,209.86
Peoria Heights Village Treasurer	2	2,419.72	Union Village Treasurer	1	1,209.86
Peotone Village Treasurer	1	1,209.86	Urbana City Treasurer	2	2,419.72
Peru City Treasurer	8	9,678.88	Vandalia City Treasurer	4	4,839.44
Pinckneyville City Treasurer	2	2,419.72	Villa Grove City Treasurer	1	1,209.86
Pittsfield City Treasurer	1	1,209.86	Villa Park Village Treasurer	7	8,469.02
Plainfield Village Treasurer	1	1,209.86	Virdeon City Treasurer	1	1,209.86
Plano City Treasurer	2	2,419.72	Warrenville City Treasurer	1	1,209.86
Pleasant Hill Village Treasurer	1	1,209.86	Washington City Treasurer	1	1,209.86
Polo City Treasurer	1	1,209.86	Waterloo City Treasurer	2	2,419.72
Pontiac City Treasurer	1	1,209.86	Wauconda Village Treasurer	1	1,209.86
Pontoon Beach Village Treasurer	1	1,209.86	Waukegan City Treasurer	4	4,839.44
Princeton City Treasurer	2	2,419.72	Westchester Village Treasurer	4	4,839.44
Quincy City Treasurer	4	4,839.44	West Chicago City Treasurer	1	1,209.86
Rantoul Village Treasurer	5	6,049.30	West Dundee Village Treasurer	2	2,419.72
Red Bud City Treasurer	1	1,209.86	West Frankfort City Treasurer	4	4,839.44
Reynolds Village Treasurer	1	1,209.86	Westville Village Treasurer	2	2,419.72
Ridgeway Village Treasurer	1	1,209.86	Wheeling Village Treasurer	1	1,209.86
Riverdale Village Treasurer	1	1,209.86	White Hall City Treasurer	1	1,209.86
River Grove Village Treasurer	3	3,629.58	Willow Springs Village Treasurer	1	1,209.86
Robinson City Treasurer	4	4,839.44	Wilmette Village Treasurer	1	1,209.86
Rochelle City Treasurer	2	2,419.72	Wilmington Village Treasurer	1	1,209.86
Rockdale Village Treasurer	3	3,629.58	Winnebago Village Treasurer	1	1,209.86
Rock Falls City Treasurer	5	6,049.30	Winthrop Harbor Vlg Treasurer	1	1,209.86
Rockford City Comptroller	35	42,345.10	Wood Dale Village Treasurer	4	4,839.44
Rock Island City Treasurer	9	10,888.74	Woodridge Village Treasurer	1	1,209.86
Rockton Village Treasurer	1	1,209.86	Wood River City Treasurer	4	4,839.44
Rolling Meadows City Treasurer	2	2,419.72	Woodstock City Treasurer	4	4,839.44
Roscoe Village Treasurer	1	1,209.86	Worth Village Treasurer	2	2,419.72
Roselle Village Treasurer	1	1,209.86	Wyanet Village Treasurer	1	1,209.86
Round Lake Village Treasurer	2	2,419.72	Yorkville City Treasurer	1	1,209.86
Round Lake Park Vlg Treasurer	1	1,209.86	Zeigler City Treasurer	3	3,629.58
St Charles City Treasurer	3	3,629.58	Zion City Treasurer	1	1,209.86
St Jacob Village Treasurer	1	1,209.86			
Salem City Treasurer	4	4,839.44	Total	1,116	\$ 1,350,203.76

Fund Transfers to Local Governments

Introduction

Revenues collected and shared with local governments are deposited in several different funds. A general discussion of the state sales and use tax allocation is presented first. The fund name and revenue source follows.

State Sales Tax Fund Transfers (various funds)

The basic rate for **general merchandise** (including items that must be titled or registered) is 6.25 percent. This basic rate is allocated as shown below.

5.00	state portion	(80 percent of total collections)
+ 1.25	local portion	(20 percent of total collections)
6.25	total basic rate	(100 percent of total collections)

The basic rate for **qualifying food, drugs, and medical appliances** is 1 percent. Local governments receive 100 percent of these collections.

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

- The **Build Illinois Fund** receives 5.55 percent to retire bonds. Local governments indirectly receive sales tax revenues through programs financed by the Build Illinois Program.
- An allocation of 0.4 percent (referred to as "**photoprocessing**") is distributed monthly to municipal and county governments based on population. These revenues are deposited in the **Local Government Distributive Fund**.
- Local government **tax increment financing** (TIF) districts are allocated 0.27 percent from the **Illinois Tax Increment Fund**. The department distributes state sales tax collections to participating municipalities that have
 - established a State Sales Tax TIF and/or a State Utility Tax TIF before January 1, 1987;
 - produced an incremental growth in State Sales Tax TIF and/or Utility Tax for the TIF cycle when measured against the 1985 TIF base.
 Funds are prorated to each participating municipality and are distributed quarterly based on its share of the overall TIF net state increment.
- The remaining amount of the state's share of sales tax is deposited in the state's general funds. Subsequent disbursements to local governments are shown below.
 - Through March 31, 2000, 1.7 percent was deposited into the **Motor Fuel Tax Fund**, of which 70.6 percent was allocated to local governments. Effective April 1, 2000, this transfer is no longer made.
 - A transfer of state sales tax collections to the **Public Transportation Fund**, equal to 25 percent of the revenues derived from the Regional Transportation Authority's locally imposed taxes.
 - Two thirty-seconds of state sales tax revenues is transferred to two funds: collections from sales within the boundaries of downstate mass transit districts are transferred to the **Downstate Public Transportation Fund**; collections from sales within the boundaries of the Metro-East Mass Transit District (MED) are transferred to the **Metro-East Mass Transit District Fund**.

Note: The local governments' 20 percent share of general merchandise and 100 percent of the amount from sales of qualifying food, drugs, and medical appliances, is discussed under "Local Share of Sales and Use Taxes."

State Use Tax Fund Transfers (various funds)

The rate for **general merchandise** (including items that must be titled or registered) is 6.25 percent. This rate is allocated as shown below.

5.00	state portion	(80 percent of total collections)
+ 1.25	local portion	(20 percent of total collections)
6.25	total rate	(100 percent of total collections)

Qualifying food, drugs, and medical appliances — Local governments receive 100 percent of the 1 percent rate for qualifying food, drugs, and medical appliances.

Monthly distributions from the local governments' 20 percent share of the 6.25 percent use tax rate on general merchandise (not including titled and registered items) and 100 percent of the 1 percent use tax rate from sales of qualifying food, drugs, and medical appliances are deposited in the State and Local Sales Tax Reform Fund with a subsequent disbursement of local use tax to the Local Government Distributive Fund. 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),
- \$3.15 million to the Build Illinois Fund, and
- 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**)

Note: Local governments receive a portion of use tax collected on sales of tangible personal property on items that must be titled or registered. See "Local Share of Sales and Use Taxes."

Revenue-sharing with Local Governments

Local Government Distributive Fund (population-based disbursements)

Income Taxes

One-tenth of the net collections (gross collections minus refunds) is distributed to municipal and county governments in proportion to their population as compared to the total state population.

Table 50: 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 surcharge
July 1, 1994 - June 30, 1995	1/11 (9.1 percent)
July 1, 1995	1/10 (10 percent)

State Sales Tax (Photoprocessing)

The sales tax on photo processing became effective September 1, 1988. A 0.4 percent allocation of state sales tax collections is deposited in the LGDF. As of October 1991, Chicago shares in the distribution to municipalities and counties on the basis of population.

The LGDF also receives a portion of the additional 1.25 percent state use tax on general merchandise and the 1 percent use tax on qualifying food, drugs, and medical appliances (see "State and Local Sales Tax Reform Fund"). Collections are distributed to municipalities (except Chicago) and counties on the basis of population.

Population-based disbursements from the LGDF

In FY 2000, the department distributed \$1,026,427,591.51 to municipalities and counties at the rate of \$90.17 per capita. This distribution includes

- \$892,526,660.38 for the local governments' 1/10 (10 percent) share of net income tax collections. (See Table 53.)
- \$25,597,857.45 for 0.4 percent of 5 percent net revenue collected for sales tax photo processing. (See Table 54.)
- \$108,303,073.68 for Local Use Tax allocations. (See Table 54.)

Table 51: Income Tax/Sales Tax Distributions to Local Governments

Distribution	FY 2000	Percent of total
Income Tax		
Counties	\$ 119,942,282.04	11.69%
Municipalities	772,584,378.34	75.27%
Subtotal	892,526,660.38	86.95%
Photo Processing		
Counties	3,439,934.07	0.34%
Municipalities	22,157,923.38	2.16%
Subtotal	25,597,857.45	2.49%
Local Use Tax		
(Transferred from the State and Local Sales Tax Reform Fund)		
Counties	19,070,052.83	1.86%
Municipalities	89,233,020.85	8.69%
Subtotal	108,303,073.68	10.55%
Total	\$ 1,026,427,591.51	100.00%

State and Local Sales Tax Reform Fund

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 this 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 deposited into the LGDF and paid to counties and municipalities with fewer than 1 million residents based on relative share of population.

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 state sales taxes 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 all state sales taxes and transfers from the State and Local 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 52: Sales Tax Transfers for Local Transportation

Fund	FY 2000	Percent of total
Public Transportation Fund	\$ 160,164,659.75	76.0%
Downstate Public Transportation Fund	35,065,916.98	16.6%
Metro-East Public Transportation Fund	15,509,521.43	7.4%
Total	\$ 210,740,098.16	100.0%

Revenue-sharing with Local Governments

Table 53: Fiscal Year 2000 Population-based Disbursement of Net Income Tax

County	Unincorporated	Incorporated	Total	County	Unincorporated	Incorporated	Total
Adams	1,468,242.93	3,705,684.08	5,173,927.01	Lee	935,778.96	1,674,683.12	2,610,462.08
Alexander	298,234.42	508,547.26	806,781.68	Livingston	1,013,830.14	1,970,108.13	2,983,938.27
Bond	402,403.90	735,791.30	1,138,195.20	Logan	704,662.41	1,633,683.56	2,338,345.97
Boone	1,213,741.41	1,490,716.53	2,704,457.94	Macon	1,167,578.83	7,749,768.12	8,917,346.95
Brown	241,746.02	201,353.57	443,099.59	Macoupin	1,170,236.24	2,449,803.43	3,620,039.67
Bureau	799,341.24	1,910,278.57	2,709,619.81	Madison	3,891,491.17	15,529,357.45	19,420,848.62
Calhoun	254,501.48	149,572.48	404,073.96	Marion	1,078,518.48	2,077,010.99	3,155,529.47
Carroll	517,810.34	758,113.48	1,275,923.82	Marshall	356,089.47	619,246.01	975,335.48
Cass	305,371.40	714,836.16	1,020,207.56	Mason	499,132.71	736,095.03	1,235,227.74
Champaign	2,635,745.90	10,719,660.54	13,355,406.44	Massac	489,338.33	630,711.11	1,120,049.44
Christian	742,701.00	1,870,494.18	2,613,195.18	McDonough	564,656.22	2,111,253.45	2,675,909.67
Clark	578,626.46	630,179.53	1,208,805.99	McHenry	3,352,556.43	12,806,769.95	16,159,326.38
Clay	505,358.57	595,481.58	1,100,840.15	McLean	1,358,454.98	9,012,101.22	10,370,556.20
Clinton	973,817.51	1,620,776.01	2,594,593.52	Menard	438,923.95	408,705.45	847,629.40
Coles	777,322.90	3,143,761.57	3,921,084.47	Mercer	590,926.36	721,820.91	1,312,747.27
Cook	7,501,569.03	383,145,659.95	390,647,228.98	Monroe	612,489.12	1,165,756.33	1,778,245.45
Crawford	702,232.81	846,794.26	1,549,027.07	Montgomery	757,354.56	1,575,676.09	2,333,030.65
Cumberland	453,805.29	356,317.05	810,122.34	Morgan	646,199.97	2,117,251.57	2,763,451.54
DeKalb	1,163,858.49	4,904,088.60	6,067,947.09	Moultrie	405,516.84	652,121.78	1,057,638.62
DeWitt	366,263.46	887,717.89	1,253,981.35	Ogle	1,587,065.99	1,923,717.91	3,510,783.90
Douglas	461,853.39	1,015,955.56	1,477,808.95	Peoria	2,676,138.12	11,666,145.55	14,342,283.67
Du Page	6,595,856.44	57,869,711.70	64,465,568.14	Perry	698,588.41	965,617.25	1,664,205.66
Edgar	540,360.13	947,395.10	1,487,755.23	Piatt	370,743.04	843,149.71	1,213,892.75
Edwards	219,727.70	345,156.00	564,883.70	Pike	490,704.98	843,832.46	1,334,537.44
Effingham	990,900.73	1,429,216.83	2,420,117.56	Pope	258,069.97	73,951.08	332,021.05
Fayette	807,465.23	814,601.86	1,622,067.09	Pulaski	256,323.66	314,861.70	571,185.36
Ford	296,184.45	787,648.29	1,083,832.74	Putnam	184,650.19	250,401.14	435,051.33
Franklin	945,725.19	2,116,340.20	3,062,065.39	Randolph	840,037.17	1,785,685.68	2,625,722.85
Fulton	802,454.17	2,089,386.45	2,891,840.62	Richland	487,895.77	784,155.96	1,272,051.73
Gallatin	166,580.00	357,987.28	524,567.28	Rock Island	1,543,105.26	9,775,074.64	11,318,179.90
Greene	407,946.45	755,000.42	1,162,946.87	Saint Clair	4,391,062.35	16,058,269.97	20,449,332.32
Grundy	847,401.96	1,636,036.98	2,483,438.94	Saline	697,905.08	1,320,188.29	2,018,093.37
Hamilton	379,246.69	266,041.85	645,288.54	Sangamon	2,506,065.52	11,286,062.85	13,792,128.37
Hancock	578,246.85	1,053,538.20	1,631,785.05	Schuyler	286,997.48	282,289.95	569,287.43
Hardin	228,003.54	165,972.44	393,975.98	Scott	163,163.35	265,358.40	428,521.75
Henderson	308,636.18	306,054.22	614,690.40	Shelby	778,917.36	911,254.45	1,690,171.81
Henry	1,223,004.27	2,661,255.88	3,884,260.15	Stark	215,248.09	280,847.34	496,095.43
Iroquois	919,758.72	1,417,751.44	2,337,510.16	Stephenson	1,159,834.45	2,488,526.18	3,648,360.63
Jackson	1,449,641.22	3,186,886.89	4,636,528.11	Tazewell	1,732,386.94	7,706,870.06	9,439,257.00
Jasper	489,793.90	315,696.89	805,490.79	Union	662,903.50	674,823.49	1,337,726.99
Jefferson	1,232,115.33	1,728,969.87	2,961,085.20	Vermilion	2,062,737.82	4,638,197.92	6,700,935.74
Jersey	802,226.42	757,202.38	1,559,428.80	Wabash	291,477.07	703,978.93	995,456.00
Jo Daviess	765,326.71	891,438.05	1,656,764.76	Warren	514,925.17	941,397.18	1,456,322.35
Johnson	615,070.60	246,453.04	861,523.64	Washington	523,808.41	612,412.49	1,136,220.90
Kane	2,615,701.63	22,883,193.20	25,498,894.83	Wayne	688,718.10	620,536.76	1,309,254.86
Kankakee	2,060,687.86	5,348,251.30	7,408,939.16	White	478,329.18	788,407.46	1,266,736.64
Kendall	1,814,765.88	1,676,733.31	3,491,499.19	Whiteside	1,622,674.93	2,953,416.60	4,576,091.53
Knox	787,724.68	3,493,928.38	4,281,653.06	Will	6,495,255.44	24,217,883.43	30,713,138.87
Lake	4,235,187.75	39,060,438.40	43,295,626.15	Williamson	1,367,110.47	3,015,219.54	4,382,330.01
LaSalle	2,219,371.66	5,939,556.90	8,158,928.56	Winnebago	4,600,464.26	15,352,773.43	19,953,237.69
Lawrence	510,977.04	701,701.03	1,212,678.07	Woodford	1,054,602.01	1,435,821.91	2,490,423.92
Total:	\$119,942,282.04	\$772,584,378.34	\$892,526,660.38				

Revenue-sharing with Local Governments

Table 54: Fiscal Year 2000 Population-based Disbursement of Photoprocessing and Local Share of Use Tax

County	Unincorporated		Incorporated		Totals	
	Photo Processing	Local Use Tax	Photo Processing	Local Use Tax	Photo Processing	Local Use Tax
Adams	\$ 42,109.62	\$ 233,443.84	\$ 106,279.35	\$ 589,186.16	\$ 148,388.97	\$ 822,630.00
Alexander	8,553.38	47,417.86	14,585.03	80,856.51	23,138.41	128,274.37
Bond	11,541.02	63,980.33	21,102.16	116,986.98	32,643.18	180,967.31
Boone	34,810.41	192,979.28	42,753.95	237,016.85	77,564.36	429,996.13
Brown	6,933.29	38,436.46	5,774.63	32,014.10	12,707.92	70,450.56
Bureau	22,925.29	127,091.55	54,786.03	303,724.46	77,711.32	430,816.01
Calhoun	7,299.13	40,464.51	4,289.48	23,781.12	11,588.61	64,245.63
Carroll	14,850.90	82,329.41	21,742.57	120,536.25	36,593.47	202,865.66
Cass	8,758.08	48,552.60	20,501.44	113,655.43	29,259.52	162,208.03
Champaign	75,593.95	419,071.45	307,441.96	1,704,375.76	383,035.91	2,123,447.21
Christian	21,300.83	118,086.00	53,645.50	297,399.36	74,946.33	415,485.36
Clark	16,595.13	91,998.89	18,073.50	100,195.49	34,668.63	192,194.38
Clay	14,493.78	80,349.65	17,078.24	94,678.54	31,572.02	175,028.19
Clinton	27,929.33	154,832.48	46,483.46	257,695.20	74,412.79	412,527.68
Coles	22,293.80	123,590.73	90,163.74	499,843.40	112,457.54	623,434.13
Cook	215,147.27	1,192,714.98	10,988,729.72	27,313,894.34	11,203,876.99	28,506,609.32
Crawford	20,140.19	111,651.72	24,285.94	134,636.16	44,426.13	246,287.88
Cumberland	13,015.21	72,152.93	10,218.97	56,652.51	23,234.18	128,805.44
DeKalb	33,379.76	185,048.10	140,649.99	779,726.94	174,029.75	964,775.04
DeWitt	10,504.49	58,234.15	25,459.66	141,142.77	35,964.15	199,376.92
Douglas	13,246.04	73,432.52	29,137.38	161,531.91	42,383.42	234,964.43
Du Page	189,171.15	1,048,710.83	1,659,719.33	9,201,016.90	1,848,890.48	10,249,727.73
Edgar	15,497.62	85,914.72	27,171.10	150,631.17	42,668.72	236,545.89
Edwards	6,301.81	34,935.65	9,898.87	54,877.97	16,200.68	89,813.62
Effingham	28,419.28	157,548.61	40,989.78	227,238.47	69,409.06	384,787.08
Fayette	23,158.30	128,383.22	23,362.62	129,517.66	46,520.92	257,900.88
Ford	8,494.59	47,091.92	22,589.51	125,232.03	31,084.10	172,323.95
Franklin	27,123.62	150,365.92	60,696.38	336,487.61	87,820.00	486,853.53
Fulton	23,014.58	127,586.48	59,923.12	332,201.95	82,937.70	459,788.43
Gallatin	4,777.50	26,485.42	10,266.77	56,918.06	15,044.27	83,403.48
Greene	11,699.98	64,861.57	21,653.13	120,041.20	33,353.11	184,902.77
Grundy	24,303.70	134,732.96	46,921.23	260,121.75	71,224.93	394,854.71
Hamilton	10,876.86	60,298.44	7,629.87	42,299.20	18,506.73	102,597.64
Hancock	16,584.23	91,938.56	30,214.91	167,507.04	46,799.14	259,445.60
Hardin	6,539.15	36,251.47	4,759.98	26,388.73	11,299.13	62,640.20
Henderson	8,851.72	49,071.69	8,777.20	48,660.82	17,628.92	97,732.51
Henry	35,076.07	194,452.03	76,324.63	423,126.73	111,400.70	617,578.76
Iroquois	26,378.91	146,237.38	40,660.31	225,415.06	67,039.22	371,652.44
Jackson	41,576.11	230,486.25	91,400.28	506,699.91	132,976.39	737,186.16
Jasper	14,047.37	77,874.93	9,053.88	50,194.03	23,101.25	128,068.96
Jefferson	35,337.37	195,900.64	49,586.90	274,897.88	84,924.27	470,798.52
Jersey	23,008.05	127,550.27	21,716.41	120,391.44	44,724.46	247,941.71
Jo Daviess	21,949.73	121,683.39	25,566.14	141,734.11	47,515.87	263,417.50
Johnson	17,640.36	97,793.35	7,067.98	39,184.57	24,708.34	136,977.92
Kane	75,019.10	415,884.50	656,295.61	3,638,321.50	731,314.71	4,054,206.00
Kankakee	59,101.10	327,639.87	153,388.44	850,346.51	212,489.54	1,177,986.38
Kendall	52,047.98	288,539.41	48,088.69	266,592.53	100,136.67	555,131.94
Knox	22,592.12	125,244.58	100,206.01	555,517.89	122,798.13	680,762.47
Lake	121,466.45	673,375.36	1,120,262.61	6,210,428.00	1,241,729.06	6,883,803.36
LaSalle	63,652.20	352,869.84	170,346.87	944,361.13	233,999.07	1,297,230.97
Lawrence	14,654.94	81,242.98	20,124.65	111,567.00	34,779.59	192,809.98
Lee	26,838.39	148,784.51	48,029.74	266,266.36	74,868.13	415,050.87
Livingston	29,076.91	161,194.30	56,502.36	313,237.50	85,579.27	474,431.80

Revenue-sharing with Local Governments

Table 54: Fiscal Year 2000 Population-based Disbursement of Photoprocessing and Local Share of Use Tax (continued)

County	Unincorporated		Incorporated		Totals	
	Photo Processing	Local Use Tax	Photo Processing	Local Use Tax	Photo Processing	Local Use Tax
Logan	\$ 20,209.89	\$ 112,038.06	\$ 46,853.87	\$ 259,747.71	\$ 67,063.76	\$ 371,785.77
Macon	33,486.46	185,639.64	222,265.05	1,232,176.94	255,751.51	1,417,816.58
Macoupin	33,562.68	186,062.13	70,259.59	389,506.30	103,822.27	575,568.43
Madison	111,567.28	618,514.60	445,426.92	2,469,309.86	556,994.20	3,087,824.46
Marion	30,932.19	171,479.42	59,568.51	330,234.51	90,500.70	501,713.93
Marshall	10,212.69	56,616.54	17,759.64	98,456.84	27,972.33	155,073.38
Mason	14,315.22	79,359.76	21,110.96	117,035.33	35,426.18	196,395.09
Massac	14,034.33	77,802.51	18,088.84	100,280.01	32,123.17	178,082.52
McDonough	16,194.47	89,777.72	60,550.80	335,679.18	76,745.27	425,456.90
McHenry	96,152.32	533,041.03	367,300.47	2,036,216.32	463,452.79	2,569,257.35
McLean	38,960.84	215,988.06	258,468.65	1,432,881.68	297,429.49	1,648,869.74
Menard	12,588.43	69,786.83	11,721.55	64,982.04	24,309.98	134,768.87
Mercer	16,947.88	93,954.53	20,701.34	114,765.62	37,649.22	208,720.15
Monroe	17,566.31	97,382.91	33,433.91	185,349.62	51,000.22	282,732.53
Montgomery	21,721.11	120,415.85	45,189.73	250,524.32	66,910.84	370,940.17
Morgan	18,533.17	102,742.78	60,722.87	336,632.84	79,256.04	439,375.62
Moultrie	11,630.30	64,475.26	18,702.66	103,684.05	30,332.96	168,159.31
Ogle	45,517.48	252,336.15	55,172.16	305,861.72	100,689.64	558,197.87
Peoria	76,752.42	425,493.63	334,587.79	1,854,862.92	411,340.21	2,280,356.55
Perry	20,035.68	111,072.30	27,693.82	153,528.42	47,729.50	264,600.72
Piatt	10,632.96	58,946.39	24,181.33	134,056.52	34,814.29	193,002.91
Pike	14,073.50	78,019.78	24,200.33	134,164.67	38,273.83	212,184.45
Pope	7,401.48	41,031.88	2,120.83	11,757.78	9,522.31	52,789.66
Pulaski	7,351.38	40,754.24	9,029.91	50,061.28	16,381.29	90,815.52
Putnam	5,295.77	29,358.51	7,181.24	39,812.39	12,477.01	69,170.90
Randolph	24,092.47	133,562.00	51,213.25	283,915.28	75,305.72	417,477.28
Richland	13,992.94	77,573.14	22,489.55	124,676.97	36,482.49	202,250.11
Rock Island	44,256.68	245,346.60	280,351.35	1,554,191.32	324,608.03	1,799,537.92
Saint Clair	125,936.99	698,158.70	460,554.31	2,553,189.74	586,491.30	3,251,348.44
Saline	20,016.06	110,963.68	37,862.98	209,903.60	57,879.04	320,867.28
Sangamon	71,874.69	398,452.87	323,686.30	1,794,430.92	395,560.99	2,192,883.79
Schuyler	8,231.10	45,631.24	8,095.92	44,882.63	16,327.02	90,513.87
Scott	4,679.53	25,942.19	7,610.16	42,190.41	12,289.69	68,132.60
Shelby	22,339.54	123,844.24	26,134.45	144,884.77	48,473.99	268,729.01
Stark	6,173.32	34,223.42	8,054.58	44,653.27	14,227.90	78,876.69
Stephenson	33,264.37	184,408.29	71,371.02	395,663.68	104,635.39	580,071.97
Tazewell	49,685.33	275,441.53	221,034.44	1,225,356.16	270,719.77	1,500,797.69
Union	19,012.22	105,398.59	19,353.78	107,293.54	38,366.00	212,692.13
Vermilion	59,159.92	327,965.79	133,023.71	737,451.25	192,183.63	1,065,417.04
Wabash	8,359.59	46,343.48	20,190.07	111,929.24	28,549.66	158,272.72
Warren	14,768.15	81,870.69	26,999.30	149,677.62	41,767.45	231,548.31
Washington	15,022.92	83,283.09	17,563.42	97,370.13	32,586.34	180,653.22
Wayne	19,752.60	109,502.96	17,796.64	98,662.10	37,549.24	208,165.06
White	13,718.58	76,052.10	22,611.26	125,352.75	36,329.84	201,404.85
Whiteside	46,538.76	257,997.81	84,704.32	469,579.17	131,243.08	727,576.98
Will	186,285.89	1,032,715.73	694,574.68	3,850,530.83	880,860.57	4,883,246.56
Williamson	39,209.10	217,364.23	86,476.53	479,405.37	125,685.63	696,769.60
Winnebago	131,942.69	731,452.62	440,321.65	2,441,019.94	572,264.34	3,172,472.56
Woodford	30,246.24	167,676.84	41,178.93	228,288.34	71,425.17	395,965.18
Total	\$ 3,439,934.07	\$ 19,070,052.83	\$ 22,157,923.38	\$ 89,233,020.85	\$ 25,597,857.45	\$108,303,073.68

Revenue-sharing with Local Governments

Tax Increment Financing

Illinois Tax Increment Fund

The department distributes state sales tax collections to municipalities that have tax increment financing (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.

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.

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.

- **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. Cook county's share is disbursed to the Regional Transportation Authority (RTA).

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. Cook county's share is disbursed to the Regional Transportation Authority (RTA).

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.

- **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.

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.

Revenue-sharing with Local Governments

Table 55: Tax Increment Financing Allocations

Sales Tax TIF district	FY 2000	Sales Tax TIF district	FY 2000
Aledo TIF District	\$ 77,153.27	Mendota TIF District	\$ 159,291.75
Arlington Heights TIF Dist #1	86,225.11	Moline TIF District	201,353.00
Arlington Heights TIF Dist #2	23,709.86	Morris TIF District	585,788.00
Aurora TIF District	78,908.28	Mount Zion TIF District	8,724.24
Bartlett TIF District	42,252.00	Niles Lawrencewood TIF District	575,482.56
Beardstown TIF District	200,102.46	North Pekin TIF District	309,074.97
Belleville TIF District #3	419,734.72	Oak Park TIF District	99,921.96
Bellevue TIF District	30,483.97	Oglesby TIF District	142,695.39
Belvidere TIF District	39,627.95	Palos Heights TIF District	122.97
Bloomington Market Square TIF Dist	235,660.72	Pekin TIF District #1	162,526.31
Bourbonnais TIF District	526,850.54	Peoria Campustown TIF District	142,881.78
Bradley I-57 & Route 50 TIF Dist	755,194.68	Peoria Downtown TIF District	47,970.67
Bradley North Project TIF Dist	389,356.91	Peoria Southtown TIF District	71,519.32
Breese TIF District	91,786.93	Pontiac TIF District #1	24,578.90
Buffalo Grove TIF District	161,619.04	Pontiac TIF District #2	287,315.23
Carbon Cliff TIF District	644.40	Quincy TIF District	1,373.50
Champaign TIF District #2	40,895.44	River Forest TIF District	222,120.75
Charleston TIF District	32,569.66	Rock Island TIF District	67,314.07
Chicago Chatham Ridge TIF Dist	595,572.02	Rosemont TIF District #1	389,996.82
Chicago Ryan Garfield TIF Dist	174,743.62	Rosemont TIF District #2	123,296.81
Chicago Ridge TIF District #2	941.17	Rosemont TIF District #3	240,455.18
Cicero TIF District	1,145,089.58	Round Lake Beach TIF District	502,538.89
Collinsville TIF District	425,487.29	Salem TIF District	235,279.22
Creve Coeur TIF District	105,966.96	Sherman TIF District	45,032.90
Deerfield TIF District #2	87,403.52	Silvis TIF District	152,793.12
DeKalb TIF District	537,384.98	Sparta TIF District	32,171.20
East Peoria TIF District #1	14,061.40	Springfield TIF District	143,577.02
East Peoria TIF District #2	419,166.81	Sterling TIF District	53,252.66
Effingham TIF District	931,171.65	Sullivan TIF District	130,130.46
Elgin TIF District #1	158,007.33	Summit TIF District	82,019.87
Elgin TIF District #2	25,320.61	Tuscola TIF District	203,731.12
Elmhurst TIF District	116,535.28	University Park TIF District	12,441.96
Elmwood Park TIF District	160,199.03	Urbana TIF District #1	7,333.78
Galesburg TIF District #1	91,227.28	Urbana TIF District #2	119,091.55
Galesburg TIF District #2	12,323.33	Warrenville TIF District	96,759.56
Galva TIF District	784.31	Watseka TIF District	364,833.07
Gardner TIF District	122,881.41	Wood River TIF District	415,321.77
Granite City TIF District	81,337.24	Total Sales Tax TIFs	\$ 16,932,281.53
Harvey TIF District	8,690.34	Utility Tax TIF District	Total
Havana TIF District	67,750.76	Canton Utility TIF District 4a	3,149.82
Heyworth TIF District	38,529.92	Canton Utility TIF District 4b	644.40
Hodgkins TIF District	1,456,377.05	Colona Utility TIF District	38.25
LaGrange TIF District	73,206.56	University Park Utility TIF Dist	9,711.88
LeRoy TIF District	78,577.62	Total Utility Tax TIFs	\$ 13,544.35
Libertyville TIF District	158,215.03	Total for all TIF Districts	\$ 16,945,825.88
Macomb TIF District #2	39,958.62		
Manteno TIF District	112,482.54		

Revenue-sharing

with Local Governments

Table 56: Fiscal Year 2000 Municipal and County Share of State Sales and Use Taxes

County	Unincorporated	Incorporated	Total	County	Unincorporated	Incorporated	Total
Adams	\$ 451,000.56	\$ 6,869,897.75	\$ 7,320,898.31	Lee	\$ 513,574.16	\$ 1,982,122.88	\$ 2,495,697.04
Alexander	91,623.62	262,796.76	354,420.38	Livingston	371,630.61	3,024,499.25	3,396,129.86
Bond	100,570.79	880,332.22	980,903.01	Logan	193,623.08	2,288,272.40	2,481,895.48
Boone	577,990.49	2,499,120.78	3,077,111.27	Macon	356,958.34	12,494,993.76	12,851,952.10
Brown	69,969.09	206,602.98	276,572.07	Macoupin	1,141,664.81	2,795,081.50	3,936,746.31
Bureau	149,246.21	2,295,093.06	2,444,339.27	Madison	781,772.81	24,026,805.00	24,808,577.81
Calhoun	73,903.80	181,023.31	254,927.11	Marion	180,380.69	2,632,098.50	2,812,479.19
Carroll	215,214.78	896,810.34	1,112,025.12	Marshall	51,023.26	592,175.73	643,198.99
Cass	38,048.69	919,613.17	957,661.86	Mason	73,364.47	742,567.71	815,932.18
Champaign	1,041,426.45	18,174,661.67	19,216,088.12	Massac	71,333.15	741,569.55	812,902.70
Christian	254,206.57	2,618,097.43	2,872,304.00	McDonough	107,262.94	2,610,371.47	2,717,634.41
Clark	162,654.67	932,299.44	1,094,954.11	McHenry	2,939,321.32	23,466,435.38	26,405,756.70
Clay	103,755.93	734,248.81	838,004.74	McLean	649,209.35	18,416,644.37	19,065,853.72
Clinton	237,345.79	3,050,914.98	3,288,260.77	Menard	75,965.82	457,118.80	533,084.62
Coles	224,481.97	5,643,181.31	5,867,663.28	Mercer	104,706.81	680,493.41	785,200.22
Cook	4,362,205.11	519,548,478.35	523,910,683.46	Monroe	144,274.08	2,282,954.91	2,427,228.99
Crawford	172,243.26	1,203,736.58	1,375,979.84	Montgomery	152,668.81	2,566,219.20	2,718,888.01
Cumberland	61,269.64	307,598.64	368,868.28	Morgan	106,858.50	3,266,917.99	3,373,776.49
DeKalb	299,121.36	7,481,706.73	7,780,828.09	Moultrie	187,771.99	724,618.57	912,390.56
DeWitt	109,970.01	1,250,741.83	1,360,711.84	Ogle	275,080.57	3,169,013.81	3,444,094.38
Douglas	251,074.25	1,820,415.56	2,071,489.81	Peoria	1,155,537.57	21,585,251.91	22,740,789.48
Du Page	4,941,788.23	159,312,424.51	164,254,212.74	Perry	214,095.52	1,243,403.37	1,457,498.89
Edgar	206,429.11	1,013,572.70	1,220,001.81	Piatt	61,391.94	869,073.49	930,465.43
Edwards	52,900.12	348,448.98	401,349.10	Pike	89,130.61	1,049,320.82	1,138,451.43
Effingham	289,239.52	5,031,751.57	5,320,991.09	Pope	44,619.66	62,646.88	107,266.54
Fayette	111,294.52	1,427,173.88	1,538,468.40	Pulaski	37,969.31	173,577.90	211,547.21
Ford	34,741.36	1,147,331.62	1,182,072.98	Putnam	39,152.90	219,196.30	258,349.20
Franklin	293,817.73	2,609,807.00	2,903,624.73	Randolph	90,301.19	2,533,423.78	2,623,724.97
Fulton	110,951.41	2,313,182.00	2,424,133.41	Richland	82,873.58	1,449,936.02	1,532,809.60
Gallatin	34,942.58	183,433.42	218,376.00	Rock Island	369,312.30	15,196,984.28	15,566,296.58
Greene	47,919.19	581,579.80	629,498.99	Saint Clair	1,096,611.11	24,360,468.86	25,457,079.97
Grundy	289,828.15	4,380,858.22	4,670,686.37	Saline	222,102.69	1,928,068.39	2,150,171.08
Hamilton	66,879.66	301,866.94	368,746.60	Sangamon	2,073,673.42	21,808,202.37	23,881,875.79
Hancock	113,249.12	884,990.16	998,239.28	Schuyler	40,004.57	332,132.77	372,137.34
Hardin	53,161.55	82,527.76	135,689.31	Scott	27,285.46	204,890.28	232,175.74
Henderson	71,134.58	224,858.81	295,993.39	Shelby	134,837.22	952,706.83	1,087,544.05
Henry	163,235.96	4,042,168.36	4,205,404.32	Stark	42,743.31	198,201.15	240,944.46
Iroquois	121,758.89	1,877,708.82	1,999,467.71	Stephenson	296,227.82	4,033,916.95	4,330,144.77
Jackson	531,331.22	5,445,503.80	5,976,835.02	Tazewell	406,418.69	13,852,977.48	14,259,396.17
Jasper	88,046.69	496,224.80	584,271.49	Union	91,045.32	1,191,295.65	1,282,340.97
Jefferson	823,640.24	4,276,191.51	5,099,831.75	Vermilion	431,768.54	6,755,530.20	7,187,298.74
Jersey	115,186.17	1,794,405.63	1,909,591.80	Wabash	32,692.75	837,203.69	869,896.44
Jo Daviess	350,291.04	1,613,018.62	1,963,309.66	Warren	106,500.44	1,032,315.67	1,138,816.11
Johnson	82,066.49	411,195.59	493,262.08	Washington	351,994.84	1,224,857.10	1,576,851.94
Kane	2,176,491.64	41,330,268.39	43,506,760.03	Wayne	170,727.80	936,195.59	1,106,923.39
Kankakee	629,064.71	10,146,906.32	10,775,971.03	White	119,927.89	970,470.32	1,090,398.21
Kendall	763,016.08	5,101,877.54	5,864,893.62	Whiteside	359,282.68	5,261,612.74	5,620,895.42
Knox	232,673.35	5,059,323.44	5,291,996.79	Will	5,097,354.41	38,409,736.37	43,507,090.78
Lake	4,088,447.22	86,318,139.85	90,406,587.07	Williamson	584,572.68	6,458,430.38	7,043,003.06
LaSalle	689,713.68	12,625,664.04	13,315,377.72	Winnebago	1,204,389.03	31,946,488.00	33,150,877.03
Lawrence	186,730.53	682,747.10	869,477.63	Woodford	353,606.41	2,285,922.74	2,639,529.15
Total:					\$ 50,713,891.01	\$1,257,167,935.35	\$1,307,881,826.36

Revenue-sharing with Local Governments

Table 57: Fiscal Year 2000 Countywide Share of State Sales Taxes

County	FY 00	County	FY 00	County	FY 00
Adams	1,546,258.71	Hardin	27,153.95	Morgan	694,890.58
Alexander	77,104.97	Henderson	65,100.01	Moultrie	192,026.86
Bond	206,281.10	Henry	878,352.29	Ogle	721,079.85
Boone	650,292.09	Iroquois	422,132.81	Peoria	4,870,821.23
Brown	53,948.06	Jackson	1,275,353.21	Perry	301,760.84
Bureau	519,400.61	Jasper	125,110.52	Piatt	197,519.24
Calhoun	58,156.79	Jefferson	1,108,205.73	Pike	233,378.66
Carroll	241,003.49	Jersey	393,250.25	Pike	22,144.32
Cass	185,430.56	Jo Daviess	434,379.35	Pulaski	45,026.73
Champaign	4,056,975.71	Johnson	109,237.27	Putnam	56,349.28
Christian	585,934.92	Kane	9,328,161.42	Randolph	530,130.48
Clark	231,042.92	Kankakee	2,278,595.99	Richland	315,021.37
Clay	168,929.17	Kendall	1,211,701.10	Rock Island	3,262,634.59
Clinton	673,243.02	Knox	1,108,421.21	Saint Clair	5,527,308.41
Coles	1,239,305.52	Lake	19,155,409.55	Saline	432,057.81
Cook*		LaSalle	2,856,273.70	Sangamon	5,095,612.89
Crawford	283,517.21	Lawrence	181,523.40	Schuyler	81,244.30
Cumberland	77,692.62	Lee	516,849.48	Scott	53,731.15
DeKalb	1,636,501.65	Livingston	722,683.30	Shelby	233,689.29
DeWitt	285,143.48	Logan	497,872.18	Stark	54,705.96
Douglas	456,903.82	Macon	2,715,746.92	Stephenson	882,457.25
Du Page	36,312,423.11	Macoupin	866,650.77	Tazewell	2,979,274.55
Edgar	249,634.22	Madison	5,197,432.37	Union	249,455.42
Edwards	81,247.47	Marion	603,856.90	Vermilion	1,484,528.03
Effingham	1,157,639.44	Marshall	126,842.81	Wabash	181,019.69
Fayette	320,637.83	Mason	163,240.44	Warren	224,901.68
Ford	250,250.68	Massac	167,286.25	Washington	365,420.51
Franklin	597,862.46	McDonough	560,498.20	Wayne	220,097.64
Fulton	478,359.61	McHenry	5,491,345.32	White	226,041.87
Gallatin	50,449.49	McLean	4,163,712.26	Whiteside	1,165,758.37
Greene	124,221.83	Menard	113,913.48	Will	9,211,735.59
Grundy	996,291.70	Mercer	167,740.54	Williamson	1,523,205.76
Hamilton	77,800.32	Monroe	502,186.15	Winnebago	7,103,873.29
Hancock	219,599.73	Montgomery	559,363.11	Woodford	586,165.86
				Total:	\$ 167,570,135.90

* Cook County's portion, \$109,187,314.05, goes to the RTA. See Table 46.

Revenue-sharing

with Local Governments

Replacement Taxes

Statutory References

- **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)
- **Personal Property Tax Replacement Income Tax** — 35 ILCS 5/201
- **Telecommunications Infrastructure Maintenance Fees** — 35 ILCS 635/1 to 635/905

Definition

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.

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 is imposed on

- the income of corporations (other than S corporations) at the rate of 2.5 percent; and
- the income of partnerships, trusts, and S corporations 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.) However, none of the credits applicable to the income tax apply to the replacement tax. Retailers, manufacturers and coal and fluorite miners are allowed an investment credit against the replacement tax.

Two **telecommunications infrastructure maintenance fees** (TIMFs) are 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 State Telecommunications Infrastructure Maintenance Fee is mandatory. The other fee is optional and is known as the Optional Telecommunications Infrastructure Maintenance Fee.

The State TIMF rate is 0.5 percent of gross charges. The Optional TIMF rate is 25 percent of the maximum amount of the municipal TIMF that a particular municipality could impose — an amount that is based on the municipality's population.

Distribution

Net collections from these taxes are deposited into the Personal Property Tax Replacement Fund 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.

Collections and Payments

In FY 2000, the department collected \$1,239,777,814, of which \$1,029,301,570 came from income taxes, \$170,249,629 from the Invested Capital Tax and the Electricity Distribution Tax, and \$40,226,615 from the Telecommunications Infrastructure Maintenance Fees.

The Refund Fund percentage for replacement tax collections was 19.0 percent for FY 2000. Distributions to local governments (reflecting collections from May 1999 through April 2000) totalled \$1,041,563,489.00. Another \$194,853,400.00 was allocated to refunds.

Revenue-sharing with Local Governments

Table 58: 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	\$ 89,982,186.58	8.64%	\$ 40,058,663.63	7.45%	\$ 10,154,446.23	7.90%	\$ 39,769,076.72	10.60%
Municipality	211,156,241.58	20.27%	142,043,044.84	26.40%	15,491,085.72	12.05%	53,622,111.02	14.30%
Township	18,787,584.83	1.80%	4,596,064.37	0.85%	3,280,471.90	2.55%	10,911,048.56	2.91%
Park	55,593,096.67	5.34%	41,030,648.95	7.63%	5,582,436.62	4.34%	8,980,011.10	2.39%
Sanitary	39,337,783.05	3.78%	31,030,477.33	5.77%	2,831,129.79	2.20%	5,476,175.93	1.46%
Fire Protection	7,469,393.63	0.72%	1,289,367.31	0.24%	2,715,469.04	2.11%	3,464,557.28	0.92%
Public Health	450,298.10	0.04%	232,460.62	0.04%	0.00	0.00%	217,837.48	0.06%
Hospital	1,231,025.16	0.12%	0.00	0.00%	97,348.11	0.08%	1,133,677.05	0.30%
TB Sanitarium	503,595.25	0.05%	499,458.21	0.09%	0.00	0.00%	4,137.04	0.00%
Mosquito Abatement	462,144.42	0.04%	385,604.38	0.07%	32,266.88	0.03%	44,273.16	0.01%
Airport Authority	2,371,425.77	0.23%	0.00	0.00%	44,916.73	0.03%	2,326,509.04	0.62%
Public Library	2,549,317.51	0.24%	1,137,290.33	0.21%	804,240.72	0.63%	607,786.46	0.16%
Water Authority	13,529.60	0.00%	0.00	0.00%	0.00	0.00%	13,529.60	0.00%
Cemetery	20,764.75	0.00%	0.00	0.00%	432.08	0.00%	20,332.67	0.01%
Forest Preserve	9,586,602.98	0.92%	6,159,876.30	1.15%	2,586,461.22	2.01%	840,265.46	0.22%
Street Lighting	4,458.00	0.00%	696.66	0.00%	841.51	0.00%	2,919.83	0.00%
Mass Transit	608,344.90	0.06%	0.00	0.00%	0.00	0.00%	608,344.90	0.16%
River Conservation	190,976.51	0.02%	20,933.93	0.00%	0.00	0.00%	170,042.58	0.05%
Conservation	541,128.44	0.05%	0.00	0.00%	144,753.63	0.11%	396,374.81	0.11%
Junior College	37,755,238.53	3.62%	16,565,292.93	3.08%	4,271,703.22	3.32%	16,918,242.38	4.51%
School (K-12)	544,463,565.00	52.27%	251,142,478.85	46.68%	77,351,923.06	60.18%	215,969,163.09	57.58%
Road	18,484,787.74	1.77%	1,775,184.76	0.33%	3,143,582.40	2.45%	13,566,020.58	3.62%
Total	\$1,041,563,489.00	100.00%	\$537,967,543.40	100.00%	\$128,533,508.86	100.00%	\$375,062,436.74	100.00%

Table 59: Replacement Tax Payments by County

County	Amount	County	Amount	County	Amount
Adams	\$ 8,614,512.23	Henry	\$ 2,784,395.15	Perry	\$ 2,447,405.84
Alexander	715,705.02	Iroquois	1,541,544.47	Piatt	9,595,960.83
Bond	724,193.68	Jackson	3,106,149.56	Pike	726,690.92
Boone	3,386,524.61	Jasper	1,202,957.71	Pope	82,731.26
Brown	196,217.60	Jefferson	2,478,422.24	Pulaski	274,094.66
Bureau	2,058,472.59	Jersey	724,626.19	Putnam	2,895,628.35
Calhoun	100,744.37	Jo Daviess	1,194,546.67	Randolph	3,717,743.72
Carroll	987,542.64	Johnson	838,675.58	Richland	839,529.75
Cass	751,886.42	Kane	17,998,224.51	Rock Island	24,176,449.97
Champaign	8,608,113.08	Kankakee	7,249,519.99	Saint Clair	15,904,744.48
Christian	3,827,718.42	Kendall	4,196,316.97	Saline	913,013.43
Clark	723,949.42	Knox	3,619,634.60	Sangamon	11,303,469.37
Clay	859,293.79	Lake	31,013,751.59	Schuyler	179,808.41
Clinton	1,140,645.23	LaSalle	12,838,033.88	Scott	269,074.32
Coles	3,007,893.98	Lawrence	462,684.31	Shelby	870,553.78
Cook	537,967,543.40	Lee	3,636,308.16	Stark	339,085.23
Crawford	1,886,235.23	Livingston	3,234,594.73	Stephenson	2,984,446.11
Cumberland	389,082.77	Logan	2,249,223.15	Tazewell	16,625,544.37
DeKalb	4,026,858.89	Macon	6,824,764.03	Union	717,637.34
DeWitt	1,663,491.20	Macoupin	1,451,274.44	Vermilion	8,538,885.74
Douglas	2,543,006.96	Madison	30,386,234.14	Wabash	1,022,756.03
Du Page	35,299,029.65	Marion	3,864,329.39	Warren	1,088,963.79
Edgar	977,820.15	Marshall	932,989.01	Washington	980,433.26
Edwards	329,149.86	Mason	2,244,930.46	Wayne	781,235.43
Effingham	1,428,311.45	Massac	1,801,987.66	White	682,254.14
Fayette	1,250,634.69	McDonough	1,170,699.92	Whiteside	5,219,054.82
Ford	1,193,023.86	McHenry	8,383,679.05	Will	35,838,824.06
Franklin	1,734,286.76	McLean	10,300,793.73	Williamson	2,069,415.79
Fulton	6,958,363.47	Menard	422,777.33	Winnebago	39,025,922.18
Gallatin	491,366.13	Mercer	1,369,443.61	Woodford	1,464,297.45
Greene	479,069.30	Monroe	1,044,150.75	Statewide	1,041,563,489.00
Grundy	3,693,649.15	Montgomery	2,383,908.90	Cook County	537,967,543.40
Hamilton	424,525.80	Morgan	3,302,232.18	Collar Counties*	128,533,508.86
Hancock	595,519.31	Moultrie	515,650.47	Rest of State	375,062,436.74
Hardin	389,652.84	Ogle	3,698,296.76		
Henderson	311,620.10	Peoria	29,784,428.83		

Report on Areas of Recurrent Non-compliance

Enforcement Programs

The Illinois Department of Revenue is the major tax collector for the State of Illinois. As of June 30, 2000, the department's accounts receivable balance indicated that 1,778,537 accounts totalling \$1.4 billion were due and payable to the State of Illinois. The enforcement programs used to collect these debts are identified in Table 60.

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 can assess, up to three years from the filing date of the return, the officers or those responsible for filing tax returns and making payments. 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

Audit activity helps to ensure that taxpayers pay their correct tax liabilities and that they pay them on time. In addition, audit contacts are responsible for a large portion of self-assessed tax that would not otherwise have been paid.

Taxpayers must self-assess the taxes administered by the department. An audit program

- promotes voluntary compliance and deters tax evasion at minimum cost through systematic selection of accounts and efficient compliance techniques;
- provides taxpayer education to ensure returns are completed properly and on time; and
- allows fair and equitable administration of overpayments and refunds, as well as deficiencies and delinquencies.

Bureau of Criminal Investigations

Our Bureau of Criminal Investigation consists of sworn peace officers charged with the enforcement of Illinois' criminal tax laws through the prosecution of tax cheats. These highly trained, college educated professional law enforcement officers develop

and evaluate forensic evidence of financial tax crimes and evasion where fraud is utilized to avoid or circumvent Illinois' tax laws. The publicized criminal prosecution of tax cheats assists the Department of Revenue in encouraging our system of 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.

New Enforcement Programs

Dyed Diesel Fuel Enforcement

During FY 2000, the Dyed Diesel Fuel Enforcement Program was implemented to respond to recently passed legislation addressing motor fuel tax evasion. The law mandates that untaxed diesel fuel for off-road usage contain red dye signifying no tax has been paid on this fuel. It is illegal for a licensed motor vehicle to operate upon an Illinois highway with dyed fuel in their tank. After completion of formal certification training to use testing equipment, dyed diesel fuel inspectors began enforcement late in the fiscal year. Civil penalties of over \$40,000 were issued to violators within the first few months of FY 2000 enforcement.

Federal Offset Program

Under provisions of the Internal Revenue Service Restructuring and Reform Act of 1998 the Federal tax refund of a taxpayer who owes past-due, legally enforceable State income tax obligations may be reduced, or offset, by the amounts owed by the taxpayer. The funds offset from the taxpayers' Federal tax refunds are forwarded to the Department of Revenue. This program is administered by the Financial Management Services (FMS), which is part of the US Treasury Department.

The IDOR notifies all debtors 60 days prior to possible offset of their Federal refund. After the 60 day period, all income tax debt greater than \$50, and less than or equal to ten years old is submitted to FMS.

Table 60: FY 2000 Major Enforcement Program Totals

Program Area	Number of cases	Amount collected	Program Area	Number of cases	Amount collected
Audits*	37,317	\$ 229,614,409	Delinquent Child Support	28,463	\$ 30,826,626
Attorney General Referrals	48	1,075,067	Levies (Asset and Wage)	111,838	32,080,403
Bulk Sales	4,401	10,193,297	Liens	13,841	5,838,205
Bureau of Criminal Investigations**	739	9,186,061	Liquor License Programs	9,616	23,163,058
Certificate of Registration Non-renewal	1,459	18,700,599	Outside Collection Agencies	180,963	12,125,008
Certificate of Registration Revocation	14,786	30,171,253	Payment Agreements	10,996	15,064,766
Chicago City License Revocation	22,320	8,419,026	Professional License Referrals	3,177	1,138,168
Comptroller Offsets	13,390	9,434,238	Publication of Delinquent Taxpayer Names	3,541	45,000,000
Corporate Charter Renewal	325	205,920	Seizure	218	1,420,865
Corporate Officer 100 Percent Penalty	11,748	4,175,440	Service and Call Unit	174,074	37,139,743
Criminal Restitution	95	560,092	Total	643,355	\$ 525,532,244

* Represents amount collected when audits were closed. Total audit amount established was \$470,702,257.

** Prosecution referrals totalled 160; conviction rate was 95 percent. Criminal restitution orders equals \$1,026,740.

Legislation

Recap for Calendar Year 2000

All Taxes

House Bill 3240 – Public Act 91-803

Effective January 1, 2001

House Bill 3240 amends the Uniform Penalty and Interest Act (“UPIA”) to make substantive changes to the penalty structure under the Act. For returns due on or after January 1, 2001, the penalty for late filing shall retain its present two-tier penalty structure. However, if a taxpayer does not file a return by the due date, the penalty imposed is the lesser of 2% of the net tax due (rather than the gross tax due, as under prior law) or \$250. The second-tier penalty for not filing within 30 days after notice of non-filing remains the greater of 2% of the tax required to be shown due on the return (the gross tax due), or \$250, not to exceed \$5,000.

The late payment penalty for admitted tax liability is imposed in a time sensitive manner for returns due on or after January 1, 2001. For late payments made within 30 days after the date due, a penalty of 2% of the unpaid tax shall be imposed. If the tax is paid later than 30 days but less than 90 days after the due date, the penalty imposed shall be 5% of the tax remaining unpaid. Taxpayers making a late payment later than 90 days but less than 180 days will incur a penalty of 10%. For tax payment more than 180 days late, the penalty is 15% of the unpaid tax due. House Bill 3240 further provides that interest shall accrue only on tax due (now tax and penalties).

House Bill 3240 also creates a bad check penalty. A penalty of \$25 will be imposed for issuance of a check to the department that is dishonored by the bank upon which it is drawn. This penalty is in addition to any other penalties that are assessable against the taxpayer. Reasonable cause standards shall also apply to the abatement of the new bad check penalty.

House Bill 3420 – Public Act 91-772

Effective January 1, 2001

House Bill 3420 amends the Illinois Vehicle Code to authorize the Secretary of State to issue and process title and lien documents electronically. House Bill 3420 also authorizes the Secretary of State to accept electronic signatures and utilize an electronic payment system for required fees and taxes. House Bill 3420 further authorizes the Secretary of State to enter into agreements providing for electronic filing, and to adopt new rules to implement the provisions of this bill.

House Bill 3420 provides that any forms, records, electronic records, and methods of electronic payment relating to the filing and payment of taxes must be prescribed by the Department of Revenue. House Bill 3420 also provides that the submitter of electronically filed documents must certify the truthfulness to the extent of the submitter’s best knowledge.

House Bill 3420 amends the Illinois Vehicle Code to provide for the verification of the notation and perfection of the lienholder’s security interest in a vehicle for which the certificate of title is an electronic record. The bill also provides procedures for the Secretary of State to follow when receiving electronic notice from a lienholder with a security interest in a vehicle for which the certificate of title is an electronic record that the lien should be released.

Circuit Breaker/Pharmaceutical Assistance

House Bill 2732 – Public Act 91-391

Effective July 30, 1999

House Bill 2732 amends the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act to include taxes imposed on a mobile home and the property upon which it is located, if the individual entitled to a claim owns both the mobile home and the property.

House Bill 3872 – Public Act 91-699

Effective January 1, 2001 (Except amendments to Public Aid Code are effective July 1, 2000)

House Bill 3872 amends the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act to expand the prescription drugs covered under the program to include any prescription drug used in the treatment of cancer, Alzheimer’s disease, Parkinson’s disease, glaucoma, and lung disease and smoking related illnesses. House Bill 3872 provides for an increase in the income eligibility threshold to \$21,218 for a one-person household, \$28,480 for a two-person household, and \$35,740 for three or more persons. House Bill 3872 provides for the reduction of the cost of a prescription card to \$5 (from \$40) for a person below the official poverty level, and no additional costs per prescription (now \$15). For all other persons not below the poverty level, the cost of a prescription card is reduced to \$25 (from \$80) and the additional cost per prescription is \$3 (now \$25). The per person cap under the Pharmaceutical Assistance Program is increased to \$2000, annually (now \$800)

The Department of Public Health is required to promulgate a list of covered drugs under the Pharmaceutical Assistance Program that meet the definition of a narrow therapeutic index drug, as now allowed at no additional cost to the program participant.

House Bill 3872 also eliminates the current exclusion for persons who reach age 65 during a program year, allowing application upon becoming 65 years of age.

House Bill 3872 further requires the department to determine eligibility for Pharmaceutical Assistance using the applicant’s current income. “Current income” is to be defined by department rule.

House Bill 3872 amends the Property Tax Code to provide that the statement accompanying a property tax bill shall include information concerning the Circuit Breaker and Pharmaceutical Assistance Program.

House Bill 3872 also amends the Illinois Public Aid code to expand medical assistance coverage, phased in over the next 3 fiscal years.

Income Tax

Senate Bill 810 – Public Act 91-930

Effective December 15, 2000

Senate Bill 810 provides income tax credits for the start-up costs and on-going annual costs of providing employee childcare. For taxable years ending on or after December 31, 2000 and on or before December 31, 2004, each corporate taxpayer may claim a credit equal to 30% of the start up costs of providing a child care facility for children of its employees. “Start-up costs” means planning, site-preparation, construction, renovation, or acquisitions of a child care facility.

For taxable years ending on or after December 31, 2000, each corporate taxpayer may claim a credit equal to 5% of the annual cost of providing a child care facility for children of its employees. If this 5% credit is claimed in any tax year, the Dependent Care Assistance Tax Credit provided under Section 210 of the Illinois

Legislation

Recap for Calendar Year 2000

Income Tax Act cannot also be claimed. The 5% credit is exempt from the sunset provisions of the Illinois Income Tax Act.

In order to receive the credits, a corporate taxpayer may either provide and operate its own child care facility for children of its employees or join in a partnership to jointly provide and operate a child care facility. Senate Bill 810 specifies that the tax credit may not reduce the taxpayer's tax liability to less than zero. Any excess tax credit may be carried forward and applied to the tax liability of the 5 tax years following the excess credit year. Senate Bill 810 also requires a corporate taxpayer claiming the credits to maintain records regarding the child care credits taken as the department may require by rule.

The credit is limited to qualifying expenses for the construction and operation of daycare facilities located only within Illinois.

Senate Bill 1277 (Identical to House Bill 2899)

Public Act 91-836

Effective January 1, 2001

Senate Bill 1277 amends the Department of Veteran Affairs Act, the State Finance Act, and the Illinois Income Tax Act to create the National World War II Memorial Fund Checkoff. Senate Bill 1277 further mandates that the Department of Veterans Affairs make grants from this Fund to construct a National World War II Memorial. Senate Bill 1277 also deletes the provisions concerning the Women in Military Service Memorial Fund checkoff and grants.

Senate Bill 1326 – Public Act 91-860

Effective June 22, 2000

Senate Bill 1326 amends the Illinois Income Tax Act concerning the rate reduction allowed to certain foreign insurers. Senate Bill 1326 provides that premiums from reinsurance do not include premiums from inter-affiliate reinsurance arrangements. The bill eliminates the original 2-year sunset provision and exempts the rate reduction from any subsequent sunset.

Senate Bill 1537 – Public Act 91-867

Effective June 22, 2000

Senate Bill 1537 provides that the tax exemption for assets, income and distributions relating to the Illinois Prepaid Tuition Trust Fund is exempt from the sunset provisions of Section 250 of the Illinois Income Tax Act.

Senate Bill 1537 also provides that an Illinois prepaid tuition contract is considered an investment for the purpose of investing a ward's money under the Probate Act of 1975.

House Bill 1324 – Public Act 91-841

Effective June 22, 2000

House Bill 1324 amends the Illinois Income Tax Act to require an employer to state on an employee's withholding information statement (Form W-2) the tax-exempt amount contributed to a medical savings account.

House Bill 2899 (Identical to Senate Bill 1277)

Public Act 91-833

Effective January 1, 2001

House Bill 2899 amends the Department of Veteran Affairs Act, the State Finance Act, and the Illinois Income Tax Act to create the National World War II Memorial Fund Checkoff. House Bill 2899 further mandates that the Department of Veterans Affairs make grants from this Fund to construct a National World War II Memorial. House Bill 2899 also deletes the provisions concerning the Women in Military Service Memorial Fund checkoff and grants.

House Bill 2980 – Public Act 91-845

Effective June 22, 2000

House Bill 2980 creates the Medical Care Savings Account Act of 2000, giving employees the ability to contribute to a medical care savings account established by their employers for the coverage of medical expenses. The bill has similar provisions to that of the Medical Care Savings Account Act recently repealed pursuant to

statutory provisions on January 1, 2000. House Bill 2980 indicates that the repeal date for the Medical Care Savings Account Act of 2000, is January 1, 2010.

House Bill 3876 – Public Act 91-703

Effective May 16, 2000

House Bill 3876 amends the Illinois Income Tax Act to provide that the Department of Revenue shall pay a rebate to taxpayers, who file a 1999 Illinois Income Tax Return on or before October 17, 2000. The rebate equals the Illinois income tax credit allowed on the taxpayer's 1999 Illinois Income Tax Return for residential property taxes paid, not to exceed \$300.

For those taxpayers who file the Illinois Income Tax Return on or before July 17, 2000, the Department of Revenue is to submit the rebate amounts by August 15, 2000, to the Comptroller, who shall mail these rebate checks by October 17, 2000. For those taxpayers who file the Illinois Income Tax Return after July 17, 2000, but on or before October 17, 2000, the Department of Revenue shall submit the rebate amounts by November 17, 2000, to the Comptroller, who shall mail these rebate checks by December 15, 2000.

House Bill 3939 – Public Act 91-700

Effective May 11, 2000

House Bill 3939 amends the Illinois Income Tax Act to create the Illinois earned income tax credit equal to 5% of the federal earned income tax credit allowed, but the credit may not reduce the taxpayers Illinois income tax liability below \$0. The Illinois earned income tax credit is applicable to tax years 2000, 2001, and 2002.

House Bill 4431 (Agency Bill) – Public Act 91-913

Effective January 1, 2001

House Bill 4431 amends the Illinois Income Tax Act to allow Subchapter S corporations a subtraction modification for income distributable to shareholders subject to replacement tax.

House Bill 4431 amends the Illinois Income Tax Act by making a correction to the language which states that no limitations on carryovers under Internal Revenue Code (IRC) Section 382 or the separate return limitation year provisions of the federal consolidated return regulations shall apply.

House Bill 4431 amends the Illinois Income Tax Act to provide that investment credits earned by a partnership and allocable to partners subject to replacement tax will automatically flow through to those partners, while the amount allocable to other partners will remain with the partnership. [This amendment will also apply to Subchapter S corporations, in conjunction with the provision to allow Subchapter S corporations to subtract income allocable to shareholders subject to replacement tax.]

House Bill 4431 amends the Illinois Income Tax Act to allow a subtraction modification for deductions disallowed under Internal Revenue Code (IRC) Section 291(a)(3) for taxable years ending on or after the effective date of Public Act 91-541 (SB 1118, the Department's 1999 legislative initiative).

House Bill 4431 amends the Illinois Income Tax Act to increase the threshold for making estimated payments for individuals from \$250 to \$500, for tax returns due on or after January 1, 2000.

House Bill 4431 amends the Illinois Income Tax Act to provide that, for taxable years ending on or after December 31, 1999, the Department of Revenue may, by regulation, permit any persons, including corporations, transacting an insurance business organized under a Lloyds plan of operation to file composite returns reflecting the income of such persons allocable to Illinois and the tax rates applicable to such persons and to make composite tax payments.

Local Government/Property Tax

Senate Bill 1249 – Public Act 91-894

Effective January 1, 2001

Senate Bill 1249 amends the Longtime Owner-Occupant Property Tax Relief Act to provide that the county notify affected property owners and mortgage lenders when the county board approves an ordinance for property tax relief for longtime owner-occupants impacted by increased taxes. Senate Bill 1249 also requires the mortgage lender to deliver an additional copy of the eligibility notification to the mortgagor within 15 days.

Senate Bill 1296 – Public Act 91-897

Effective July 6, 2000

Senate Bill 1296 provides for a non-homestead property tax exemption for all property, used exclusively for public purposes, belonging to either a library system established under the Illinois Library System Act or a public library established under the Public Library District Act of 1991. This provision is included in the list of exemptions under the State Mandates Act.

Senate Bill 1304 – Public Act 91-898

Effective July 6, 2000

Senate Bill 1304 proposes to amend the Property Tax Code by providing that if, on the due date of any installment of taxes due under the Property Tax Code, a member of the reserves of the United States Armed Forces having ownership interest in property taxed under the Property Tax Code is called to or is on active duty, such member shall not be deemed delinquent in the payment of the installment. Senate Bill 1304 also provides that no interest or penalty will accrue on the unpaid installment until 30 days after the member returns to civilian status following active duty.

Senate Bill 1307 – Public Act 91-819

Effective June 13, 2000

Senate Bill 1307 amends the Property Tax Code to eliminate veteran's benefits from the definition of income in determining eligibility for the Senior Citizens Assessment Freeze Homestead Exemption. Senate Bill 1307 will become effective for property taxes assessed in 2001, payable in 2002.

Senate Bill 1317 – Public Act 91-859

Effective June 22, 2000

Senate Bill 1317 authorizes a county or township board, for care and treatment of persons with a developmental disability, to direct the county clerk to calculate separate limiting rates for funds and for the aggregate of the other county or township funds under the Property Tax Extension Limitation Law beginning with the 2001 levy year.

Senate Bill 1377 – Public Act 91-917

Effective July 7, 2000

Senate Bill 1377 amends the Fire Protection District Act to provide that the ballot and description of ballot questions for referendum regarding consolidation of fire protection districts, be amended to include a question regarding whether the maximum allowable tax rate for the consolidated district shall be set at a certain stated rate of the value of all taxable property within the consolidated district as equalized or assessed by the Department of Revenue.

Senate Bill 1377 provides the requirement that a municipality pay some percentage of the tax proceeds collected on property that is annexed to the municipality to the fire protection district from which the property was disconnected as a result of the annexation does not apply if the corporate authorities of the fire protection district file a petition against the disconnection.

Senate Bill 1440 – Public Act 91-920

Effective January 1, 2001

Senate Bill 1440 creates the Local Government Taxpayers' Bill of Rights Act. This Act requires units of local government to provide, by ordinance, for the order of the application of tax payments to tax liabilities, penalties, and interest. In addition, this Act imposes many requirements on the local governments with regards to tax returns, audits, tax payments, appealing the tax due, payments

made in error, interest for overpayment of tax due, delinquent taxes due, liens, and the publication of tax ordinances on the Internet. Senate Bill 1440 also provides that late filing penalties may not exceed 5% of the amount of tax required to be shown as due on the tax return, and that late payment penalties may not exceed 5% of the tax due and not timely paid or remitted. Failure to file penalties may not exceed 25% of the total tax due for a reporting period.

Senate Bill 1451 – Public Act 91-900

Effective July 6, 2000

Senate Bill 1451 amends the Illinois Municipal Code to provide that certain reports filed with the Comptroller under the Industrial Jobs Recovery Law must be separate from any other annual report filed by a municipality with the Comptroller.

House Bill 1451 further provides that certain audits under the Tax Increment Allocation Redevelopment Act and the Industrial Jobs Recovery Law must be conducted in accordance with Standards for Audits of Governmental Organizations, Programs, Activities, and Functions adopted by the Comptroller General of the United States or the contents of the Illinois Municipal Auditing Law. House Bill 1451 also provides that the financial portion of certain audits may be conducted in accordance with the standards, instead of contents, of the Illinois Municipal Auditing Law.

Senate Bill 1627 – Public Act 91-868

Effective June 22, 2000

Senate Bill 1627 provides that an authorizing ordinance adopted by local governments regarding bonds, subject to backdoor referendum, shall be published at least once in a newspaper of general circulation in the governmental unit. The bill also allows, but does not require, the notice to be posted on the unit's Internet page.

Senate Bill 1627 also provides for the State Treasurer, State Comptroller, Department of Revenue, Department of Transportation, State Superintendent of Education, or any regional superintendent of schools, to deposit any grants or revenues to governmental units pledged to payment of bonds, directly into a designated escrow account established by the unit. Within 10 days of authorizing the resolution, the local government unit shall file with the official or entity having custody of the pledged grants/revenues/taxes.

Senate Bill 1627 sets forth an alternate bond approval referendum that can be used for any front door, or back door referendum, for any election after July 1, 2000, which includes information, i.e., a school district that has received a grant entitlement from ISBE, per the School Construction Law, to be financed in part with proceeds of a bond authorized by referendum, and provides wording for the ballot.

Senate Bill 1627 specifies that the purchase or lease that a local government may make includes investments, investment agreements, or investment services. Senate Bill 1627 also gives details as to how the unit of local government may issue certificates evidencing the indebtedness incurred under the lease or agreement. Senate Bill 1627 also establishes the relating procedures for the certificates to payment of the contracts.

Senate Bill 1627 further provides that debt services on alternate bonds issued as variable rate bonds shall be projected based on the rate for the most recent date shown in the G.O. Bond Index of average municipal bond yields as published in the most recent edition of The Bond Buyer. This bill also provides that amounts payable by a governmental unit and calculated at an agreed-upon rate pursuant to an agreement in connection with the alternate bonds entered into at the time of issuance must be projected based on the agreed-upon rate.

Senate Bill 1627 amends the Public Library District Act of 1991 to provide that a library district may extend taxes to pay the principal interest on bonds issued to refund general obligation bonds on taxable property that was in the district on the date that the bonds being refunded were issued. Senate Bill 1627 further provides that

Legislation

Recap for Calendar Year 2000

the net interest rate on the refunding bonds may not exceed the net interest rate on the refunded bonds, the final maturity date of the refunding bonds may not extend beyond the final maturity date of the refunded bonds, and the debt service payable on the refunding bonds in any year may not exceed the debt service that would have been payable on the refunded bonds in that year.

Senate Bill 1645 – Public Act 91-751 **Effective June 2, 2000**

Senate Bill 1645 amends the Property Tax Code, with respect to assessment notices. Senate Bill 1645 provides that a notice of assessment is to be mailed by the county assessor, to the address of a mortgagee. Within 7 days receipt of this notice, the mortgagee shall mail a copy of the notice to each mortgagor of the property referred to in the notice at the last known address of each mortgagor, as shown on the records of the mortgagee. Senate Bill 1645 provides for no liability for the failure of the mortgagee to forward the notice to each mortgagor.

Senate Bill 1693 – Public Act 91-924 **Effective January 1, 2001**

Senate Bill 1693 amends the Property Tax Code to change the reference from “tax purchaser” to “owner of the certificate of purchase” and the reference from “tax purchaser or his or her assignee” to “owner of the certificate of purchase” in regards to who can make application to have a tax sale declared a sale in error.

The changes made by Senate Bill 1693 are stated to be declarative of existing law.

Senate Bill 1883 – Public Act 91-884 **Effective June 30, 2000**

Senate Bill 1883 amends the Property Tax Code to require that, in assessing a Section 515 low-income housing project, local assessment officers must consider the actual or probable net operating income attributable to the project; in determining operating income, a vacancy rate of not more than 5% is to be used. This income is capitalized at normal market rates.

House Bill 390 – Public Act 91-885 **Effective July 6, 2000**

House Bill 390 amends the Property Tax Code to allow for the abatement, not to exceed 10 years, of property taxes for property that is used for a municipal airport, subject to certain leasehold assessments, and is sublet from a park district from a municipality, but only if the property is used exclusively for recreational facilities or parking lots for those facilities.

House Bill 390 amends the Illinois Municipal Code to provide that if property within a municipality also lies within a park district and is taxed for park or recreational purposes by both the municipality and the park district, the municipality may pay all or part of the park district tax for a period not to exceed 10 years.

House Bill 390 provides that for purposes of the Property Tax Extension Limitation Law, that the amount of the extension abatement shall continue to be included in the park district's aggregate extension base.

House Bill 390 amends the Park District Code and the Chicago Park District Act regarding criminal background investigations for applications for employment.

House Bill 665 – Public Act 91-763 **Effective June 9, 2000**

House Bill 665 amends the Tax Increment Allocation Redevelopment Act to include the cities of Rock Island and Moline in the list of municipalities that would qualify to extend the maturity date of a TIF district from 23 years to 35 years.

House Bill 3093 – Public Act 91-907 **Effective January 1, 2001**

House Bill 3093 amends the Rivers, Lakes, and Streams Act to prohibit clear cutting of trees within 40 yards of the State's navigable waters. Exempt from this prohibition are commercial and industrial facilities under the regulatory jurisdiction of the U.S. Army Corps of Engineers or the U.S. Coast Guard.

House Bill 3093 amends the Property Tax Code to provide that property within 15 yards of navigable waters that has not been clear cut and is not within a unit of local government with a population greater than 500,000 shall be assessed at 1/12th of its productivity value as cropland.

House Bill 3132 – Public Act 91-846 **Effective June 22, 2000**

House Bill 3132 amends the Counties Code to allow certain counties to increase the size of the board of county commissioners from 3 commissioners elected at large to 5 commissioners elected from single member districts. Certain counties may decide, by referendum, to elect either 3 commissioners or 5 commissioners from single member districts instead of increasing the size of the board to 5 commissioners elected from single member districts. House Bill 3132 requires a referendum before the number of and election of commissioners can be changed. This bill further provides that the terms shall be staggered for 4 years and 2 years rather than 6 years.

House Bill 3169 – Public Act 91-834 **Effective January 1, 2001**

House Bill 3169 amends the Property Tax Code to provide for reduced assessments for property owned by Masonic organizations. The assessed value of the real property owned and used by a Masonic organization is to be established at 15% of the final assessed value of the property for the 2000 assessment year. If the property meets the qualifications for the reduced assessment after the 2001 assessment year, the final assessed value is to be 15% of the final assessed value of the property for the assessment year in which the property first meets the qualifications.

House Bill 3428 – Public Act 91-806 **Effective January 1, 2001**

House Bill 3428 amends the Property Tax Code to provide that specified sections be cited as the Historic Residence Assessment Freeze Law. House Bill 3428 also provides that “fair cash value” represents value of the property, prior to the commencement of the rehabilitation work. House Bill 3428 provides that the “base year valuation” is defined as the value of the property in the year the rehabilitation period begins, but prior to the commencement of the rehabilitation, and does not include any reduction in value during the rehabilitation work. House Bill 3428 further provides that the Director of Historic Preservation shall promptly notify the assessment officer of the receipt of applications for certificates of rehabilitation. House Bill 3428 provides that the amendatory changes, except for the change requiring the Director of Historic Preservation to notify the assessment officer of receipt of applications for certificates of rehabilitation, are declarative of existing law.

House Bill 3428 provides that the value added by the rehabilitation of historic residences is eliminated from consideration for assessment purposes; therefore, the total valuation is limited to the base year valuation.

House Bill 3435 – Public Act 91-850 **Effective June 22, 2000**

House Bill 3435 amends the School Code to allow a school board to amend a certificate of tax levy in order to increase their levy, if a change in the state multiplier allows their rate to fall below the maximum allowable tax rate. The bill also deletes obsolete language allowing it to increase if the change in the multiplier causes the school district's operating tax rate to be less than that required to qualify for the maximum amount of state aid.

House Bill 3435 amends the Property tax Code to provide that a school board intending to amend a certificate of tax levy must give public notice of such intent, and hold a public hearing on the matter.

House Bill 3485 – Public Act 91-807
Effective January 1, 2001

House Bill 3485 amends the Abandoned Housing Rehabilitation Act by deleting the requirement that real property be tax delinquent for the preceding 2 years, from the list of requirements for petitions for temporary possession of abandoned property, in which organizations can petition to take possession of, for purposes of rehabilitation to provide housing for low and moderate income persons and families.

House Bill 3990 – Public Act 91-775
Effective June 9, 2000

House Bill 3990 amends the Property Tax Code to create Special Service Areas for privately owned or maintained roads in unincorporated areas of subdivisions platted before January 1, 1959. The Special Service Areas are created if at least 2 miles of streets or roadways are located entirely within a township and are not owned by the county or other unit of government, and if the roads provide access for police, fire and other emergency vehicles.

House Bill 3990 provides to corporate authorities of the counties within which the streets and roadways are located the authority to levy or impose additional taxes upon property within the area for the funding of Special Service Areas. The bill further requires that, before the Special Service Area can be established, the owners of 51% or more of the parcels of real estate that will be subject to the tax must file a petition agreeing with the establishment of the Special Service Area. The cost of Special Service Areas may also be covered by funds raised through the issuance of bonds.

House Bill 4092 – Public Act 91-732
Effective January 1, 2001

House Bill 4092 amends the Property Tax Code, and the Public Officer Prohibited Activities Act, to allow a county commissioner to serve on an appointed board of review.

Sales & Excise Tax

Senate Bill 334 – Public Act 91-914
Effective July 7, 2000

Senate Bill 334 amends the Public Utilities Act to provide that, beginning August 1, 1998, a certified High Impact Business is exempt from the Electricity Excise Tax, if the High Impact Business is registered to self-assess this tax. The Illinois Enterprise Zone Act and the Electricity Excise Tax Law to reference the exemption for High Impact Businesses.

Senate Bill 1453 – Public Act 91-901
Effective January 1, 2001, (except Simplification Committee which is effective July 6, 2000)

Senate Bill 1453 amends the Department of Revenue Law of the Civil Administrative Code of Illinois to provide that the department is authorized to convene an Occupation and Use Tax Reporting and Simplification Committee for the purpose of reviewing methods for simplifying Illinois sales and use tax reporting requirements. The committee shall report their findings to the General Assembly on or before January 1, 2001.

Senate Bill 1453 amends the Use Tax Act and the Retailers' Occupation Tax Act to expand the allowance of filing only one sales/use tax return to cover multiple sales/purchases of exempt motor vehicle, watercraft, aircraft and trailers in the same transaction to include sales/purchases for the purpose of rolling stock. In the case of purchases from an out-of-state dealer, the purchase must be made from the same out-of-state retailer and the items purchased must be identical in nature and separate vehicle identification numbers must be reported on the tax return for each vehicle purchased.

Senate Bill 1453 amends the Cigarette Tax Act and Cigarette Use Tax Act adding protest provisions for persons aggrieved by any decision of the department for license denials and license revocations, cancellations, or suspensions.

Senate Bill 1453 amends the Public Utilities Act to provide that the Department of Revenue, rather than the State Treasurer, shall prescribe forms filed by, and collect payments from, qualified solid waste energy facilities selling electricity to an electric utility based on the kilowatt hours of electricity sold.

Senate Bill 1453 makes a technical change in the claims for credit section of the Retailers' Occupation, Service Occupation, Use and Service Use Tax Acts (specifically, Section 6 of the ROT, Section 22 of the UT, Section 20 of the SOT, and Section 20 of the SUT). All these sections provide that a claim will be issued, but the department will first offset any taxes due under various local taxes, including the "Municipal Retailers' Occupation Tax, the Municipal Use Tax, the municipal Service Occupation Tax, the County Retailers' Occupation Tax Act, the County Service Occupation Tax Act, the County Supplementary Retailers' Occupation Tax Act, the County Supplementary Service Occupation Tax Act, the County Use Tax Act, the County Supplementary Use Tax Act." These local taxes no longer exist, and haven't existed since sales tax reform in 1991. The offset provisions should refer to the local taxes that we currently administer and for which we offset.

Senate Bill 1453 adds an exemption currently found in Section 3-5 (13) of the Service Occupation Tax ("SOT") to Section 3-5 of the Use Tax Act.

Senate Bill 1674 – Public Act 91-870
Effective June 22, 2000

Senate Bill 1674 provides that beginning on January 1, 2001, "prepaid telephone calling arrangements" are taxed under the Retailers' Occupation Tax Act, Service Occupation Tax Act, Use Tax Act, and Service Use Tax Act, and these types of arrangements are excluded from taxation under the Telecommunications Excise Tax Act, the municipal Telecommunications Infrastructure Maintenance Fee provisions, and the taxes on messages and telecommunications under the Municipal Code. Senate Bill 1674 defines "prepaid telephone calling arrangements" as the right to exclusively purchase telephone or telecommunications services, that must be paid for in advance and enable the origination of one or more intrastate, interstate, or international telephone calls or other telecommunications using an access number and/or authorization code, whether manually or electronically dialed, for which payment to a retailer must be made in advance, provided that, unless recharged, no further service is provided once that prepaid amount of service has been consumed.

Senate Bill 1674 further provides that prepaid telephone calling arrangements include the recharge of a prepaid calling arrangement, and that the term "recharge" means the purchase of additional prepaid telephone or telecommunications services whether or not the purchaser acquires a different access number or authorization code. Senate Bill 1674 provides that the term "telecommunications" has the same meaning as defined in Section 2 of the Telecommunications Excise Tax Act.

Senate Bill 1674 amends the municipal tax on telecommunications, authorized under the Municipal Code, to allow a municipality with a population of more than 500,000 that imposed such a tax to exempt charges for inbound toll-free telecommunications service commonly known as "800", "877" or "888" or for similar service.

Senate Bill 1674 amends the Telecommunications Excise Tax Act to require the Comptroller to transfer funds from the General Revenue Fund to the School Infrastructure Fund if the amount deposited into the School Infrastructure Fund falls below a specified level.

Senate Bill 1674 amends the State Mandates Act to require implementation without reimbursement.

Legislation

Recap for Calendar Year 2000

Senate Bill 1682 – Public Act 91-882

Effective June 30, 2000

Senate Bill 1682 creates the Streamlined Sales Tax System for the 21st Century Act. The bill provides that the Department of Revenue shall enter into discussions with states regarding the development of a multi-state, voluntary, streamlined system (“zero burden”), for sales and use tax collection system which would authorize remote sellers to collect tax on their Illinois sales. The intent of Senate Bill 1682 is to make the sales tax system so burden-free that remote sellers (including those selling via the Internet) will voluntarily remit tax on their sales to Illinois residents, thereby increasing State revenues.

Senate Bill 1682 authorizes the department to enter into a pilot project with other states, and selected businesses, to test the system that is developed. The bill provides general requirements for the pilot program, and states that persons participating in the pilot project are exempt from complying with the provisions of the Retailer’s Occupation Tax, Use Tax, Service Occupation Tax, and Service Use Tax, to the extent that a different procedure is required by the project, except for confidentiality of taxpayer information.

Senate Bill 1682 - Public Act 91-882

Effective June 30, 2000

Senate Bill 1682 also provides that taxpayer information, submitted to parties acting for, and on behalf of the State, shall be “treated as confidential taxpayer information.” This taxpayer information shall be disclosed pursuant to a written agreement between the department, and the “party or parties” who are bound to the same confidentiality requirements as the department.

Senate Bill 1682 also creates a Legislative Oversight Committee on Sales Taxes, to which the Department shall provide testimony, and information. On, or before, March 1, 2001, the department is required to report the status of the multi-state discussions to the Governor, the legislative leaders and the Oversight Committee. If a proposed system has been agreed upon by participating states, the department shall also report whether participation is recommended.

House Bill 1284 - Public Act 91-935

Effective June 1, 2001

House Bill 1284 amends the Illinois Sports Facilities Authority Act, the State Finance Act, the State Revenue Sharing Act, the Hotel Operators’ Occupation Tax Act, the Chicago Park District Act, the Prevailing Wage Act, the Freedom of Information Act, and the Illinois State Auditing Act to authorize the Illinois Sports Facilities Authority to enter into assistance agreements with governmental owners (Chicago Building Commission) of a facility (Soldier Field) pursuant to which the Authority is to provide financial assistance by borrowing money, issuing bonds or notes, imposing an occupation tax, or other means. House Bill 1284 also provides that the Authority may not enter into more than one assistance agreement providing for the reconstruction, renovation, remodeling, extension, or improvement of more than one existing facility, unless authorized by law.

House Bill 1284 requires a separate financial reserve for each facility owned by the Authority or for which the Authority provides financial assistance. The bill provides that the Authority’s corporate limits are coterminous with the boundaries of the city of Chicago, and provides that facilities constructed or financially assisted by the Authority must be located within those limits. House Bill 1284 authorizes a limit on the amount of the Authority’s outstanding bonds and notes of \$150 million in connection with the facility owned by the Authority, and \$399 million for providing financial assistance.

House Bill 1284 exempts the Authority and governmental owners from property taxes on a facility, and exempts a facility tenant’s interest from property taxes. It provides that the Authority is subject to the Freedom of Information Act and the financial audit authority of the Auditor General. House Bill 1284 also creates the Illinois Sports Facilities Advisory Board to assist in providing increased

opportunities for minorities and women in connection with work performed pursuant to assistance agreements. Subject to appropriation, House Bill 1284 provides for the payment of the amount in the Illinois Sports Facilities Fund to the Authority until certain amounts have been paid and grants powers to the Chicago Park District with respect to assistance agreements and facilities.

House Bill 3995 – Public Act 91-810

Effective June 13, 2000

House Bill 3995 amends the Cigarette Tax Act and the Cigarette Use Tax Act making it unlawful to sell or distribute in Illinois cigarettes not intended to be sold in the United States, cigarettes that do not comply with the warning label requirements of the Cigarette Labeling and Advertising Act, cigarettes imported in violation of federal law, and cigarettes with a list of ingredients that have not been submitted to the United States Secretary of the Department of Health and Human Services. The bill also makes it unlawful to alter a package of cigarettes in order to remove a label indicating the cigarettes are not intended for sale in the United States or a warning label that does not comply with the Cigarette Labeling and Advertising Act. The affixing of a stamp required under the Acts that violates the provisions of the new law is also prohibited.

House Bill 3995 requires persons licensed to affix the tax stamp to cigarettes to file with the department on the first business day of the month documentation related to cigarettes imported into the United States in the preceding month to which the person affixed a tax stamp. The department is given the authority to revoke or suspend licenses or impose a civil penalty for violation of the new law.

House Bill 3995 also grants enforcement authority to the department and the ability to request enforcement by the state or local police. The bill allows the department to share information with other Federal and state agencies.

House Bill 3995 does not apply to cigarettes imported for personal use and cigarettes intended for sale in duty-free shops if such cigarettes are not brought back into the regular customs stream of trade.

Miscellaneous

Senate Bill 1874 – Public Act 91-883

Effective January 1, 2001

Senate Bill 1874 amends several Acts to provide that each Constitutional Officer, State agency, or State university must authorize a badge for each employee that exercises the powers of a peace officer that on its face; (a) clearly states the officer, agency or university authorizing the badge, and (b) contains a unique identifying number. Senate Bill 1874 prohibits the authorization of any other badges.

House Bill 4481 – Public Act 91-856

Effective June 22, 2000

House Bill 4481 amends the Environmental Protection Act to provide that certain allocations from the Used Tire Management Fund that were scheduled to be discontinued on July 1, 2000, shall be continued indefinitely.

Court Decisions

Raleigh, Chapter 7 Trustee for the Estate of William J. Stoecker v. Illinois Department of Revenue, 530 U.S. 15 (No. 99-387 Decided May 30, 2000)

A unanimous United States Supreme Court upheld the position of the Illinois Department of Revenue. The issue in this decision was who bears the burden of proof on a tax claim in bankruptcy court when the substantive law creating the tax obligation puts the burden on the taxpayer (the trustee in bankruptcy in this case). In this case the Illinois Department of Revenue had issued a Notice of Penalty Liability (NPL) against an officer of an Illinois corporation for the outstanding liability of the corporation attributable to Use Tax due on an airplane. Provisions in Illinois Tax Acts provide that the burden of proof, both on production and persuasion, is shifted to the responsible officer after introduction of the NPL. The Court of Appeals agreed that this burden should not change in the context of a bankruptcy proceeding and ruled for the Department, 179 F 3d 546 (C.A. 7 1999). The U.S. Supreme Court affirmed this decision.

Borden Chemicals & Plastics, L.P. v. Zehnder, Ill. Ct. App., First District, No. 1-98-4456 filed February 14, 2000.

The appellate court affirmed the administrative findings in part and reversed them in part. The appellate court rejected taxpayer's constitutional arguments and found that it was subject to the replacement tax under the Illinois Income Tax Act. The court also found that a partnership's replacement tax investment credit may be passed through to its partners.

W. L. Miller v. Zehnder 315 Ill. App. 3d 799, Fourth District, No. 4-99-0849 filed July 31, 2000.

In this case the taxpayer had filed a claim for credit based upon the alleged use of some vehicle parts as rolling stock. The taxpayer did not file the claim on the proper form. The appellate court reversed the decision of the trial court that had reversed a decision of the Department of Revenue. The appellate court found that it was correct for the Department to deny the claim based upon the statute of limitations and the court also held that equitable estoppel did not apply in this case.

Hartmax Corp. v. Bower 309 Ill. App. 3d 959, app. den. 188 Ill.2d 564 (2000).

The appellate court affirmed the decision of the trial court that had affirmed a decision of the Department of Revenue. The court held that for Illinois income tax apportionment purposes, the sales factor throwback rule applied to the members of a unitary group on a separate company basis.

Armour Pharmaceutical Company v. Department of Revenue 315 Ill. App. 3d 1176 Opinion filed August 18, 2000 – Rehearing denied September 15, 2000.

The appellate court affirmed the administrative findings in part and reversed them in part. The issues were whether recycled alcohol that had been used in the manufacturing of pharmaceutical products from human plasma was exempt from Use Tax and whether the taxpayer had used an improper method of recovering overpaid tax. The court held the recycled alcohol at issue was a "by-product of manufacturing" excepted from taxation under Section 2 of the Use Tax Act (35 ILCS 105/2 (West 1998)). The court also found that the payment of the tax was an error of law to which Section 6 of the Retailers' Occupation Tax Act applied, and accordingly affirmed the Department's finding that Armour's proper remedy was to file a refund claim pursuant to Section 6 of the ROT Act.

Town Crier, Inc. v. Department of Revenue, Ill. Ct. App., Fifth District, No. 1-98-4251 filed June 30, 2000.

The issue in this case was nexus. Taxpayer was a Geneva, Wisconsin business that operated a retail furniture store. Taxpayer delivered furniture to its Illinois customers in its own vehicles. Taxpayer also installed window treatments in Illinois. Based upon this Illinois activity and a referral from the Wisconsin Department of Revenue, the Illinois Department of Revenue audited the taxpayer. Because taxpayer refused to allow the Illinois Department of Revenue access to its records, the audit was conducted upon information supplied by the Wisconsin Department of Revenue. The Illinois Department of Revenue issued two Notices of Tax liability against taxpayer who paid the second NTL under protest and filed suit under the Protest Act. Taxpayer argued that it did not have a substantial nexus with Illinois under federal due process and commerce clause principles. After applying the facts to relevant case law, notably Brown's Furniture v. Wagner, 171 Ill. 2d 410 (1996) and Quill v. North Dakota, 504 U.S. 298 (1992), the appellate court upheld the trial court's granting of the Department's motion for summary judgment based upon taxpayer having nexus with Illinois for sales and use tax purposes.

Big Ten Conference Inc. v. Department of Revenue, 312 Ill. App. 3d 88.

The issue in this case was whether a building used by the Big Ten Conference Inc. qualified for exemption from real property taxes for the 1995 tax year. The court held that the building owned by applicant, an intercollegiate athletic organization that administered intercollegiate athletic programs, was entitled to an exemption from property taxes, notwithstanding the fact that considerable revenue was raised, because the administration of those programs was a legitimate educational activity and the funds were used to reduce the administrative costs of the member schools.

Southwestern Bell Mobile Systems, Inc. et al., v. Department of Revenue Ill. Ct. App., Sixth District, No. 1-99-2122 filed June 16, 2000.

The issue in this case was whether the invested capital tax imposed through the Messages Tax Act applies to cellular telephone service providers. The court agreed with the Department that this tax applied to these taxpayers. In so doing the court rejected the contention the legislature never intended the Messages Tax Act's invested capital tax to apply to the cellular industry and the court also rejected the claim that the Illinois Commerce Commission did not regulate the collective taxpayers.

Rogy's New Generation, Inc. et al., v. Department of Revenue Ill. Ct. App., Sixth District, No. 1-98-4586 filed December 29, 2000.

This case arose because the Illinois Department of Revenue had both denied an application for sales tax exempt status as a purchaser and revoked two organizations' existing tax exemption numbers. The issues in this case were (1) whether Rogy's facilities qualify as statutorily defined entities organized exclusively for educational purposes; (2) whether the Department's denial and revocation of Rogy's tax-exempt status violated Rogy's due process rights; and (3) whether the Department's procedures for reviewing exemption revocations comply with the Illinois Administrative Procedure Act. The appellate court found in favor of the Department on all issues.



**The mission of the
Illinois Department of Revenue is to**

- ensure the prompt collection of state and local taxes;
- provide quality products and services; and
- maximize voluntary compliance; and
- apply fair, firm enforcement.

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