

Illinois Department of Revenue

Annual Report of Collections and Distributions



Fiscal Year 2002

F I S C A L Y E A R 2 0 0 2 A N N U A L R E P O R T

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Alternative Payment and Filing Options

Overview

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

Electronic Funds Transfer (EFT)

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

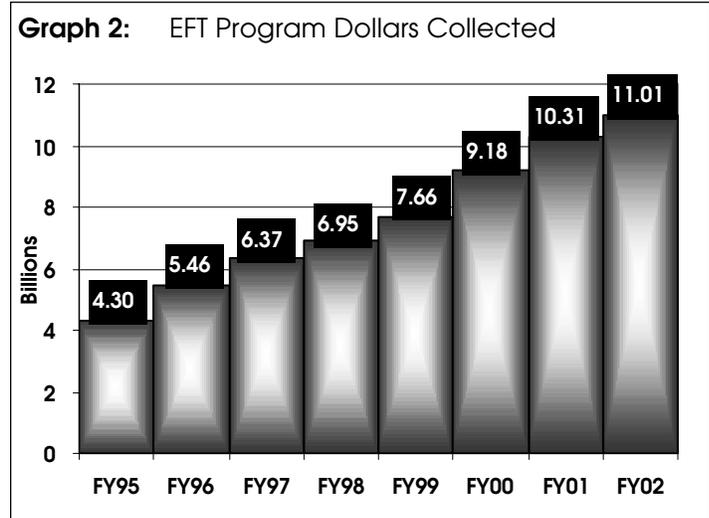
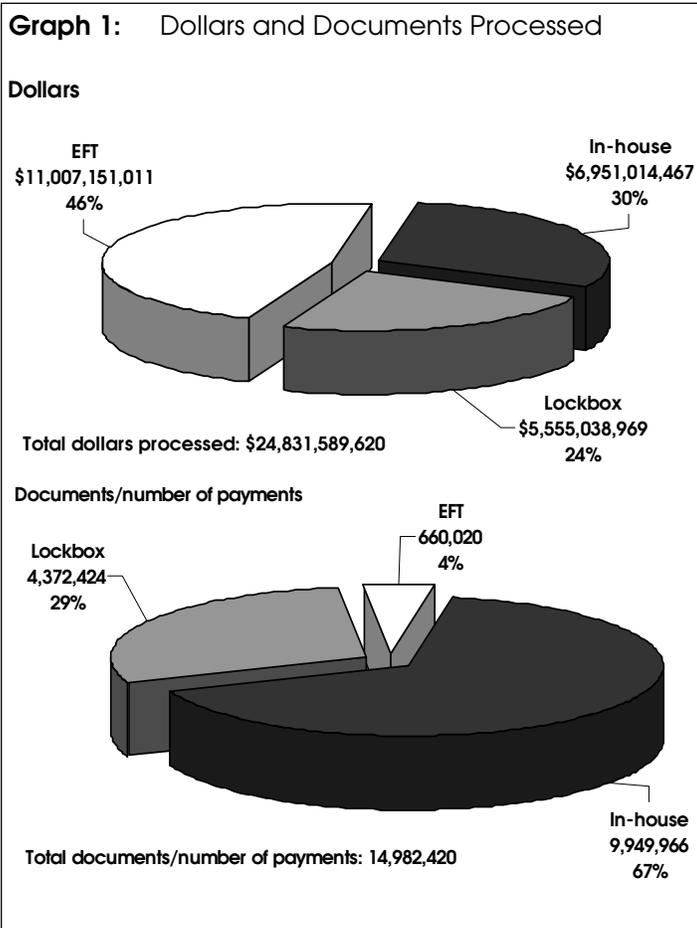
The department receives various tax payments by EFT. The State of Illinois transmits payments for taxes withheld from its employees using this method. Riverboat gambling tax payments and fedwire transfers are also received by EFT. A taxpayer whose annual average liability meets or exceeds a certain threshold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

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

EFT Program

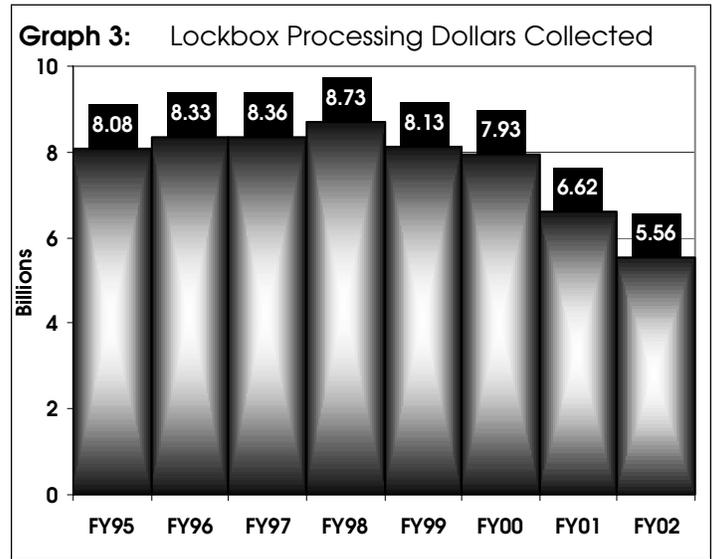
The department's EFT program has both mandated and voluntary participants. The Automated Clearing House (ACH) payment network is the primary means of collecting EFT payments. Taxpayers may originate their tax payments through their financial institution (ACH credit). They also may authorize the department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

In FY 2002, 33,445 participants made 660,020 payments totaling over \$11.0 billion (47 percent of the department's total collections). In addition, the department introduced ACH debit payments authorized over the Internet for both sales tax and Individual Income Tax; over 7,000 payments were received.



Lockbox Program

Lockbox is a service provided by a financial institution that enables selected taxpayers to mail their tax payments directly to a post office box for pickup by the financial institution. The financial institution then processes and deposits the monies based on department specifications. This process reduces 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, 6 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 \$ 5.555 billion (24 percent of the Departments’ total collections) were deposited in the lockbox banks in FY 2002. Lockbox facilities processed 4,372,434 documents in FY 2002.



Individual Income Tax Alternative Filing and Payment Options

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

e-File

Through the department’s electronic filing program, taxpayers can have Form IL-1040, Illinois Individual Income Tax Return, transmitted directly from tax professionals’ computers to the department’s computer. This method of electronic filing has been in place since 1991. The department also participates in the Internal Revenue Service (IRS) Federal/State Electronic Filing Program. Rather than transmit returns directly to the department, the tax professional can transmit the state return along with the federal return to the IRS. The IRS then makes the state return available for the department to retrieve electronically and process. This method of electronic filing has been in place since 1996. The department received 1,238,563 returns in processing year 2002 through both electronic filing methods, a 29.4 percent increase from the previous year.

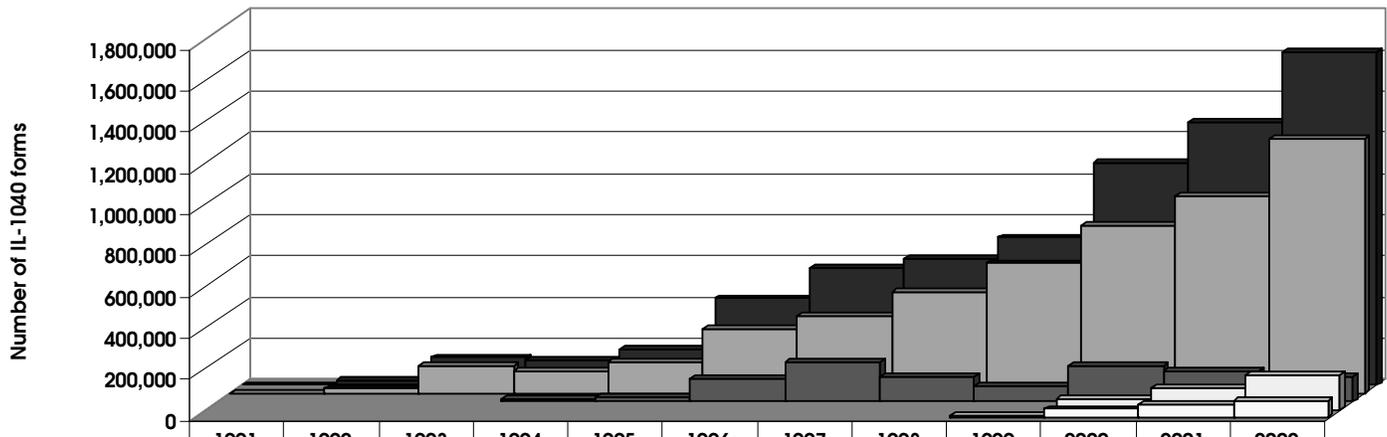
TeleFile

The TeleFile method of filing an individual income tax return was launched in 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) 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 120,963 TeleFile returns in processing year 2002.

I-File

In January 1999, the department introduced the Internet Filing Pilot Program to 700,000 randomly selected taxpayers. Beginning in 2000, the program is available to any Illinois taxpayer who is assigned an IL-PIN and who meets the I-File program criteria. These

Graph 4: Income Tax Alternative Filing Options



	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Internet									11,191	43,538	62,556	86,881
PC Retail Software										51,195	108,501	171,232
TeleFile				14,008	24,229	111,670	190,406	119,654	74,727	172,367	147,014	120,963
Electronic Filing	813	21,582	133,979	107,299	154,016	310,711	378,505	495,423	631,171	811,927	957,297	1,238,563
Total	813	21,582	133,979	121,307	178,245	422,381	568,911	615,077	717,089	1,079,027	1,275,368	1,617,639

taxpayers have the opportunity to file their individual income tax returns on our Internet web site.

By allowing taxpayers to enter the IL-PIN and the data from their W-2 forms, those expecting a refund have nothing to mail. The department received 86,881 Internet filed returns in processing year 2002, a 38.9 percent increase from the previous year.

PC File

Beginning in 2000, all taxpayers assigned an IL-PIN 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 171,232 PC Retail Software filed returns in 2002, a 57.8 percent increase from the previous year.

Credit Card Payments

In addition to paying by check or money order, taxpayers may use a credit card to pay Individual Income Tax owed for the current tax year, prior tax years, estimated payments, and extension payments. Over 11,400 credit card payments were received in FY 2002 totalling more than \$4.26 million.

Electronic Funds Withdrawal

In addition to paying by check or money order, taxpayers may pay Individual Income Tax liabilities owed for the current tax year by having the amount owed debited from their checking or savings accounts. In FY 2002, 7,188 electronic funds withdrawal payments, totalling \$779,295.10 were received.

Sales Tax Alternative Filing Options

TeleFile

The Sales Tax TeleFile Program was implemented in November 1999. Certain taxpayers who conduct business at a single location, who file Form ST-1, Sales and Use Tax Return, and who have relatively simple returns can participate in the program. Taxpayers receive a personal identification number which is used to access the toll-free TeleFile system. Taxpayers are prompted to enter information from the telephone keypad. The TeleFile system computes math, eliminating arithmetic mistakes. The department received 11,554 TeleFile Form ST-1 returns (returns only) in fiscal year 2002.

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 902 Form ST-1 returns (and any required ST-2, Multiple Location Schedules) by EDI in fiscal year 2002.

Total Revenue Collected

Table 1: Total Revenue Collected ⁽¹⁾			
Section 1: State Taxes and Fees Collections ⁽²⁾	FY 2000	FY 2001	FY 2002
Income Taxes			
1 Corporate Income Tax	1,524,201,811	1,302,558,427	1,042,682,985
2 Individual Income Tax	8,265,868,742	8,617,847,075	8,090,152,509
3 Personal Property Replacement Income Tax	1,029,301,570	942,653,146	746,786,810
A. Total Income Taxes	\$ 10,819,372,123	\$ 10,863,058,648	\$ 9,879,622,304
Sales Taxes			
1 Retailers' Occupation, Use, Service Occupation, Service Use	8,165,116,191	8,014,161,192	8,266,932,058
2 Other Sales or Renting Taxes and Fees			
a Automobile Renting Occupation and Use Taxes	32,363,836 *	31,730,257	28,978,931
b Replacement Vehicle Tax	1,271,525	1,233,808	1,337,011
c Tire User Fee	6,328,586	6,448,167	6,259,881
d Vehicle Use Tax	43,427,699	38,999,471	42,328,377
B. Total Sales Taxes	\$ 8,248,507,837	\$ 8,092,572,895	\$ 8,345,836,258
Motor Fuel Taxes			
1 Motor Fuel and Motor Fuel Use Taxes	1,292,203,504	1,296,026,938	1,299,068,873
2 Underground Storage Tank Tax and Environmental Impact Fee	73,643,346	73,658,542	69,446,083
C. Total Motor Fuel Taxes	\$ 1,365,846,850	\$ 1,369,685,480	\$ 1,368,514,956
Excise Taxes			
1 Cigarette and Cigarette Use Taxes	477,928,356	470,352,315	464,508,645
2 Coin-operated Amusement Device Tax	1,309,735	1,307,615	1,298,772
3 Dry-cleaning Solvent Tax and License Fees	1,987,113	1,771,326	1,648,968
4 Electricity Excise Tax	354,035,688	367,730,929	317,240,916
5 Energy Assistance and Renewable Energy Charges	85,899,673	92,619,239	92,592,764
6 Gas Revenue Tax	127,821,097 *	150,560,390	109,522,250
7 Hotel Operators' Occupation Tax	161,052,080	170,013,089	149,658,344
8 Invested Capital Tax and Electricity Distribution Tax	170,249,629 *	183,470,954	177,571,534
9 Liquor Gallonage Tax	128,443,874	140,118,688	141,093,445
10 Oil and Gas Production Assessment	239,511	293,911	259,346
11 Telecommunications Excise Tax	776,083,066	793,188,882	756,300,376
12 Telecommunications Infrastructure Maintenance Fees ⁽³⁾	40,226,615	36,872,412	34,764,947
13 Tobacco Products Tax	17,495,314 *	17,317,691	17,753,571
D. Total Excise Taxes	\$ 2,342,771,751	\$ 2,425,617,441	\$ 2,264,213,878
Gaming Taxes			
1 Bingo Tax and License Fees	5,759,064	5,190,765	4,904,218
2 Charitable Games Tax and License Fees	165,798	160,632	156,720
3 Pull Tabs and Jar Games Tax and License Fees	8,201,465	7,918,236	7,596,099
4 Racing Privilege Tax	23,277,916	12,815,513	12,388,203
5 Riverboat Gambling Taxes and Fees	483,558,525	528,547,545	570,672,511
E. Total Gaming Taxes	\$ 520,962,768	\$ 554,632,691	\$ 595,717,751
Other Collections			
1 Miscellaneous ⁽⁴⁾	1,282,346	770,852	696,251
2 Pharmaceutical Assistance	2,074,818	4,485,037	7,571,238
3 Real Estate Transfer Tax	57,716,738	59,584,436	62,981,829
4 Senior Citizens Real Estate Tax Deferral	2,259,644	2,319,222	3,472,658
5 Tennessee Valley Authority (TVA)	66,295	68,469	77,519
6 Qualified Solid Waste Energy Facility Payment ⁽³⁾	0	100,220	359,168
F. Total Other Collections	\$ 63,399,841	\$ 67,328,236	\$ 75,158,663
Total Section 1: State Collections (A+B+C+D+E+F)	\$ 23,360,861,170	\$ 23,360,655,875	\$ 22,529,063,810

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

Section 2: Taxes Collected for Local Governments ⁽⁵⁾	FY 2000	FY 2001	FY 2002
Automobile Renting Occupation and Use Taxes			
1 County Automobile Renting Occupation and Use Taxes	80,353	78,180	104,006
2 MPEA Automobile Renting Occupation and Use Taxes	24,756,094	26,945,368	24,050,677
3 Municipal Automobile Renting Occupation and Use Taxes	5,332,306	5,761,105	5,217,889
A. Total Automobile Renting Occupation and Use Taxes	\$ 30,168,753	\$ 32,784,653	\$ 29,372,572
B. Chicago Soft Drink Tax	\$ 7,848,107	\$ 8,071,991	\$ 7,960,115
C. County Motor Fuel Tax	\$ 27,490,439	\$ 27,292,721	\$ 26,653,660
D. County Water Commission Tax	\$ 33,608,287	\$ 33,324,122	\$ 32,665,268
E. Home Rule and Non-home Rule Sales Taxes	\$ 656,634,248	\$ 682,323,787	\$ 691,127,245
Hotel Taxes			
1 Illinois Sports Facilities Tax	25,708,565	27,222,223	23,474,429
2 MPEA Hotel Tax	29,971,464	31,736,059	27,366,872
3 Municipal Hotel Tax (Chicago)	12,985,447	13,750,046	11,856,981
F. Total Hotel Taxes	\$ 68,665,476	\$ 72,708,328	\$ 62,698,282
G. Mass Transit District Sales and Use Taxes	\$ 523,975,810*	\$ 537,851,021	\$ 656,548,287
H. Metro-East Park and Recreation District Tax	\$ 0	\$ 0	\$ 3,096,778
I. MPEA Food and Beverage Tax ⁽⁶⁾	\$ 21,492,261	\$ 23,106,600	\$ 22,298,284
Replacement Vehicle Taxes			
1 County Replacement Vehicle Tax	120	243	102
2 Municipal Replacement Vehicle Tax	47,346	46,150	52,645
J. Total Replacement Vehicle Taxes	\$ 47,466	\$ 46,393	\$ 52,747
K. Tennessee Valley Authority (TVA)	\$ 154,687	\$ 159,760	\$ 180,877
L. Special County Retailers' Occupation Tax for Public Safety	\$ 14,755,241	\$ 17,821,985	\$ 22,474,392
Total Section 2: Taxes Collected for Local Governments (A+B+C+D+E+F+G+H+I+J+K+L)	\$ 1,384,840,775	\$ 1,435,491,361	\$ 1,442,718,014
Collections Grand Total (Section 1+ Section 2)	\$ 24,745,701,945	\$ 24,808,386,752	\$ 23,971,781,824

* Adjusted from FY 2000 annual report

Table 1 Footnotes

- (1) Amounts reported represent dollars remaining *after* the return is processed, any adjustments have been made to the account, and any credits or refunds have been issued. "Collections Grand Total" figures do not match Graph 1, which represents dollars deposited *before* the return was processed.
- (2) Amounts reported in Section 1 include amounts subsequently disbursed to units of local government in the form of revenue-sharing as mandated by various Illinois tax acts. See Table 45 and "Revenue-sharing with Local Governments" for more information.
- (3) Payments were required to be sent to the department effective January 2001.
- (4) Includes jury duty refunds, duplicate payments, insurance claims, and tax forms.
- (5) These taxes are locally-imposed taxes that the department collects for the governmental unit that imposes the tax. State revenues that are "shared" with units of local government are shown in Table 45.
- (6) Imposed July 1, 2001.

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.

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.

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: Illinois 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.

Table 3: Individual Exemption History

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

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

Table 4: Individual Income Tax Filing Status (by tax year)

Taxpayer status	2000 returns	2001 returns
Single*	3,372,118	3,343,148
Married, filing jointly	2,254,293	2,255,874
Married, filing separately	77,087	76,824
Total	5,703,498	5,675,846

* Includes single, head of household, and widowed.

Table 5: Returns Filed by Adjusted Gross Income — Tax Year 2000

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	40,019	(\$ 2,422,767,204)	73,843	\$ 324,379	116	\$ 45,697
\$0 — 5,000	512,515	1,337,388,674	503,934	21,208,124	10,332	340,080
5,001 — 15,000	903,262	8,873,143,579	1,474,080	158,076,893	121,035	7,950,382
15,001 — 25,000	780,870	15,491,872,731	1,622,861	320,012,595	186,281	15,286,574
25,001 — 50,000	1,353,872	49,197,515,770	2,959,518	1,151,781,715	590,774	57,982,422
50,001 — 100,000	1,229,276	86,061,871,246	3,456,647	2,111,971,733	928,152	127,054,187
100,001 — 500,000	508,963	82,455,413,469	1,600,626	2,200,423,553	449,048	109,199,756
500,001 & more	27,793	39,620,218,671	91,328	1,142,120,269	25,932	14,310,548
Subtotal resident returns	5,356,570	\$ 280,614,656,936	11,782,837	\$ 7,105,919,261	2,311,670	\$ 332,169,646
<i>Nonresidents and residents with invalid Illinois Zip Codes</i>	319,276	\$ 64,116,417,470	700,738	\$ 343,117,133	26,220	\$ 5,235,330
Total	5,675,846	\$ 344,731,074,406	12,483,575	\$ 7,449,036,394	2,337,890	\$ 337,404,976

Individual Income Tax Credits

Property tax relief for real estate taxes paid on one’s principal residence has been provided to Illinois Individual Income Tax filers by various means since tax year 1983. Currently, taxpayers receive a 5 percent credit for residential property taxes paid.

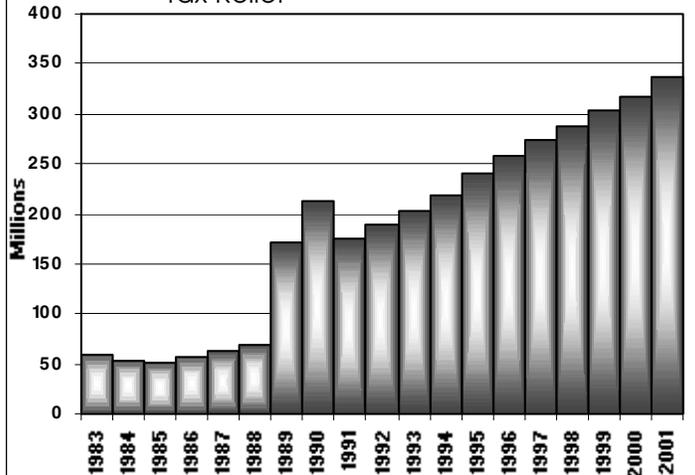
Beginning in tax year 2000, taxpayers who spend more than \$250 for **qualifying education expenses** may receive a credit for 25 percent of the amount over \$250, up to a maximum of \$500. The amount claimed during tax year 2001 was over \$68.4 million, an increase of 11.78 percent over tax year 2000.

An Illinois **Earned Income Credit**, equal to 5 percent of the federal tax credit was also allowed beginning in tax year 2000. Over \$44.1 million was claimed, an increase of 10.59 percent over tax year 2000.

Table 6: Reduced Individual Income Tax Liabilities From Property Tax Relief

Tax year	Number of filers with 5% credit	Reduced tax liabilities
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
2000	2,296,883	317,933,001
2001	2,337,890	\$ 337,404,976

Graph 5: Illinois Individual Income Tax — Property Tax Relief



A single deduction for property taxes paid was in effect for tax years 1983 through 1988; a double deduction for property taxes paid was in effect for tax years 1989 and 1990. The current 5 percent credit began in tax year 1991.

Table 7: Corporate Liability Stratification for Income and Replacement Taxes — Tax Year 2000

Liability Range (000'S)	Total filers	Percent of filers	Liabilities (millions)	Percent of liabilities	Average Liability
\$0	84,283	66.24%	\$ 0	0.00%	\$ 0
\$0 > \$5	33,003	25.94%	40.4	3.23%	1,224
\$5 > \$10	3,755	2.95%	26.1	2.09%	6,951
\$10 > \$50	3,809	2.99%	84.6	6.77%	22,211
\$50 > \$100	940	0.74%	66.5	5.32%	70,745
\$100 > \$500	1,025	0.81%	219.9	17.60%	214,537
\$500 > \$1,000	212	0.16%	148.0	11.85%	698,113
\$1,000 or More	206	0.17%	663.9	53.14%	3,222,816
Totals	127,233	100.00%	\$ 1,249.4	100.00%	\$ 9,820
Liability only	42,950	33.76%	\$ 1,249.4	100.00%	\$ 29,090

Note: For information about replacement taxes, see Table 57 and Table 58.

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 sales of the corporation within Illinois to total sales of the entire corporation. 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.

Note: Corporations do not receive an exemption after 2003.

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

Credit	1993	1994	1995	1996	1997	1998	1999	2000	Total
Enterprise Zone	\$ 2.9	\$ 7.0	\$ 10.0	\$ 8.4	\$ 9.0	\$ 10.0	\$ 5.8	\$ 4.4	\$ 57.5
Coal Research & Coal Utilization	3.1	3.1	3.9	0.7	4.3	1.1	0.1	1.1	17.4
High Impact Business	0.0	0.2	0.4	1.2	0.4	0.5	0.5	0.5	3.7
Jobs Tax Credit	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Training Expense	5.9	9.8	17.4	17.7	18.8	17.3	14.5	14.4	115.8
Research & Development	16.5	24.0	27.8	35.2	32.6	27.5	15.9	15.0	194.5
Life & Health Insurance Tax Offset	N/A	N/A	2.7	4.1	12.3	16.1	14.1	12.9	62.2
Tech-Prep	N/A	N/A	0.0	0.0	0.2	0.3	0.3	0.0	0.8
Dependent Care	N/A	N/A	0.0	1.0	0.0	0.0	0.0	0.0	1.0
Environmental Remediation	N/A	N/A	N/A	N/A	0.0	0.0	0.0	0.2	0.2
EDGE**	N/A	N/A	N/A	N/A	N/A	N/A	0.0	0.2	0.2
Child Care	N/A	0.9	0.9						
Total	\$ 28.4	\$ 44.4	\$ 62.2	\$ 68.3	\$ 77.6	\$ 72.8	\$ 51.2	\$ 49.6	\$ 454.5

* Based on a review of Schedules 1299-D.

** Economic Development for a Growing Economy

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

- Research and Development Credit (for tax years ending on or before December 31, 2003)
- Training Expense Credit (for tax years ending on or before December 31, 2003)
- Coal Research and Coal Utilization Investment Credits
- Enterprise Zone Investment Credit
- High Impact Business Investment Credit
- Environmental Remediation Tax Credit (for tax years ending on or before December 31, 2001)
- Economic Development for a Growing Economy (EDGE) Tax Credit
- TECH-PREP Youth Vocational Programs Credit
- Dependent Care Assistance Program Tax Credit
- Employee Child Care Tax Credit
- Enterprise Zone and Foreign Trade Zone Jobs Tax Credit
- Life and Health Insurance Tax Offset (for tax years ending on or before December 31, 2002)

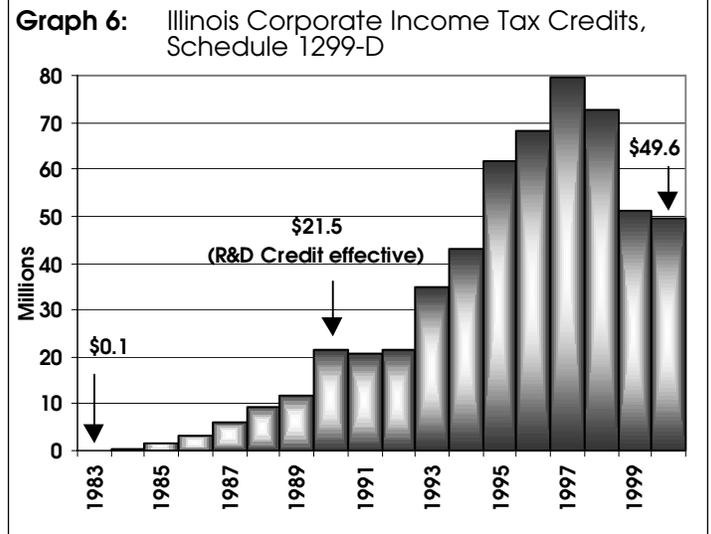


Table 9: Income Tax Collections and Refunds

Fiscal year	Individual collections	Corporate collections	Total collections	Total refunds
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
2001	8,617,847,075	1,302,558,427	9,920,405,502	942,653,146
2002	\$ 8,090,152,509	\$ 1,042,682,985	\$ 9,132,835,494	\$ 870,283,281

Note: Collections from replacement income taxes are not included in this table. See Table 57 and Table 58 for information about replacement taxes distributions.

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 — 7.6 percent for individuals and 23.0 percent for corporations in FY 2002 — 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 1996, 1/10 of net income taxes are transferred from the GRF to the Local Government Distributive Fund. See “Revenue-sharing with Local Governments.”

Graph 7: Individual and Corporate Receipts

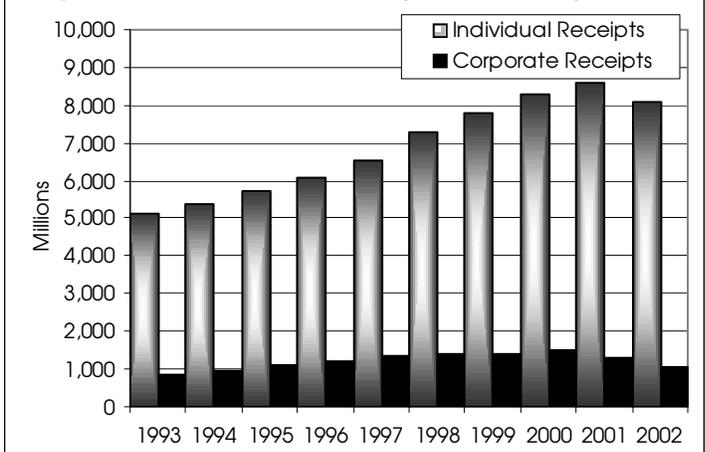


Table 10: Individual and Corporate Income Tax Receipts by Fund (in millions)

Funds	Individual FY 2002	Corporate FY 2002	Total FY 2002
ITRF	\$ 614.5	\$ 239.8	\$ 854.3
EAF	545.4	58.6	604.0
GRF	6,926.0	744.3	7,670.3
Total	\$ 8,085.9	\$ 1,042.7	\$ 9,128.6

The GRF received 84.7 percent of total income tax receipts in FY 2002.

Note: The individual and corporate receipt totals by fund shown 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.

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 11: Individual Income Tax Refunds

Tax year	Refunds issued	Refund amount	Average refund
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
1999	3,428,546	589,245,130	171.86
2000	3,695,456	\$ 787,103,446	\$ 212.99

Graph 8: Individual Income Tax Average Refund

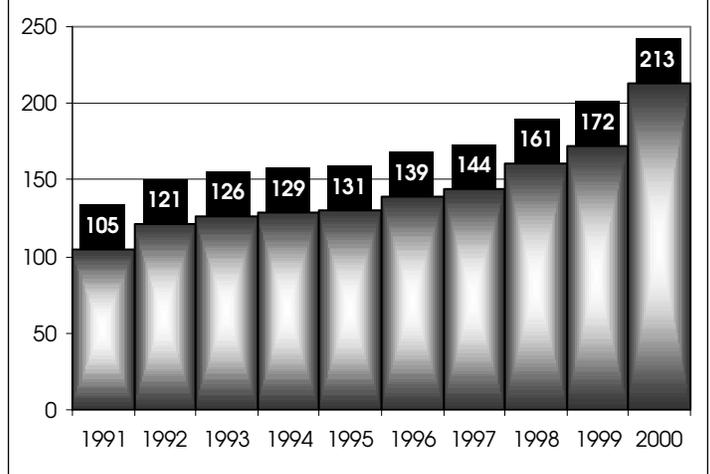


Table 12: Income Tax Refund Fund Deposits per the Office of the Comptroller (in millions)

Fiscal year	Individual		Corporate		Replacement		Total deposits
	Refund percent	Refund deposits	Refund percent	Refund deposits	Refund percent	Refund deposits	
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
2001	7.1	611.1	19.0	243.0	19.0	176.8	1,030.9
2002	7.6	\$ 614.5	23.0	\$ 239.7	23.0	\$ 173.5	\$ 1027.7

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.

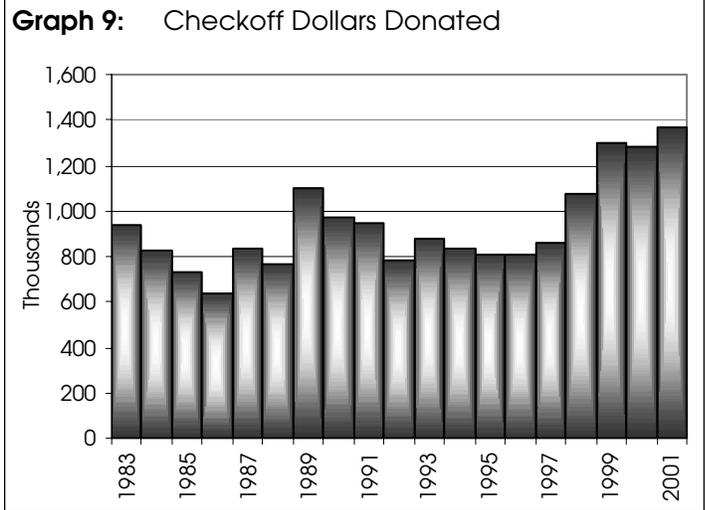


Table 13: Checkoff Dollars Donated by Tax Year

Note: Totals may not add due to rounding.

Voluntary Contributions	1983	1984	1985	1986	1987	1988	1989
Veterans Home	\$178,283	\$124,150	\$ 68,499	\$ —	\$ —	\$ —	\$ —
Wildlife Conservation	259,972	227,947	171,291	200,200	205,875	234,117	239,970
Child Abuse Prevention	498,337	353,407	240,052	266,837	296,130	312,694	285,977
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
U.S. Olympic Fund	—	—	—	—	82,629	—	—
Assistance to the Blind	—	—	—	—	84,427	—	—
Heritage Preservation	—	—	—	—	—	49,496	—
Assistance to the Homeless	—	—	—	—	—	—	263,989
Child Care Expansion Program	—	—	—	—	—	—	77,720
Community Health Center Care	—	—	—	—	—	—	60,058
Gulf War Veterans	—	—	—	—	—	—	—
1992 U.S. Olympians	—	—	—	—	—	—	—
Rehabilitation Technology	—	—	—	—	—	—	—
AIDS Victims Assistance	—	—	—	—	—	—	—
Domestic Violence	—	—	—	—	—	—	—
Drug Abuse Prevention	—	—	—	—	—	—	—
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	—	—	—	—	—	—	—
National WWII Memorial	—	—	—	—	—	—	—
Korean War Veteran's Museum	—	—	—	—	—	—	—
Total	\$936,592	\$821,711	\$730,232	\$640,063	\$833,664	\$766,129	\$1,097,497

F I S C A L Y E A R 2 0 0 2 A N N U A L R E P O R T

Table 13: Checkoff Dollars Donated by Tax Year

Note: Totals may not add due to rounding.

Voluntary Contributions	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Veterans Home	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Wildlife Conservation	234,220	175,802	169,086	185,824	205,177	216,356	208,763	178,688	240,033	237,183
Child Abuse Prevention	273,728	182,395	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	185,781	103,651	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	280,481	178,184	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	—	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	—	—	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
National WWII Memorial	—	—	—	—	—	—	—	—	—	—
Korean War Veteran's Museum	—	—	—	—	—	—	—	—	—	—
Total	\$ 974,211	\$ 945,793	\$ 783,371	\$ 876,503	\$ 831,144	\$ 811,005	\$ 808,081	\$ 863,149	\$ 1,079,278	\$ 1,296,446

Voluntary Contributions	2000	2001
Veterans Home	\$ —	\$ —
Wildlife Conservation	225,373	248,751
Child Abuse Prevention	232,810	248,169
Food and Housing Assistance	—	—
Mental Health Education	—	—
Alzheimer's Disease Research	166,146	181,614
U.S. Olympic Fund	—	—
Assistance to the Blind	—	—
Heritage Preservation	—	—
Assistance to the Homeless	180,108	192,981
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	—	—
Breast & Cervical Cancer Research	249,649	252,541
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	115,468	117,471
National WWII Memorial	112,666	86,411
Korean War Veteran's Museum	—	40,934
Total	\$ 1,282,221	\$ 1,368,871

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 human consumption, such as grocery store food items. "Qualifying food, drugs, and medical appliances" include

- food that has not been prepared for immediate human consumption, such as most food sold at grocery stores, excluding hot foods, alcoholic beverages, and soft drinks;
- prescription medicines and nonprescription items claimed to have medicinal value, such as aspirin, cough medicine, medicated hand lotion, and fluoride toothpaste (Section 130.310 was amended on June 24, 2002 to remove fluoride toothpaste from the low rate); and
- prescription and nonprescription medical appliances that directly replace a malfunctioning part of the human body, such as corrective eyewear, contact lenses, prostheses, insulin syringes, and dentures.

"Vehicles" includes

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

Table 14: Sales Tax Rates History

Year	Imposed by	Rate	Footnotes
1933	State (temporary)	2.00%	(1) 0.25 percent in DuPage, Kane, Lake, McHenry, and Will counties; 1.00 percent in Cook County
1935	State (permanent)	3.00%	(2) No change to rates imposed by local governments (up to 1%) and RTA (either 0.25 percent or 1 percent)
1955	Municipalities — local sales tax	varied	(3) Portions of Madison and St. Clair counties
1959	Counties — local sales tax	varied	(4) No change to rates imposed on food, drugs, and medical appliances by local governments (up to 1 percent) and mass transit districts (RTA, either 0.25 percent or 1 percent; MED, 0.25 percent); "soft drinks" removed from definition of food, drugs, and medical appliances effective September 1
1969	State	4.00%	(5) Most of DuPage County and certain municipalities in Cook and Will counties
1979	State/municipalities & counties	4.00%/1.00%	(6) County Supplementary Tax Act
1979	Regional Transportation Authority (RTA)	0.25%/1.00%	(7) Local sales tax acts and County Supplementary Tax Act repealed; additional 1.25 percent on general merchandise and 1.00 percent on qualifying food, drugs, and medical appliances returned to local governments; RTA and MED sales tax remain imposed on both general merchandise and qualifying food, drugs, and medical appliances bases
1980	State (food, drugs, & medical appliances)	3.00%	(8) Imposed in 0.25 percent increments and on the same general merchandise base as the state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes), and qualifying food, drugs, and medical appliances
1980	Metro-East Mass Transit District (MED)	0.25%	(9) Imposed on the same general merchandise base as the state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes), and qualifying food, drugs, and medical appliances
1981	State (food, drugs, & medical appliances)	2.00%	
1981	MED (food, drugs, & medical appliances)	0.25%	
1984	State (general merchandise/food, drugs, & medical appliances)	5.00%/0.00%	
1986	County Water Commission	0.25%	
1986	All counties but Cook County	0.25%	
1990	Sales Tax Reform	6.25%/1.00%	
1990	Home rule taxes	varied	
1994	Non-home rule taxes	varied	
1998	County public safety taxes	varied	
2001	Metro-East Park and Recreation	0.10%	

“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.

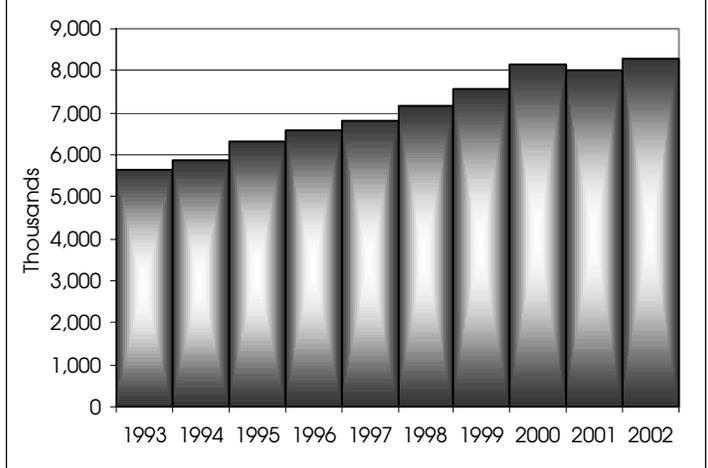
Depending upon the location of the sale, the actual sales tax rate may be higher than the fundamental rate because of home rule, non-home rule, water commission, mass transit, county public safety, and park and recreation district sales taxes.

Table 15: State Sales Tax Collections

Fiscal year	Collections	Number of taxpayers
1993	\$ 5,661,622,193	231,513
1994	5,854,432,646	233,550
1995	6,331,447,058	240,021
1996	6,564,513,297	241,003
1997	6,825,310,943	243,326
1998	7,158,829,522	244,199
1999	7,570,174,221	242,339
2000	8,165,116,191	239,054
2001	8,014,161,192	235,506
2002	\$ 8,266,932,058	239,917

Note: Collections include Motor Vehicle Use Tax and the 20 percent share subsequently disbursed to units of local government.

Graph 10: State Sales Tax Collections



Graph 11: Sales Tax Reported by Type of Business for Fiscal Year 2002

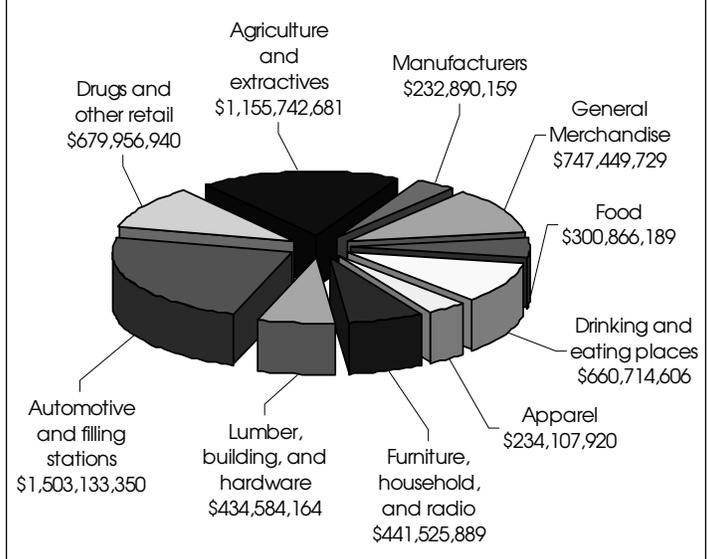


Table 16: Sales Tax Reported by Type of Business ⁽¹⁾

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Number of taxpayers filing ⁽²⁾	407,933	399,323	332,814	332,672	332,860
General merchandise	\$ 628,317,400	\$ 688,401,607	\$ 707,330,341	\$ 702,095,418	\$ 747,449,729
Food	210,853,990	221,895,292	270,122,075	270,103,662	300,866,189
Drinking and eating places	546,316,198	580,091,716	643,298,617	667,482,637	660,714,606
Apparel	226,174,533	229,317,700	239,477,718	247,274,214	234,107,920
Furniture, household, and radio	334,637,932	395,715,790	438,941,925	449,535,424	441,525,889
Lumber, building, and hardware	329,525,544	362,691,745	401,369,486	407,483,210	434,584,164
Automotive and filling stations	1,217,426,315	1,293,388,251	1,437,105,671	1,377,200,398	1,503,133,350
Drugs and other retail	532,255,467	574,801,314	630,806,710	681,046,638	679,956,940
Agriculture and extractives	1,191,229,046	1,266,815,433	1,326,995,905	1,212,130,197	1,155,742,681
Manufacturers	375,567,160	316,091,101	277,365,381	259,577,057	232,890,159
Total tax collections	\$5,592,303,585	\$5,929,209,954	\$6,372,813,833	\$6,273,928,855	\$6,390,971,628

Note: Amounts subsequently disbursed to units of local government, which are included in Table 15 and Graph 10, 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) Includes both taxpayers registered for sales tax and those paying use tax.

Distribution

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

Sales Taxes

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

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

- Build Illinois Fund — 5.55 percent
- Local Government Distributive Fund — 0.4 percent (often referred to as the "photoprocessing" portion)
- Illinois Tax Increment Fund — 0.27 percent
- General Revenue Fund — 70.335 percent (or 75 percent of the amount remaining after disbursements to the first three funds listed)
- General Revenue/Common School Special Account Fund — 23.445 percent (or 25 percent of the amount remaining after disbursements to the first three funds listed)

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

Use Taxes

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

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

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

Local Taxes Collected by the Department

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

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

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

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

Manufacturer's Purchase Credit Statutory References

Use Tax — 35 ILCS 105/3-85; **Service Use Tax** — 35 ILCS 110/3-70; **Service Occupation Tax** — 35 ILCS 115/9; **Retailers' Occupation Tax** — 35 ILCS 120/3

Definition

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.

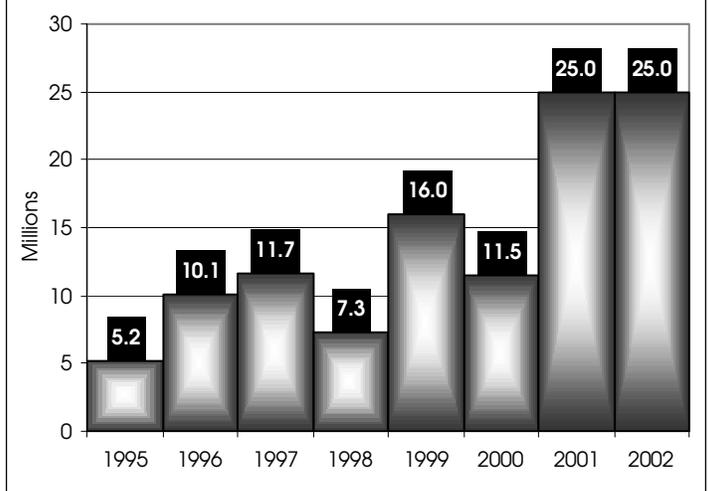
Taxpayers who make qualifying purchases must report MPC earned to the Department of Revenue to receive the MPC. The MPC must be used within two calendar years following the year in which the credit was earned. The taxpayer must pay any locally imposed taxes (e.g., home rule, mass transit) directly to 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 12: MPC Used



Other Sales or Renting Taxes and Fees

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

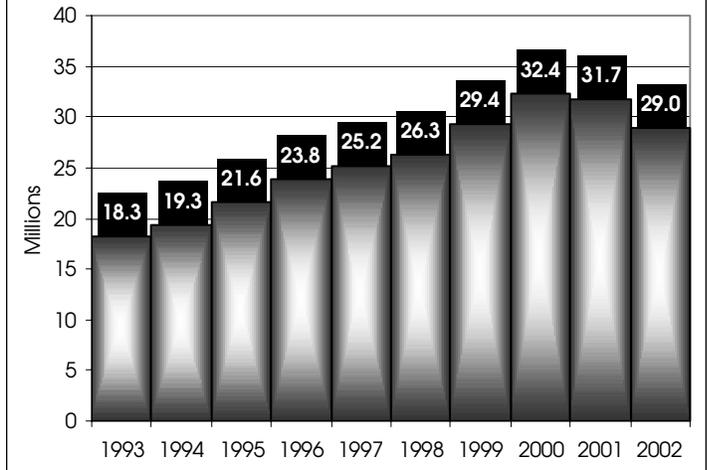
Collections are deposited into the General Revenue Fund.

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 13: Automobile Renting Occupation and Use Taxes Collections



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.

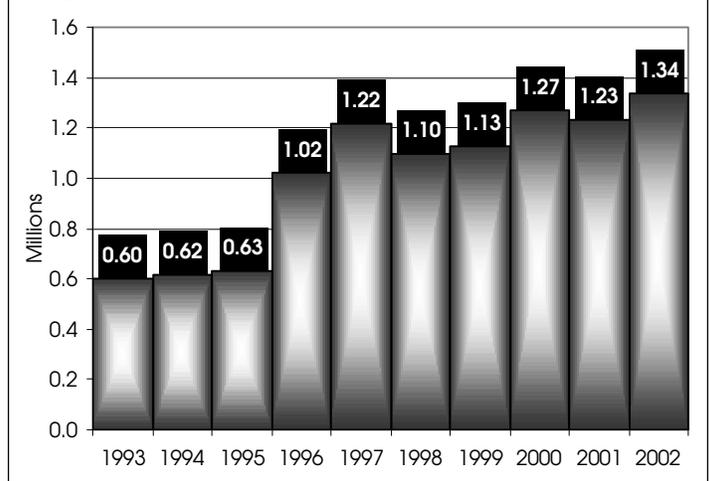
Local Taxes Collected by the Department

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 14: 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

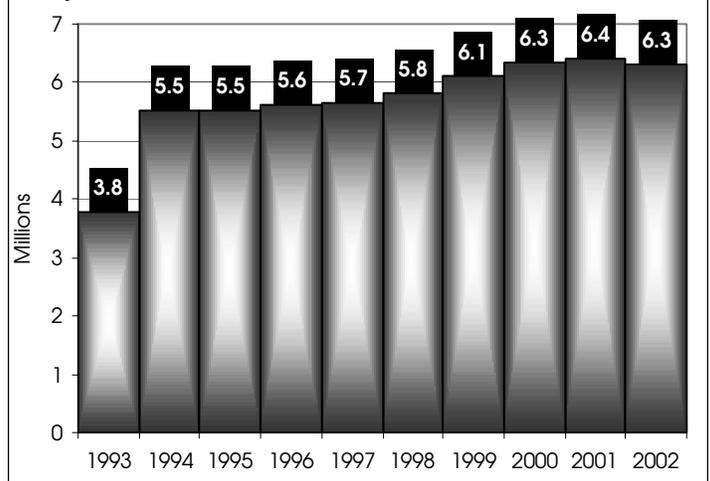
- new and used tires for vehicles in which persons or property may be transported or drawn upon a highway, as defined in the Illinois Vehicle Code, Section 1-217;
- aircraft;
- special mobile equipment (such as street sweepers, road construction and maintenance machinery); and
- implements of husbandry (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 15: 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 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		

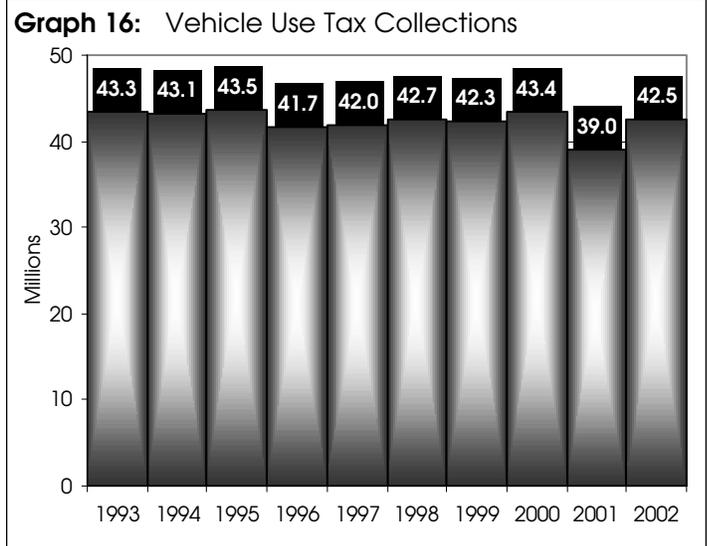
In addition, there is a flat rate tax of \$25 for purchases of motorcycles and all-terrain vehicles (ATVs), and \$15 for purchases from certain family members, gifts to beneficiaries (not spouses), and transfers in a business reorganization.

Distribution

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

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

Note: Effective September 9, 1980, through October 1, 1985, motor vehicles more than five years old were not subject to the tax.
* cars, trucks, vans, motorcycles, motor-driven cycles, and buses (pull-trailers not taxed)



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.

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

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

Table 19: Motor Fuel Tax Rate History

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

Table 20: Motor Fuel Gallonage History

Fiscal year	Gasoline	Diesel	Combustible gases	Total
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
2001	5,182,725,051	1,061,333,056	5,463,172	6,249,521,279
2002	5,059,658,465	1,033,927,899	4,734,234	6,098,320,598

Table 21: 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)	
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
2001	1,296,026,938	11,177,559	730	10,476	0	10,476
2002	\$ 1,299,068,873	\$ 13,319,981	703	11,021	0	11,021

(1) Money collected for tax on motor 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.

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 \$13.32 million.

Table 22: Motor Fuel Tax Refunds for Nonhighway Use*

Nonhighway use	Number	Amount
Agriculture	6,036	\$ 1,448,509
Construction	59	43,755
Industrial	572	5,034,380
Marine	62	66,921
Fuel ⁽¹⁾	0	0
Lawn	493	316,957
Distributor	147	593,345
Supplier	6	822
Manufacturing ⁽²⁾	15	1,773,437
Research and Development ⁽²⁾	5	457,867
Commercial Motor Vehicles ⁽²⁾	23	32,700
Airports ^{(2) (3)}	21	59,869
Refrigeration Units ⁽²⁾	589	1,063,427
Power Take-off Units ⁽²⁾	465	2,076,917
Unintentional Mixing ⁽²⁾	1	1,613
Testing ⁽²⁾	3	48,636
Dual Use ⁽²⁾	19	336,228
Total	8,530	\$ 13,319,982

* Does not include reciprocal claims and common carrier refunds.

(1) Pumping fuel now reported under PTO
 (2) Refunds for undyed diesel fuel only beginning 7/1/01
 (3) Qualifying airports only

Distribution

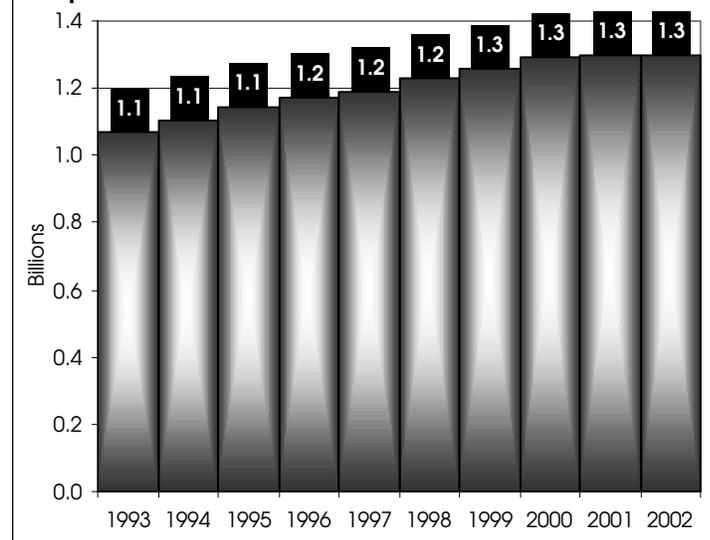
Collections from motor fuel taxes (excluding the Underground Storage Tank Tax and the Environmental Impact Fee) are divided among state and local governments according to a formula set by law.

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 17: 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

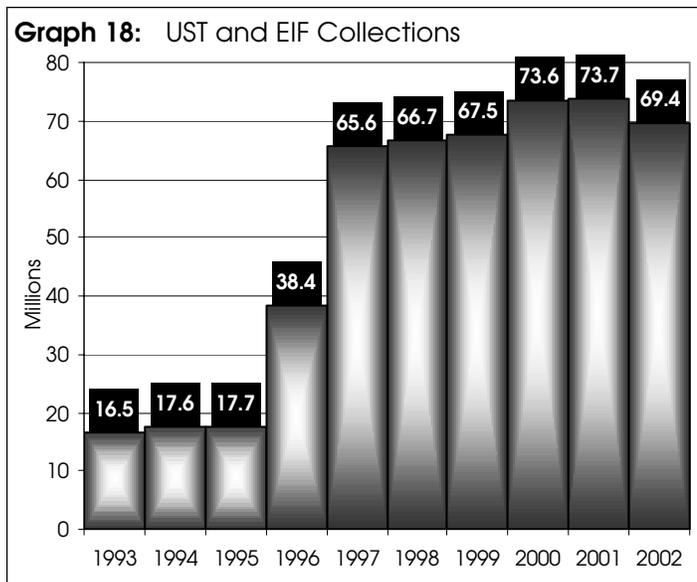
Both the tax and fee are imposed on the privilege of being a receiver of certain petroleum products in Illinois. The fee is paid by the receiver who first sells or uses the following petroleum products:

- 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.



Excise and Utility Taxes

Cigarette and Cigarette Use Taxes

Statutory References

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

Definition

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

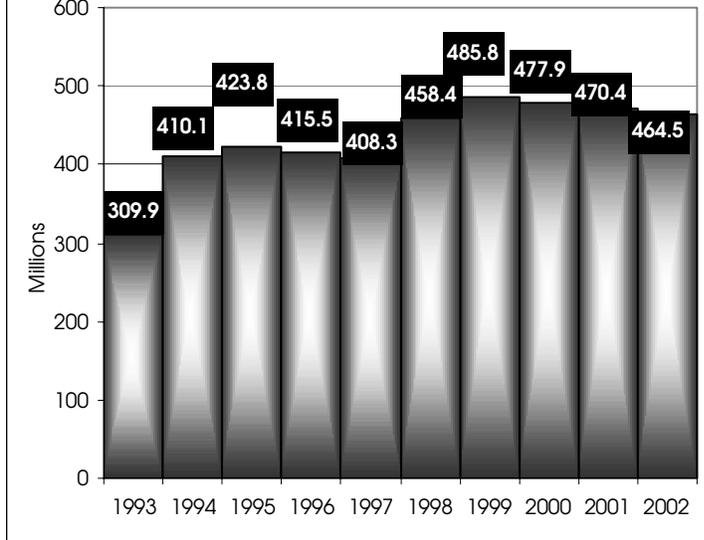
Distribution

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 23: Cigarette Tax Rate History

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

Graph 19: 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.

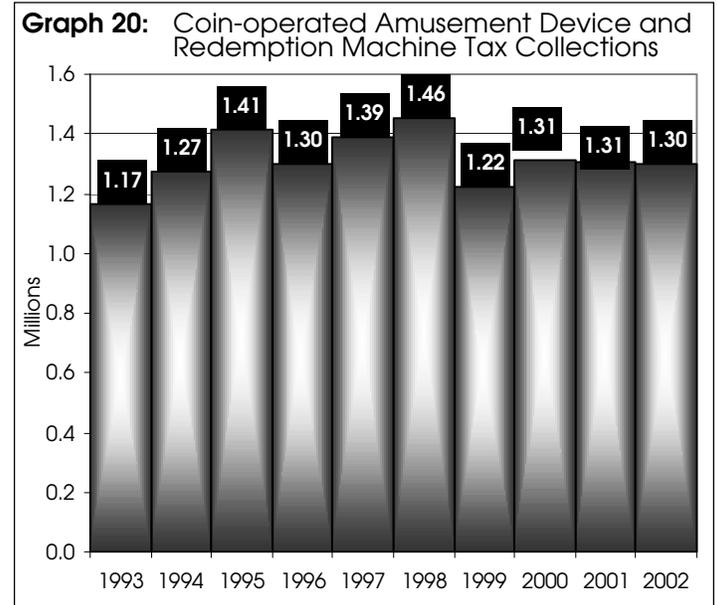
Rate and Base History

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.



Dry-cleaning Solvent Tax and License Fees

Statutory Reference

415 ILCS 135/60 to 135/70

Definition

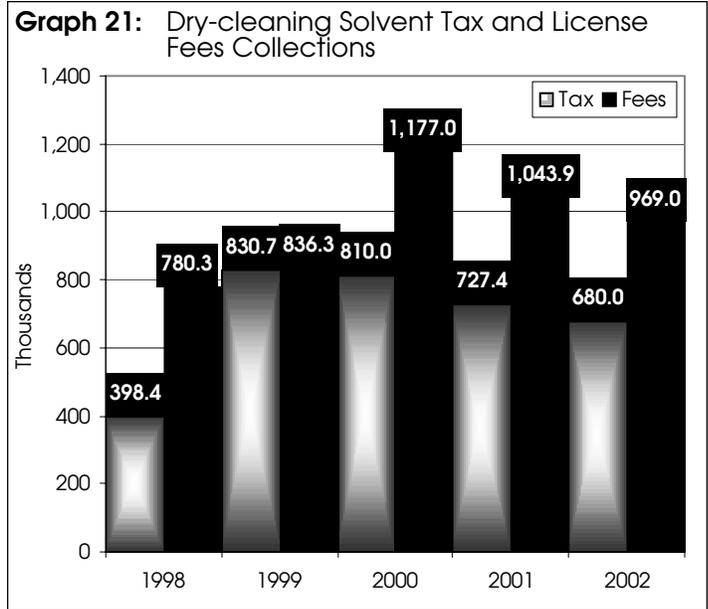
The Dry-cleaning Solvent Tax is imposed on the use of dry-cleaning solvent by persons who operate dry-cleaning facilities in Illinois and has two different rates depending on the type of solvent used or purchased. The tax rate on chlorine-based solvents is \$3.50 per gallon used or purchased. The tax 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.



Electricity Excise Tax

Statutory Reference

35 ILCS 640/2-1 to 99

Definition

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

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

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

History

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

Distribution

Collections are deposited into the General Revenue Fund.

Other taxes

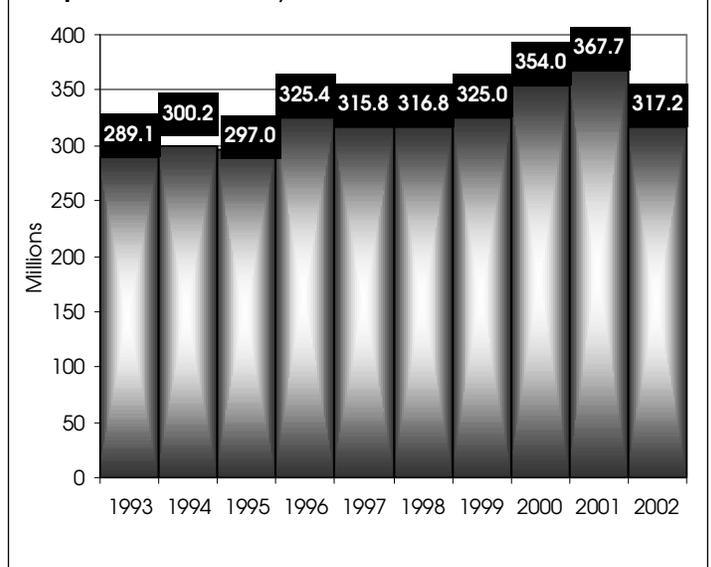
An Electricity Distribution Tax and an Invested Capital Tax is also imposed. See "Revenue-Sharing with Local Governments, Replacement Taxes, for more information."

Table 24: Electricity Excise Tax Rate History

Effective date	Rate
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 \$.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 22: 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

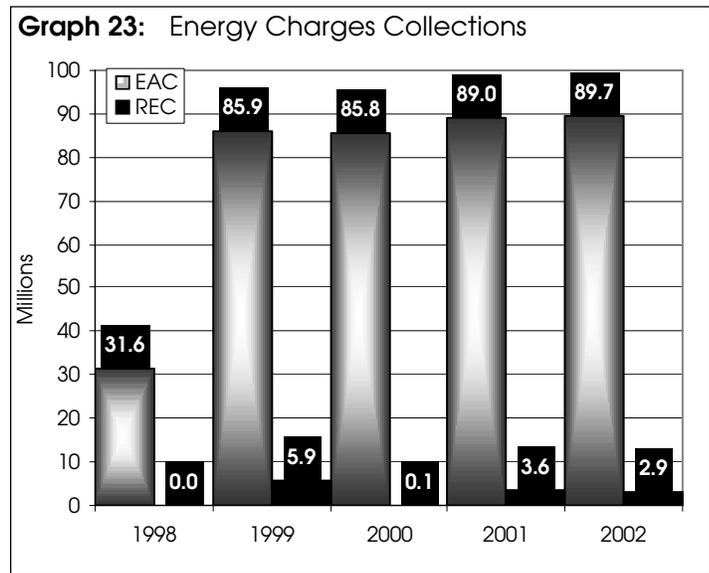
The monthly rates for the **Renewable Energy Resources and Coal Technology Development Assistance Charge** are listed below. These rates became effective January 1, 1998.

- \$0.05 per account to which residential electric service is delivered
- \$0.05 per account to which residential gas service is delivered
- \$0.50 per account to which nonresidential electric service is delivered and that had less than 10 megawatts of peak demand during the previous calendar year
- \$0.50 per account to which nonresidential gas service is delivered and that received less than 4 million therms of gas during the previous calendar year

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

Distribution

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



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.

Other taxes

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

Graph 24: Gas Revenue Tax Collections

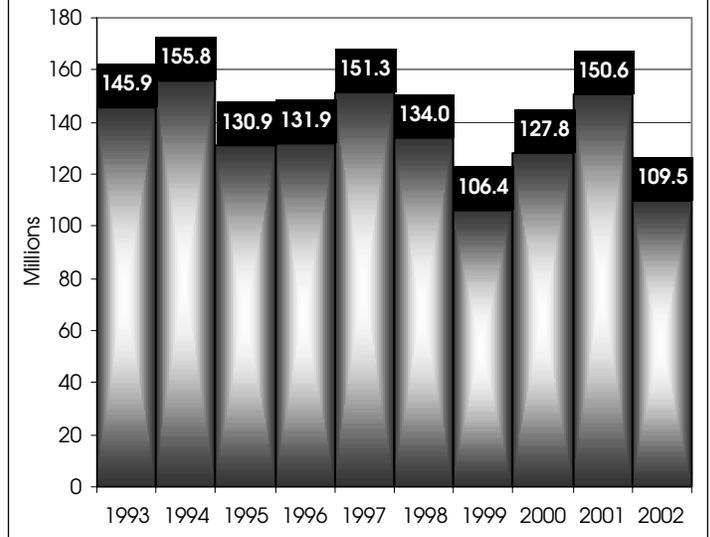


Table 25: Gas Revenue Tax Rate History

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.

Hotel Operators' Occupation Tax

Statutory Reference

35 ILCS 145/1 to 145/10

Definition

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

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

Distribution

5 percent of 94 percent of gross rental receipts

- 40 percent of the total net proceeds is deposited into the Build Illinois Fund.
- 60 percent of the total net proceeds is distributed in the following order:
 - Illinois Sports Facilities Fund: \$5 million plus an advance amount of \$22,179,000 for FY 2002
 - Local Tourism Fund: 8 percent of the net revenues received
 - International Tourism Fund: 6.0 percent of the net FY 2002 revenues received
 - General Revenue Fund: remaining net revenues with a subsequent transfer to the Tourism Promotion Fund equal to 21 percent of the amount deposited in the General Revenue Fund

1 percent of 94 percent of gross rental receipts

- Build Illinois Fund: 100 percent.

Local Taxes Collected by the Department

The department collects the following locally imposed hotel taxes:

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

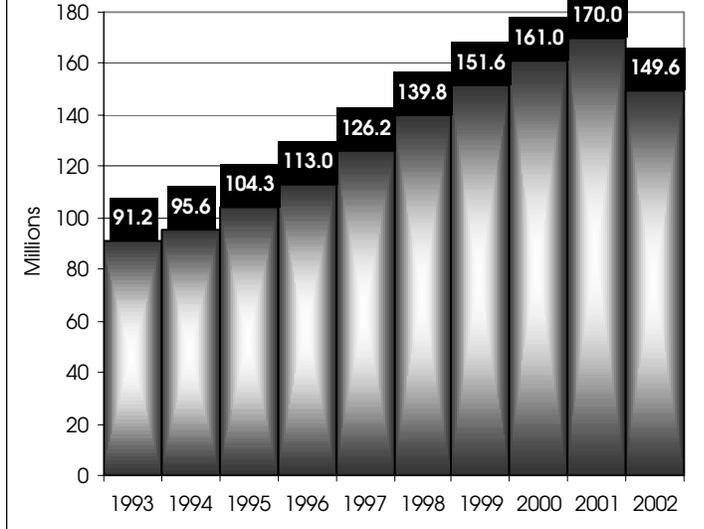
See "Taxes Collected for Local Governments" for more information.

Table 26: Hotel Operators' Occupation Tax Rate History

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

* of gross rental receipts

Graph 25: Hotel Operators' Occupation Tax Collections



FISCAL YEAR 2002 ANNUAL REPORT

Table 27: Hotel Net Receipts by County

County	No. of Accounts	FY 2000 Receipts	No. of Accounts	FY 2001 Receipts	No. of Accounts	FY 2002 Receipts
Adams	22	7,857,844	21	8,041,948	20	8,771,986
Alexander	12	330,706	12	332,660	11	318,679
Bond	11	1,842,462	10	1,766,542	12	1,756,555
Boone	4	162,258	5	121,073	5	127,690
Bureau	16	1,853,839	14	1,796,538	14	1,584,682
Carroll	27	958,155	24	1,601,169	21	1,578,157
Champaign	61	35,470,982	56	36,365,311	56	34,028,435
Christian	8	679,100	8	730,406	8	698,115
Clinton	7	393,660	10	700,795	11	1,009,476
Coles	16	6,673,154	19	6,535,989	18	6,343,227
Cook	629	1,966,832,423	638	2,027,556,238	626	1,718,417,555
Crawford	4	1,246,586	5	1,286,533	5	1,286,998
DeKalb	18	5,536,356	15	6,105,122	15	6,088,390
DeWitt	5	1,135,480	7	1,199,214	6	1,275,022
Douglas	17	3,419,486	20	3,448,913	18	3,377,739
DuPage	150	288,739,054	165	295,656,681	163	243,770,147
Effingham	30	12,841,648	28	12,946,869	26	13,220,678
Fayette	8	2,037,946	9	2,061,632	8	2,090,106
Franklin	16	2,970,713	15	3,395,957	17	3,726,351
Fulton	10	855,526	13	869,248	12	783,532
Grundy	9	4,467,172	9	4,326,014	8	4,461,680
Hamilton	1	0	1	630	2	1,855
Hancock	14	1,557,748	22	1,504,201	36	2,372,678
Jackson	24	5,652,859	24	6,809,400	24	6,333,353
Jefferson	19	11,335,548	19	11,448,665	18	12,042,581
Jersey	15	2,533,953	14	2,678,142	12	2,654,916
Jo Daviess	164	25,025,086	160	25,876,519	150	25,122,112
Kane	35	30,228,482	42	38,472,747	38	36,913,650
Kankakee	22	8,419,109	19	8,266,895	17	8,119,898
Kendall	14	1,686,824	11	2,305,567	10	2,122,974
Knox	21	6,246,496	23	5,982,401	21	6,106,732
Lake	125	116,740,784	130	120,455,899	135	112,514,511
LaSalle	43	13,996,129	44	14,249,527	44	13,771,411
Lee	8	2,096,892	7	2,186,201	7	1,867,445
Livingston	9	1,967,168	9	2,086,986	10	2,029,601
Logan	9	2,244,953	11	2,440,323	10	2,470,629
McDonough	13	3,590,298	13	3,611,674	11	3,929,018
McHenry	32	11,669,071	30	12,275,329	28	12,639,680
McLean	41	35,350,291	45	35,101,145	45	37,692,976
Macon	23	12,449,357	22	13,703,068	20	12,966,820
Macoupin	9	2,109,120	8	2,051,209	9	2,065,498
Madison	71	25,731,293	69	27,542,809	65	29,614,303
Marion	15	3,023,368	18	3,092,505	13	2,924,060
Mason	7	374,406	7	435,113	7	382,092
Montgomery	10	2,266,287	12	2,856,033	10	2,832,651
Morgan	13	3,027,929	11	2,729,373	11	2,476,769
Ogle	20	3,981,189	22	4,130,899	19	4,109,893
Peoria	40	30,826,824	42	32,269,132	38	33,188,507
Perry	7	763,691	9	740,203	9	745,474
Rock Island	32	17,813,451	30	18,419,965	26	18,299,612
St Clair	60	24,391,374	57	26,074,959	54	25,271,148
Sangamon	60	47,286,467	55	49,615,868	49	49,271,949
Shelby	17	3,184,296	17	3,028,811	17	2,862,930
Stephenson	13	3,050,686	11	3,366,384	11	3,213,660
Tazewell	28	17,413,648	34	16,664,976	31	17,235,301
Vermilion	25	7,384,649	23	7,221,466	20	7,075,479
Washington	11	1,093,872	8	1,127,306	8	1,137,974
White	7	922,138	5	969,408	4	1,080,023
Whiteside	17	3,129,039	13	3,365,987	13	3,343,172
Will	73	38,776,085	73	38,706,544	69	39,022,130
Williamson	21	9,657,141	20	9,712,459	20	10,269,313
Winnebago	52	35,488,569	49	35,415,166	48	32,913,989
Brown & Schuyler	9	416,459	7	422,549	6	461,506
Calhoun & Green	7	290,511	7	293,730	8	252,475
Cass & Menard	6	454,849	6	522,956	6	501,488
Clark & Edgar	9	1,622,423	10	1,813,030	9	1,950,256
Clay, Cumberland, & Jasper	8	936,433	10	925,128	10	1,072,039
Edwards, Wabash, & Wayne	10	508,967	9	494,761	9	552,691
Ford & Iroquois	14	1,737,244	13	1,753,927	11	1,692,346
Gallatin & Hardin	11	225,097	11	267,117	10	270,327
Henderson, Mercer, & Warren	8	710,389	9	1,135,684	9	1,136,521
Henry & Stark	17	1,799,430	18	1,875,960	17	1,851,640
Johnson & Union	18	800,344	18	861,609	18	1,162,510
Lawrence & Richland	8	1,060,158	7	1,029,899	7	1,034,695
Marshall, Putnam & Woodford	8	1,304,439	6	993,971	5	935,812
Massac & Pulaski	10	4,197,425	11	4,568,282	11	5,160,415
Monroe & Randolph	18	1,538,332	18	1,761,624	18	1,849,275
Moultrie & Piatt	12	968,022	10	920,055	11	915,624
Pike & Scott	10	399,603	12	542,054	12	632,794
Pope & Saline	24	1,001,927	22	1,121,196	25	1,468,631
Total	2,527	2,940,763,172	2,546	3,037,140,278	2,471	2,668,625,012

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: \$ 8,771,986
 State hotel tax (6% of 94% = 5.64%): X .0564
 Approximate state tax collections \$ 494,740.01

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.

Table 28: Liquor Tax Rate History

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

Graph 26: Liquor Gallonage Tax Collections

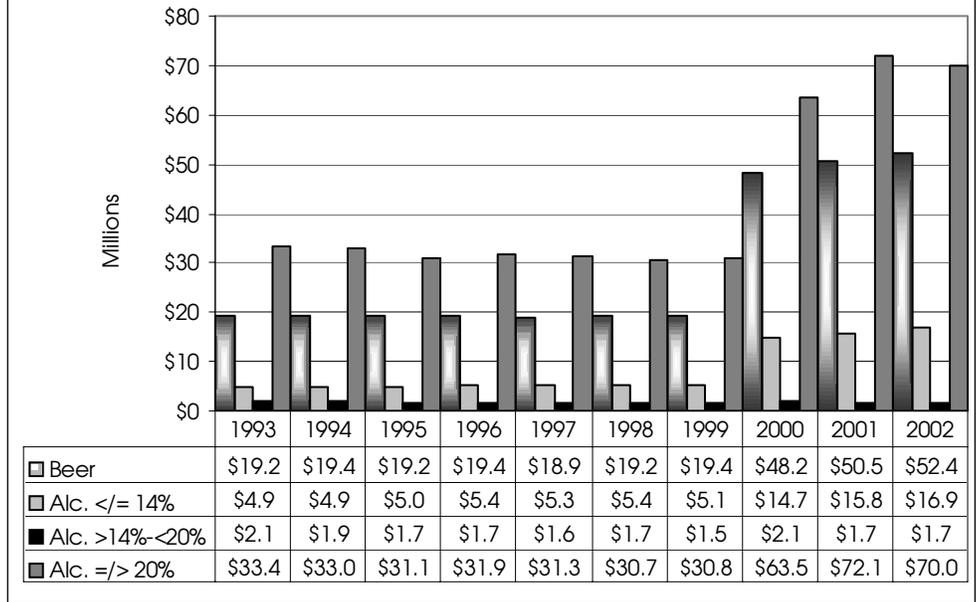


Table 29: Liquor Gallonage History (in millions of gallons)

Fiscal year	Alcohol				Total
	Beer	< / = 14%	>14% - <20%	= / > 20%	
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
2001	281.7	22.3	2.4	16.5	323.0
2002	283.3	22.9	2.3	15.6	324.1

Oil and Gas Production Assessment

Statutory Reference

225 ILCS 728/1 to 728/99

Definition

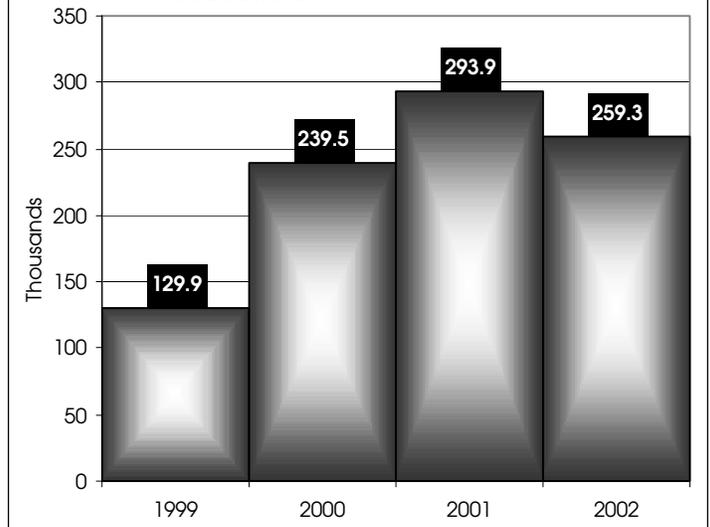
Effective July 10, 1998, the assessment is levied on gross revenues of oil and gas produced from each well in Illinois. It is imposed on Illinois oil or gas producers and is paid by the first purchaser of the oil or gas. The first purchaser pays the assessment to the department. The Illinois Petroleum 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 27: 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.

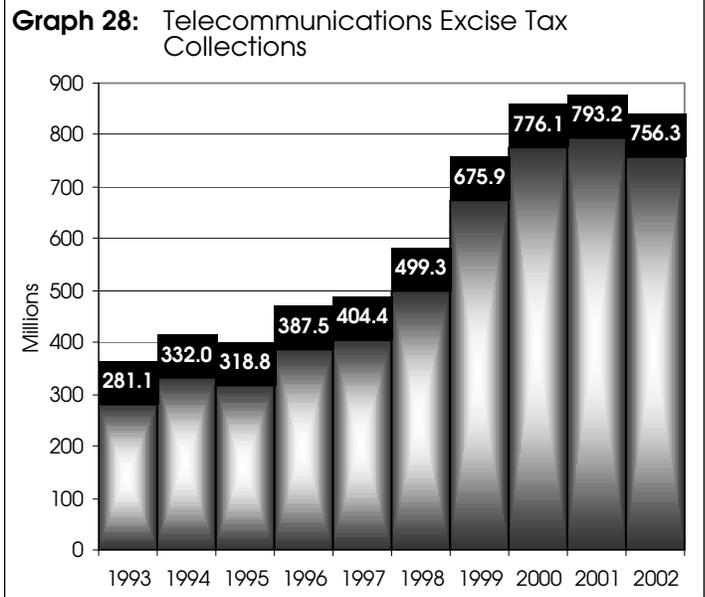


Table 30: Telecommunications Excise Tax Rate History

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

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

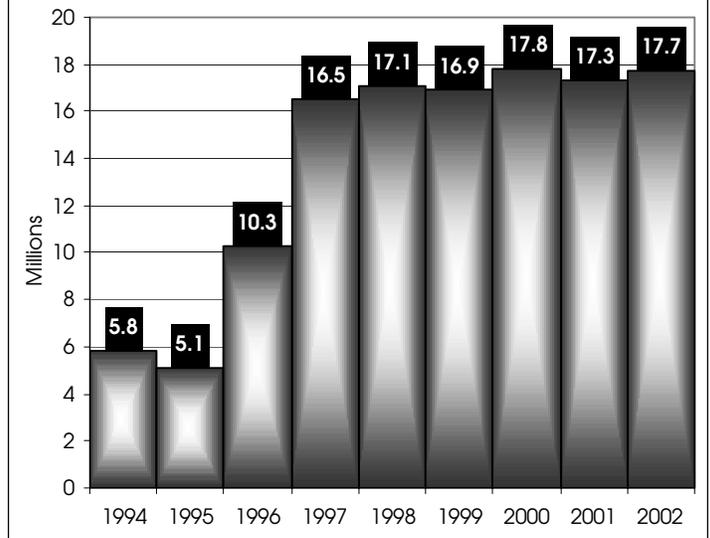
October 1, 1993. The tax imposed under this act was at the rate of 20 percent of the wholesale price of tobacco products. The circuit court of Cook County declared the tax unconstitutional on January 12, 1995.

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 29: 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.

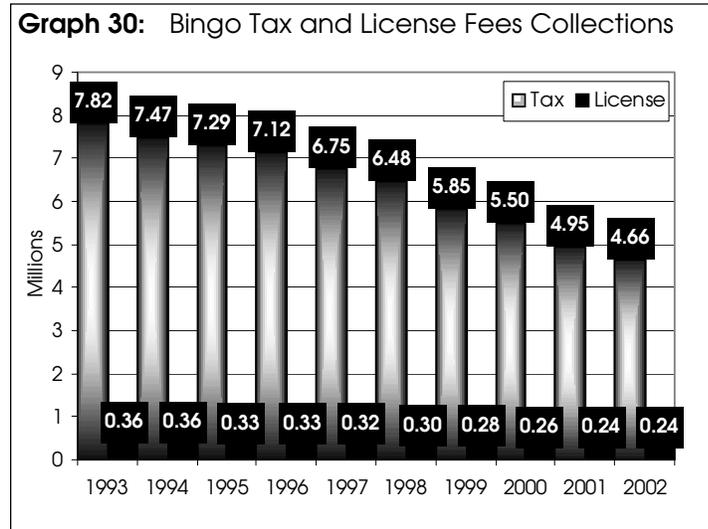


Table 31: Bingo Tax and License Fee Collections

Fiscal year	Tax	License fees	*No. of licenses	No. of limited licenses	No. of suppliers	No. of providers
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
2001	4,950,235	240,530	905	295	93	98
2002	\$ 4,663,448	\$ 240,770	871	279	93	100

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

F I S C A L Y E A R 2 0 0 2 A N N U A L R E P O R T

Table 32: Bingo Tax Statistics by County

County	FY 00	FY 01	FY 02	County	FY 00	FY 01	FY 02
Adams	42,688 \$885,516 \$44,277	37,907 \$776,585 \$38,153	30,284 \$652,385 \$32,746	Ford	6,429 \$186,401 \$9,301	6,569 \$157,279 \$8,863	6,877 \$164,050 \$8,260
Alexander	2,047 \$31,985 \$1,599	1,703 \$28,640 \$1,432	1,192 \$21,260 \$1,063	Franklin	53,345 \$1,126,698 \$56,333	47,651 \$1,036,999 \$51,850	42,422 \$903,253 \$45,662
Bond	4,301 \$75,603 \$3,780	2,676 \$48,595 \$2,429	0 \$0 \$0	Fulton	40,278 \$701,248 \$35,048	30,078 \$597,932 \$29,897	27,337 \$557,973 \$27,956
Boone	17,059 \$347,973 \$17,394	18,038 \$369,533 \$18,477	18,090 \$381,167 \$19,057	Gallatin	2,299 \$39,326 \$1,966	539 \$11,394 \$570	0 \$0 \$0
Brown	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	Greene	8,807 \$119,009 \$5,886	7,133 \$99,666 \$4,984	7,290 \$100,156 \$5,007
Bureau	21,899 \$400,806 \$20,040	20,672 \$394,642 \$19,681	24,040 \$468,003 \$23,400	Grundy	21,105 \$443,295 \$22,163	20,086 \$435,878 \$21,794	17,793 \$403,794 \$20,228
Calhoun	3,532 \$66,742 \$3,337	3,587 \$56,834 \$2,842	4,167 \$64,650 \$3,232	Hamilton	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0
Carroll	12,744 \$221,700 \$11,529	10,651 \$222,018 \$10,927	9,214 \$233,616 \$11,719	Hancock	11,844 196,380 \$9,819	11,203 195,933 \$9,797	11,208 190,675 \$9,612
Cass	8,522 \$142,853 \$7,145	7,952 \$127,476 \$6,350	9,387 \$92,901 \$4,674	Hardin	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0
Champaign	49,581 \$995,337 \$49,767	45,052 \$972,985 \$48,659	42,936 \$896,002 \$44,800	Henderson	2,641 \$29,548 \$1,477	1,884 \$19,808 \$990	1,757 \$20,568 \$1,028
Christian	83,762 \$1,384,919 \$69,257	73,381 \$1,206,592 \$60,404	70,740 \$1,160,710 \$58,107	Henry	36,336 \$631,292 \$31,431	32,516 \$579,994 \$29,298	33,595 \$569,786 \$28,543
Clark	3,334 \$54,401 \$2,768	669 \$11,735 \$587	0 \$0 \$0	Iroquois	1,569 \$35,838 \$1,792	863 \$11,887 \$594	2,369 \$47,256 \$2,389
Clay	7,637 \$96,912 \$4,846	7,140 \$93,860 \$4,693	6,545 \$89,299 \$4,464	Jackson	33,717 \$848,378 \$42,420	31,140 \$780,034 \$39,003	28,601 \$795,232 \$39,806
Clinton	80,128 \$1,153,127 \$57,660	75,161 \$1,114,699 \$55,735	77,216 \$1,198,639 \$59,931	Jaspar	837 \$13,164 \$658	127 \$1,920 \$96	0 \$0 \$0
Coles	49,016 \$1,008,664 \$50,425	44,762 \$896,599 \$44,829	42,749 \$818,304 \$41,066	Jefferson	35,513 \$722,730 \$36,136	32,458 \$670,726 \$33,536	30,204 \$609,628 \$30,481
Cook	1,454,617 \$25,213,437 \$1,258,148	1,266,391 \$21,695,124 \$1,085,176	1,169,531 \$21,111,462 \$1,059,317	Jersey	19,991 239,315 \$11,965	11,582 174,828 \$8,742	10,050 159,394 \$8,030
Crawford	4,308 \$63,569 \$3,178	5,493 \$39,705 \$1,985	5,790 \$51,012 \$2,550	Jo Daviess	1,806 \$32,490 \$1,625	1,599 \$33,804 \$1,690	2,442 \$34,402 \$1,720
Cumberland	9,578 \$194,644 \$9,732	4,911 \$99,949 \$4,997	3,796 \$73,027 \$3,651	Johnson	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0
DeKalb	28,371 \$553,074 \$27,653	23,195 \$499,215 \$24,960	26,526 \$510,235 \$25,511	Kane	191,527 \$3,318,156 \$164,352	143,392 \$2,994,236 \$147,027	127,667 \$2,702,571 \$135,576
DeWitt	11,570 \$230,172 \$11,509	10,442 \$211,468 \$10,573	11,216 \$185,229 \$9,261	Kankakee	29,285 \$712,930 \$35,646	27,062 \$661,601 \$33,080	26,508 \$606,771 \$30,424
Douglas	10,068 \$227,156 \$11,356	93,104 \$198,368 \$9,919	7,717 \$159,442 \$7,972	Kendall	28,748 \$575,939 \$28,790	39,603 \$554,988 \$27,749	27,799 \$596,579 \$29,828
DuPage	206,712 \$3,674,686 \$184,159	276,174 \$3,346,418 \$165,706	191,079 \$3,158,371 \$158,343	Knox	54,088 \$851,969 \$42,599	42,660 \$773,161 \$38,679	50,114 \$850,802 \$42,654
Edgar	23,461 \$393,995 \$19,712	19,763 \$350,056 \$17,514	18,286 \$336,575 \$16,876	Lake	185,180 \$3,834,386 \$191,769	163,666 \$3,511,602 \$175,569	156,359 \$3,212,422 \$161,404
Edwards	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	LaSalle	210,644 \$2,453,348 \$122,274	116,024 \$2,277,202 \$113,861	105,928 \$2,112,022 \$106,671
Effingham	29,551 \$598,123 \$29,906	26,512 \$558,291 \$27,914	28,068 \$542,576 \$27,989	Lawrence	12,339 \$241,147 \$10,765	6,228 \$225,441 \$11,272	7,066 \$220,257 \$11,012
Fayette	31,811 \$538,294 \$26,920	28,759 \$505,106 \$25,255	27,851 \$510,197 \$25,509	Lee	15,746 \$369,742 \$18,487	13,928 \$314,230 \$15,711	13,435 \$304,257 \$15,363

ILLINOIS DEPARTMENT OF REVENUE

Table 32: Bingo Tax Statistics by County

County	FY 00	FY 01	FY 02	County	FY 00	FY 01	FY 02		
Livingston	Players Gross Tax	14,318 \$311,919 \$15,216	11,887 \$275,516 \$13,776	11,507 \$282,762 \$14,192	Randolph	Players Gross Tax	42,882 \$951,692 \$48,322	38,403 \$776,959 \$38,848	37,744 \$755,006 \$37,810
Logan	Players Gross Tax	20,564 \$390,235 \$19,512	19,619 \$372,755 \$18,760	22,360 \$332,918 \$16,645	Richland	Players Gross Tax	14,859 \$303,329 \$15,167	15,289 \$295,174 \$14,759	15,491 \$303,195 \$15,159
McDonough	Players Gross Tax	23,152 \$534,612 \$26,721	23,595 \$541,798 \$27,103	20,220 \$461,050 \$23,061	Rock Island	Players Gross Tax	168,031 \$2,938,614 \$145,986	160,101 \$2,721,884 \$135,178	140,882 \$2,389,193 \$119,567
McHenry	Players Gross Tax	63,483 \$1,344,586 \$67,229	58,585 \$1,259,972 \$63,000	57,063 \$1,263,775 \$63,549	St. Clair	Players Gross Tax	321,617 \$5,961,930 \$295,116	289,699 \$5,707,056 \$286,394	276,916 \$5,657,610 \$282,883
McLean	Players Gross Tax	44,307 \$818,517 \$40,926	35,305 \$768,688 \$38,625	37,731 \$791,616 \$39,660	Saline	Players Gross Tax	32,612 \$571,441 \$27,743	20,442 \$327,198 \$16,360	16,851 \$275,931 \$13,853
Macon	Players Gross Tax	180,847 \$2,049,408 \$102,952	174,578 \$1,746,414 \$86,971	151,752 \$1,540,489 \$77,665	Sangamon	Players Gross Tax	236,440 \$2,483,084 \$124,151	195,902 \$2,144,984 \$107,251	171,701 \$2,021,281 \$101,141
Macoupin	Players Gross Tax	60,126 \$1,240,265 \$62,011	56,029 \$1,105,839 \$55,362	53,115 \$1,065,308 \$53,366	Schuyler	Players Gross Tax	2,589 \$48,486 \$2,424	2,170 \$42,832 \$2,142	731 \$43,681 \$2,184
Madison	Players Gross Tax	496,402 \$8,712,650 \$435,547	413,654 \$8,172,750 \$408,640	409,402 \$7,863,358 \$394,528	Scott	Players Gross Tax	2,660 \$42,975 \$2,149	2,674 \$39,800 \$1,990	2,612 \$34,005 \$1,715
Marion	Players Gross Tax	54,070 \$1,103,418 \$55,170	51,770 \$1,139,709 \$56,978	55,066 \$1,169,627 \$58,513	Shelby	Players Gross Tax	12,799 \$146,175 \$7,309	12,400 \$140,274 \$7,014	17,784 \$179,741 \$9,320
Marshall	Players Gross Tax	13,383 \$69,982 \$3,499	3,742 \$68,924 \$3,446	3,421 \$62,990 \$3,149	Stark	Players Gross Tax	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0
Mason	Players Gross Tax	3,663 \$57,370 \$2,868	2,933 \$48,793 \$2,439	2,696 \$49,993 \$2,499	Stephenson	Players Gross Tax	24,785 \$461,139 \$23,057	24,020 \$416,908 \$20,846	23,670 \$411,220 \$20,693
Massac	Players Gross Tax	432 \$9,627 \$481	0 \$0 \$0	0 \$0 \$0	Tazewell	Players Gross Tax	105,660 \$1,419,387 \$71,116	95,754 \$1,349,360 \$67,710	77,034 \$1,127,997 \$56,545
Menard	Players Gross Tax	2,872 \$58,084 \$2,904	2,933 \$54,738 \$2,737	2,188 \$38,646 \$1,932	Union	Players Gross Tax	9,369 \$230,814 \$11,541	8,488 \$209,633 \$10,481	6,468 \$197,665 \$9,893
Mercer	Players Gross Tax	5,035 \$96,940 \$4,847	2,777 \$54,086 \$2,704	4,231 \$82,636 \$4,131	Vermilion	Players Gross Tax	39,704 \$794,162 \$39,708	37,408 \$675,958 \$34,261	34,245 \$645,820 \$32,528
Monroe	Players Gross Tax	21,415 \$453,617 \$22,681	19,258 \$422,066 \$21,103	20,692 \$433,452 \$21,718	Wabash	Players Gross Tax	12,863 \$399,379 \$19,982	11,104 \$334,958 \$16,748	10,776 \$329,658 \$16,482
Montgomery	Players Gross Tax	37,632 \$789,564 \$39,479	36,282 \$740,037 \$37,001	32,833 \$708,421 \$35,421	Warren	Players Gross Tax	15,756 \$162,133 \$8,440	21,379 \$169,760 \$8,487	16,263 \$173,777 \$8,688
Morgan	Players Gross Tax	26,608 \$338,527 \$16,652	24,754 \$290,968 \$14,244	20,624 \$243,467 \$12,173	Washington	Players Gross Tax	17,066 \$196,457 \$9,823	16,812 \$207,021 \$10,350	15,062 \$186,572 \$9,328
Moultrie	Players Gross Tax	14,336 \$218,499 \$10,925	14,109 \$227,014 \$11,351	13,838 \$219,207 \$10,960	Wayne	Players Gross Tax	6,877 \$135,150 \$6,757	6,634 \$124,208 \$6,211	5,748 \$112,331 \$5,616
Ogle	Players Gross Tax	12,224 \$175,030 \$8,752	11,070 \$140,900 \$7,045	7,383 \$87,445 \$4,897	White	Players Gross Tax	9,277 \$174,682 \$8,758	11,095 \$213,526 \$10,876	10,346 \$201,339 \$10,129
Peoria	Players Gross Tax	95,866 \$1,176,416 \$58,934	78,441 \$923,152 \$47,068	78,076 \$952,610 \$47,731	Whiteside	Players Gross Tax	57,679 \$1,176,123 \$58,808	55,776 \$1,135,889 \$56,795	55,728 \$1,185,885 \$59,334
Perry	Players Gross Tax	53,656 \$902,834 \$45,142	44,271 \$805,708 \$40,426	40,731 \$781,275 \$39,123	Will	Players Gross Tax	144,113 \$2,803,990 \$140,196	117,487 \$2,428,372 \$121,419	114,321 \$2,330,634 \$116,859
Piatt	Players Gross Tax	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	Williamson	Players Gross Tax	56,769 \$1,190,393 \$59,520	59,912 \$1,210,228 \$60,488	60,349 \$1,286,875 \$64,343
Pike	Players Gross Tax	8,816 \$164,882 \$8,232	7,340 \$140,568 \$7,028	6,493 \$123,684 \$6,184	Winnebago	Players Gross Tax	308,033 \$4,787,109 \$239,163	284,010 \$4,482,351 \$224,141	285,666 \$4,441,898 \$222,889
Pope	Players Gross Tax	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	Woodford	Players Gross Tax	25,730 \$291,269 \$14,564	28,941 \$324,581 \$16,229	38,916 \$505,868 \$25,331
Pulaski	Players Gross Tax	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	Total	Players Gross Tax	6,121,748 \$104,963,309 \$5,239,283	5,500,918 \$94,724,345 \$4,733,634	5,049,967 \$91,228,821 \$4,576,279
Putnam	Players Gross Tax	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	Note: Grand total figures may not agree with the reported collections because these statistics are taken directly from bingo tax returns and are unedited.				

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.

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

Distribution

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

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

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

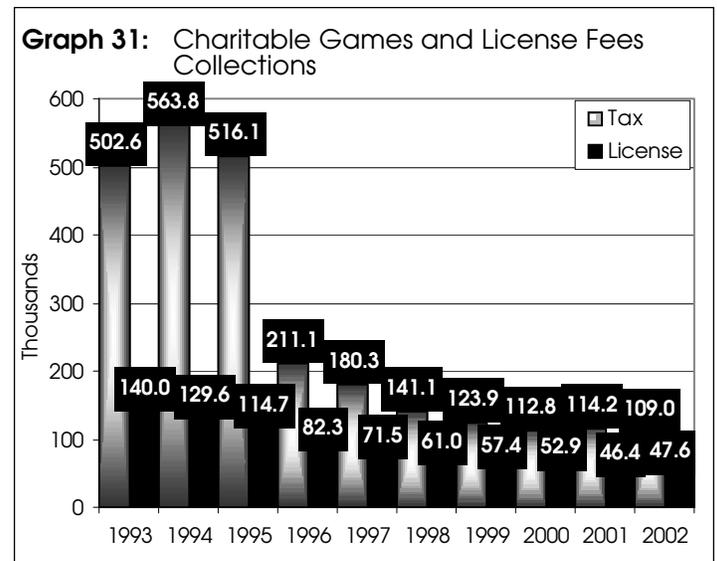


Table 33: Charitable Games Tax and License Fee Collections

Fiscal year	Tax	License fees	No. of licenses	No. of suppliers	No. of providers
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
2001	114,232	46,400	155	11	131
2002	\$ 109,070	\$ 47,650	160	9	128

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 32: Pull Tabs and Jar Games Tax and License Fees Collections

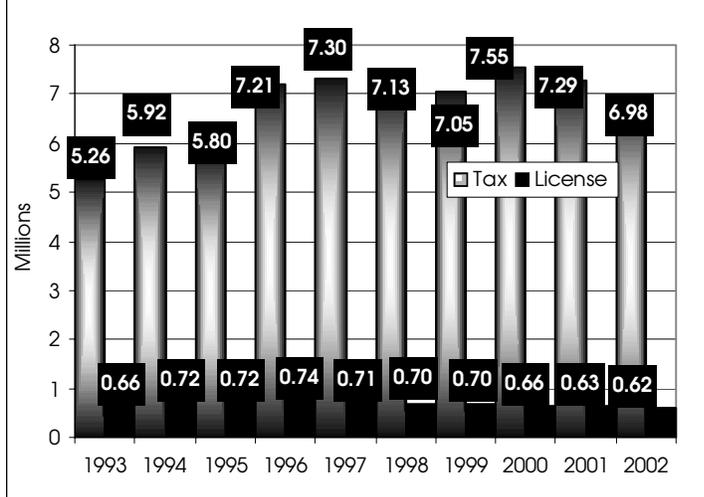


Table 34: Pull Tabs and Jar Games Tax and License Fee Collections

Fiscal year	Tax	License fees	No. of regular licenses	No. of limited licenses	No. of suppliers	No. of manufacturers
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
2001	7,289,486	628,750	915	105	21	9
2002	\$ 6,978,549	\$ 617,550	805	104	22	8

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 35.

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 33: Racing Privilege Tax Collections

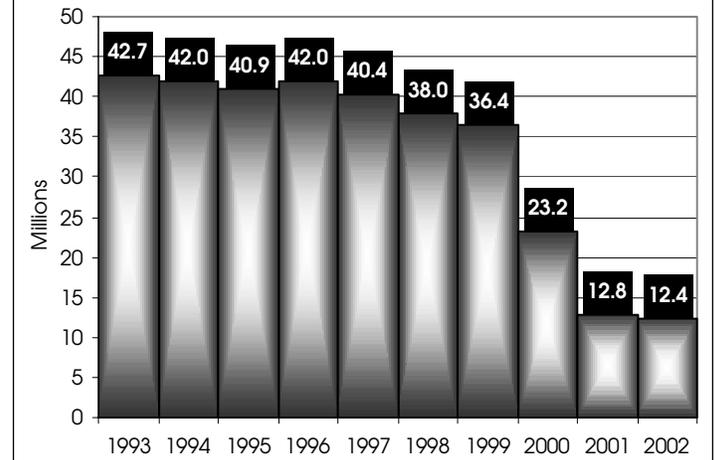


Table 35: Racing Privilege Tax Breakdown by Fund

Funds	Percentage allocated to funds	FY 99	FY 00	FY 01	FY 02
General Revenue Fund (Discontinued 12/31/99)	50% total regular breakage 100% total charity breakage	\$ 2,985,994 0	\$ 1,460,225 0	\$ 0 0	\$ 0 0
Agricultural Premium Fund (Discontinued 12/31/99)	50% total privilege tax	12,682,513	6,042,161	0	0
Metropolitan Exposition Authority Auditorium and Office Building Fund (Discontinued 12/31/99)	34.5% total privilege tax	8,750,934	4,169,091	0	0
Fair and Exposition Fund (Discontinued 12/31/99)	7% total privilege tax	156,992	98,390	0	0
Build Illinois Fund (Discontinued 12/31/99)	7% total privilege tax	1,618,560	747,512	0	0
Racetrack Improvement Fund (Discontinued 12/31/99)	50% total regular breakage	2,951,208	1,439,125	0	0
Illinois Standardbred Breeders Fund (Discontinued 12/31/99)	8.5% total privilege tax	651,031	303,505	0	0
Illinois Thoroughbred Breeders Fund (Discontinued 12/31/99)	8.5% total privilege tax	1,470,208	702,561	0	0
Horse Racing Allocation Fund (Discontinued 12/31/99)	1% pari-mutuel handle on intertrack wagering	5,115,604	2,839,665	0	0
Illinois Racing Quarterhorse @ 1/01	100% pari-mutuel tax receipts into Quarterhorse racing	0	2,378	0	0
Horse Racing Fund @ 1/01	100% with exception of Quarterhorse racing	0	4,394,022	12,815,513	12,388,203
Protest		0	1,079,281	0	0
Total		\$ 36,383,044	\$ 23,277,916	\$ 12,815,513	\$ 12,388,203

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.

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, approves owners, and issues licenses to 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 admissions taxes, penalties and fees. On a calendar year basis, the board produces a detailed annual report, which may be obtained by writing to: Illinois Gaming Board, P.O. Box 19474, Springfield, Illinois 62794-9474, or by visiting their web site at www.IGB.state.il.us.

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.

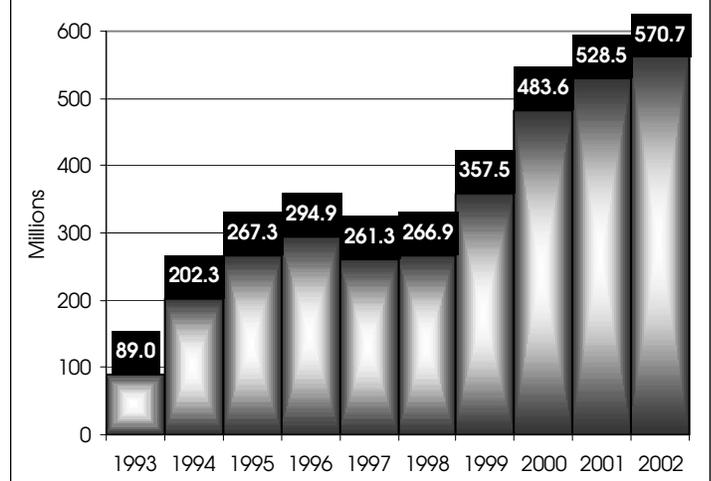
Application fees	License fees	
Owner's license	\$50,000	\$25,000; \$5,000 *
Supplier's license	\$10,000	\$5,000
Occupational license, Level 1	\$1,000	\$50
Occupational license, Level 2	\$200	\$50
Occupational license, Level 3	\$75	\$50

* \$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 34: Riverboat Gambling Collections



F I S C A L Y E A R 2 0 0 2 A N N U A L R E P O R T

Table 36: 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
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
2001	37,067,890	490,201,313	45,000	0	20,000	0	1,213,342	528,547,545
2002	\$ 38,139,181	\$ 531,108,176	\$ 45,000	\$ 0	\$ 40,000	\$ 0	\$ 1,340,154	\$ 570,672,511

Real Estate Taxes and Programs

Circuit Breaker Property Tax Grant Program and Pharmaceutical Assistance Program

Statutory Reference

320 ILCS 25/1 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- to middle-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 2001 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

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), arthritis, Parkinson’s disease, Alzheimer’s disease, cancer, glaucoma, lung disease and smoking-related illnesses, and osteoporosis (added July 1, 2001).

During the 2002 calendar year, a two-tiered structure was in effect: the cost of pharmaceutical coverage and the amount of copayment per prescription required from the participant were determined by the participant’s income. If a participant’s annual income for calendar year 2002 was at or below the federal poverty level guidelines in effect at that time (\$8,350 for single individuals and \$11,250 for married couples), the coverage cost was \$5, and there was no monthly copayment. If a participant’s income was at or above the federal poverty level, the coverage cost was \$25, and the participant paid the first \$3 of each prescription covered. Participants were liable for 20 percent of drug costs after the accumulated total paid by the program reached \$2,000 for the fiscal year.

Amount Expended

Circuit Breaker and Pharmaceutical Assistance

Property Tax Grant — A total of 254,032 Property Tax grants were processed during the 2002 calendar year, amounting to more than \$55.5 million in grants.

Pharmaceutical Assistance Program — The total amount expended in the 2002 calendar year was \$145,356,229 for 139,826 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.ILtax.com 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 governments. The property tax is a local tax, imposed by local governments (counties, townships, municipalities, school districts, special districts, *etc.*) and is administered by local officials.

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

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

The department administers some aspects of the property tax system. The department provides technical assistance and training to local officials, maintains taxing district maps, approves 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.

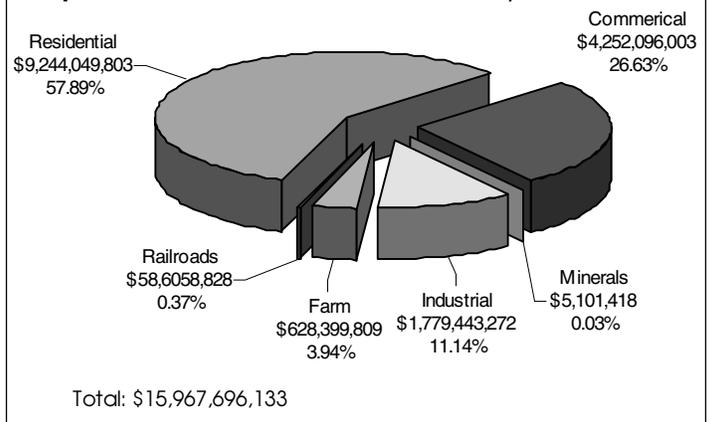
Table 37: Steps in the Property Tax Cycle

- 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 33¹/₃ 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.

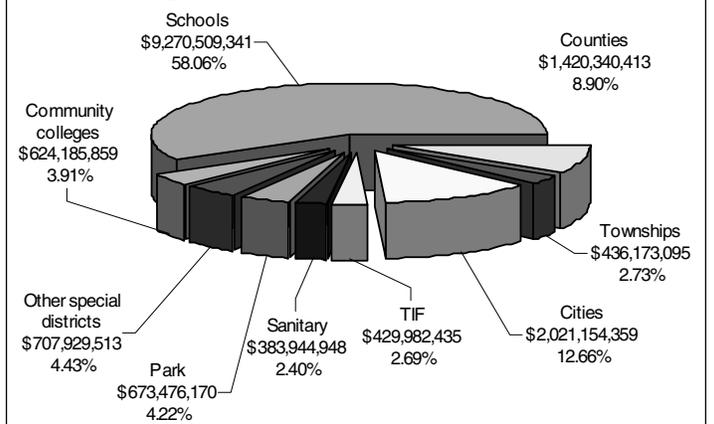
Most property is assessed at 33¹/₃ percent of its market value. Cook County “classifies” property and assesses classes at various percentages of market value according to local ordinance. Farmland in Illinois is assessed on its agricultural economic value, not on its market value. A complex formula takes into account the soil productivity, commodity prices and market conditions, production costs, and interest rates. Illinois statutes provide preferential assessments for other types of property.

By law, the department must equalize any assessment discrepancies between counties to be sure that the median level of assessments in each county is 33¹/₃ 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: Tax Year 2000 Extensions by Class



Graph 36: Tax Year 2000 Extensions by Type of District



ILLINOIS DEPARTMENT OF REVENUE

Table 38: Comparison of Equalized Assessed Values and Taxes Extended, 1999 and 2000

County	2000 Total EAV	1999 Total EAV	Amount of increase or decrease	% of increase or decrease	Total taxes extended 2000	Total taxes extended 1999	Amount of increase or decrease	% of increase or decrease
Statewide	204,178,019,641	192,993,890,240	11,184,129,401	5.80	15,967,696,133	15,191,472,335	776,223,798	5.11
Cook County	90,753,566,063	85,493,322,852	5,260,243,211	6.15	7,892,880,682	7,592,570,671	300,310,011	3.96
Collar counties	63,311,676,137	59,296,452,571	4,015,223,566	6.77	4,342,652,726	4,021,032,905	321,619,821	8.00
Rest of state	50,112,777,441	48,204,114,817	1,908,662,624	3.96	3,732,162,725	3,577,868,759	154,293,966	4.31
Adams	680,113,035	666,701,954	13,411,081	2.01	44,004,386	42,601,686	1,402,700	3.29
Alexander	40,171,135	40,515,905	(344,770)	(0.85)	3,656,957	3,594,067	62,890	1.75
Bond	118,199,650	116,205,388	1,994,262	1.72	9,568,319	9,248,726	319,594	3.46
Boone	634,838,596	603,607,151	31,231,445	5.17	43,661,558	40,825,007	2,836,551	6.95
Brown	50,824,475	51,251,260	(426,785)	(0.83)	3,833,281	3,655,380	177,901	4.87
Bureau	484,025,959	470,640,230	13,385,729	2.84	36,669,816	35,357,091	1,312,726	3.71
Calhoun	45,909,747	44,806,623	1,103,124	2.46	3,117,525	2,984,364	1,127,025	4.46
Carroll	241,603,651	225,609,334	15,994,317	7.09	17,521,512	16,394,487	1,127,025	6.87
Cass	110,708,484	110,034,302	674,182	0.61	9,176,318	8,840,746	335,572	3.80
Champaign	2,198,470,000	2,063,976,523	134,493,477	6.52	163,664,297	155,303,922	8,360,375	5.38
Christian	388,432,576	371,654,383	16,778,193	4.51	26,465,389	25,645,689	819,700	3.20
Clark	151,976,663	147,271,061	4,705,602	3.20	10,020,230	9,630,684	389,547	4.04
Clay	102,368,500	98,914,622	3,453,878	3.49	8,120,059	7,267,371	852,688	11.73
Clinton	320,732,881	306,491,366	14,241,515	4.65	22,458,953	21,538,499	920,454	4.27
Coles	530,360,023	511,835,757	18,524,266	3.62	41,510,909	39,439,458	2,071,451	5.25
Cook	90,753,566,063	85,493,322,852	5,260,243,211	6.15	7,892,880,682	7,592,570,671	300,310,011	3.96
Crawford	216,631,101	219,918,992	(3,287,891)	(1.50)	14,854,354	14,447,903	406,451	2.81
Cumberland	89,310,738	86,714,067	2,596,671	2.99	6,448,204	6,197,201	251,003	4.05
DeKalb	1,291,841,788	1,225,069,567	66,772,221	5.45	103,859,004	99,123,127	4,735,878	4.78
DeWitt	474,657,662	715,220,126	(240,562,464)	(33.63)	26,307,444	28,601,761	(2,294,317)	(8.02)
Douglas	285,250,844	271,296,066	13,954,778	5.14	19,088,141	17,988,574	1,099,566	6.11
DuPage	23,850,845,257	22,543,254,020	1,307,591,237	5.80	1,514,365,993	1,433,089,179	81,276,813	5.67
Edgar	227,894,663	220,549,065	7,345,598	3.33	15,690,428	15,357,351	333,076	2.17
Edwards	49,629,762	51,239,360	(1,609,598)	(3.14)	3,914,682	3,923,808	(9,125)	(0.23)
Effingham	425,126,859	412,201,201	12,925,658	3.14	26,876,127	25,680,359	1,195,767	4.66
Fayette	141,782,535	144,140,380	(2,357,845)	(1.64)	11,023,982	10,567,888	456,095	4.32
Ford	187,440,221	186,540,535	899,686	0.48	15,137,572	14,789,145	348,427	2.36
Franklin	191,965,272	183,912,073	8,053,199	4.38	17,298,509	16,943,375	355,134	2.10
Fulton	309,849,244	304,793,966	5,055,278	1.66	24,828,955	24,367,393	461,562	1.89
Gallatin	48,967,232	50,185,624	(1,218,392)	(2.43)	3,654,383	3,649,001	5,382	0.15
Greene	134,214,336	134,785,656	(571,320)	(0.42)	8,910,376	8,818,870	91,506	1.04
Grundy	1,228,918,269	1,159,677,996	69,240,273	5.97	71,374,702	65,732,995	5,641,707	8.58
Hamilton	52,608,771	51,242,767	1,366,004	2.67	4,563,439	4,439,555	123,884	2.79
Hancock	217,978,266	213,118,380	4,859,886	2.28	15,238,144	15,257,247	(19,103)	(0.13)
Hardin	20,122,116	18,361,142	1,760,974	9.59	977,123	948,607	28,516	3.01
Henderson	96,925,097	95,798,697	1,126,400	1.18	6,892,141	6,670,480	221,661	3.32
Henry	592,585,858	558,513,950	34,071,908	6.10	42,424,058	40,500,704	1,923,354	4.75
Iroquois	408,880,647	408,844,729	35,918	0.01	30,823,454	30,065,166	758,289	2.52
Jackson	429,171,613	409,679,788	19,491,825	4.76	35,661,884	34,381,180	1,280,704	3.73
Jasper	187,515,555	165,377,865	22,137,690	13.39	10,543,075	9,723,517	819,559	8.43
Jefferson	314,426,542	301,577,051	12,849,491	4.26	23,709,269	23,068,040	641,229	2.78
Jersey	219,465,025	207,658,787	11,806,238	5.69	11,519,410	11,012,153	507,258	4.61
JoDaviess	462,981,904	443,363,166	19,618,738	4.42	29,523,200	28,256,156	1,267,044	4.48
Johnson	68,673,451	67,526,973	1,146,478	1.70	4,785,713	4,665,019	120,694	2.59
Kane	7,352,997,897	6,793,124,755	559,873,142	8.24	538,236,868	499,008,056	39,228,812	7.86
Kankakee	1,252,230,215	1,202,612,450	49,617,765	4.13	95,866,186	91,510,094	4,356,092	4.76
Kendall	1,043,009,508	957,600,343	85,409,165	8.92	77,978,189	71,960,585	6,017,604	8.36
Knox	586,808,181	552,352,005	34,456,176	6.24	43,329,047	39,709,879	3,619,168	9.11
Lake	17,059,530,969	16,080,238,469	979,292,500	6.09	1,208,307,732	1,116,293,044	92,014,688	8.24

F I S C A L Y E A R 2 0 0 2 A N N U A L R E P O R T

Table 38: Comparison of Equalized Assessed Values and Taxes Extended, 1999 and 2000

County	2000 Total EAV	1999 Total EAV	Amount of increase or decrease	% of increase or decrease	Total taxes extended 2000	Total taxes extended 1999	Amount of increase or decrease	% of increase or decrease
LaSalle	1,793,398,144	1,731,366,194	62,031,950	3.58	125,566,520	120,654,549	4,911,971	4.07
Lawrence	93,771,191	95,535,359	(1,764,168)	(1.85)	6,634,969	6,498,889	136,080	2.09
Lee	486,892,901	473,559,487	13,333,414	2.82	34,829,964	33,870,726	959,237	2.83
Livingston	505,641,259	499,675,995	5,965,264	1.19	41,835,898	40,799,412	1,036,486	2.54
Logan	381,690,469	369,084,698	12,605,771	3.42	27,684,152	26,933,080	751,072	2.79
McDonough	313,144,655	279,615,616	33,529,039	11.99	26,455,937	25,983,279	472,658	1.82
McHenry	5,356,477,945	5,024,334,057	332,143,888	6.61	396,626,610	362,455,155	34,171,455	9.43
McLean	2,320,289,188	2,191,526,333	128,762,855	5.88	168,324,856	157,450,929	10,873,927	6.91
Macon	1,195,222,277	1,158,446,078	36,776,199	3.17	96,101,374	90,942,260	5,159,114	5.67
Macoupin	395,433,544	376,625,408	18,808,136	4.99	26,600,730	25,356,501	1,244,229	4.91
Madison	2,696,984,998	2,554,083,741	142,901,257	5.60	198,412,437	188,994,440	9,417,997	4.98
Marion	256,434,885	249,877,989	6,556,896	2.62	22,154,520	21,260,622	893,898	4.20
Marshall	181,362,814	172,048,936	9,313,878	5.41	13,841,471	13,185,101	656,370	4.98
Mason	158,801,671	154,941,550	3,860,121	2.49	13,265,495	12,764,747	500,748	3.92
Massac	137,731,522	131,003,218	6,728,304	5.14	8,808,523	8,106,073	702,450	8.67
Menard	176,870,882	166,786,834	10,084,048	6.05	11,903,968	11,199,252	704,716	6.29
Mercer	182,214,341	175,306,582	6,907,759	3.94	13,790,116	13,057,730	732,386	5.61
Monroe	409,124,242	381,807,379	27,316,863	7.15	23,065,440	21,063,748	2,001,692	9.50
Montgomery	298,443,626	289,622,788	8,820,838	3.05	23,180,954	21,978,105	1,202,850	5.47
Morgan	412,509,590	401,171,698	11,337,892	2.83	26,996,412	25,816,838	1,179,574	4.57
Moultrie	186,816,607	175,316,961	11,499,646	6.56	13,726,351	13,101,985	624,366	4.77
Ogle	1,178,799,365	1,157,101,802	21,697,563	1.88	76,835,430	73,658,970	3,176,460	4.31
Peoria	2,139,508,945	2,013,691,566	125,817,379	6.25	162,669,735	152,754,699	9,915,037	6.49
Perry	136,471,725	133,159,462	3,312,263	2.49	10,325,990	9,955,275	370,715	3.72
Piatt	269,859,183	255,686,943	14,172,240	5.54	17,495,882	16,659,900	835,983	5.02
Pike	163,500,309	166,662,251	(3,161,942)	(1.90)	11,164,972	11,141,608	23,364	0.21
Pope	25,128,581	24,234,356	894,225	3.69	1,625,460	1,556,509	68,950	4.43
Pulaski	25,045,010	24,730,423	314,587	1.27	2,008,148	1,924,363	83,785	4.35
Putnam	101,441,928	97,428,743	4,013,185	4.12	6,259,145	6,496,430	(237,285)	(3.65)
Randolph	275,643,504	268,031,408	7,612,096	2.84	17,500,994	16,905,633	595,360	3.52
Richland	156,883,760	155,794,510	1,089,250	0.70	10,702,892	10,415,286	287,606	2.76
Rock Island	1,684,808,308	1,594,607,387	90,200,921	5.66	136,472,749	130,210,155	6,262,594	4.81
St. Clair	2,275,444,355	2,147,760,561	127,683,794	5.94	180,736,709	171,611,194	9,125,515	5.32
Saline	162,495,827	163,580,369	(1,084,542)	(0.66)	13,843,599	13,708,421	135,178	0.99
Sangamon	2,585,007,362	2,516,745,452	68,261,910	2.71	185,234,815	179,643,677	5,591,138	3.11
Schuyler	68,498,397	68,612,636	(114,239)	(0.17)	5,695,420	5,546,166	149,255	2.69
Scott	62,671,859	53,795,518	8,876,341	16.50	3,841,530	3,651,778	189,753	5.20
Shelby	234,363,069	225,025,682	9,337,387	4.15	17,645,980	16,359,325	1,286,655	7.86
Stark	99,264,446	94,874,052	4,390,394	4.63	6,711,851	6,416,194	295,657	4.61
Stephenson	537,829,791	522,410,756	15,419,035	2.95	45,770,361	43,355,160	2,415,201	5.57
Tazewell	1,612,265,925	1,492,839,822	119,426,103	8.00	114,714,002	110,812,272	3,901,730	3.52
Union	105,479,961	99,480,421	5,999,540	6.03	8,000,241	7,548,814	451,427	5.98
Vermilion	722,583,799	689,477,705	33,106,094	4.80	59,885,566	57,096,381	2,789,185	4.89
Wabash	101,463,880	98,805,901	2,657,979	2.69	6,880,856	6,577,706	303,150	4.61
Warren	227,598,101	218,318,573	9,279,528	4.25	15,813,369	14,826,355	987,014	6.66
Washington	146,806,601	140,145,594	6,661,007	4.75	11,904,622	11,473,457	431,165	3.76
Wayne	123,188,861	127,669,220	(4,480,359)	(3.51)	9,234,468	9,354,122	(119,654)	(1.28)
White	111,503,388	113,167,251	(1,663,863)	(1.47)	8,050,984	8,044,728	6,256	0.08
Whiteside	619,861,256	600,240,912	19,620,344	3.27	46,684,813	44,936,112	1,748,701	3.89
Will	9,691,824,069	8,855,501,270	836,322,799	9.44	685,115,523	610,187,471	74,928,052	12.28
Williamson	553,808,281	525,269,178	28,539,103	5.43	36,023,978	34,076,591	1,947,387	5.71
Winnebago	3,151,207,315	3,050,687,546	100,519,769	3.29	297,055,409	297,494,542	(439,133)	(0.15)
Woodford	515,966,893	487,287,347	28,679,546	5.89	35,641,961	33,954,361	1,687,600	4.97

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.

County	Deferral	County	Deferral
Boone	\$ 16,239.20	Massac	\$ 1,303.00
Boone	16,239.20	McDonough	0.00
Cass	280.90	McHenry	205,092.95
Champaign	20,894.92	McLean	10,110.64
Christian	2,805.46	Menard	635.22
Clinton	3,763.56	Monroe	3,471.52
Coles	2,945.88	Montgomery	638.46
Cook	1,110,417.96	Morgan	358.08
DeKalb	70,353.39	Moultrie	946.58
Douglas	2,567.89	Ogle	20,879.66
DuPage	672,499.11	Peoria	30,454.32
Effingham	771.14	Perry	1,091.96
Ford	864.48	Rock Island	6,530.64
Fulton	15.00	Sangamon	27,091.82
Henry	2,331.90	St. Clair	16,809.74
Iroquois	5,369.44	Stephenson	9,469.82
Jefferson	0.00	Tazewell	6,422.18
Jo Daviess	3,362.54	Vermilion	368.02
Kane	225,124.22	Wayne	1,131.42
Kankakee	33,663.62	Whiteside	0.00
Kendall	48,173.82	Will	125,749.40
Knox	1,717.96	Williamson	1,582.86
Lake	628,660.19	Winnebago	202,608.61
LaSalle	27,710.42	Total	\$ 3,607,830.30
Lee	15,505.16	Special assessment	
Livingston	1,056.20	deferrals	\$ 9,285.73
Logan	577.50	Total	\$ 3,617,116.03
Macon	8,687.50	Number of participants:	1,776
Macoupin	3,904.12		
Madison	24,819.92		
Marshall	0.00		

Property Tax Extension Limitation Law Statutory Reference

35 ILCS 200/18-185 to 18-245

Definition

The Property Tax Extension Limitation Law (PTELL), was enacted to limit the annual increases in property tax extensions (total taxes billed) for non-home rule taxing districts. Increases in property tax extensions are limited to the lesser of five percent or the increase in the consumer price index (CPI), for the year preceding the levy year. The CPI used is for all urban consumers for all items as published by the United States Department of Labor. The CPI increase for 2000 was 2.7%.

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

The limitation slows the growth of revenues to taxing districts when property values and assessments are increasing faster than the rate of inflation. As a whole,

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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.

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

- Non-home rule taxing districts with a majority of their 1990 EAV in DuPage, Kane, Lake, McHenry, or Will counties;

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

Table 40: 2000 PTELL Dollar Reduction

County	Total	Schools	Cities and villages	Townships and road districts	County	All other districts
Statewide	270,511,215.65	224,978,177.45	7,267,640.20	3,799,078.55	5,410,644.01	29,055,675.44
Cook	125,207,015.00	112,370,610.00	3,332,907.00	666,444.00	0.00	8,837,054.00
Collar counties	135,874,013.09	106,075,291.56	3,479,680.00	2,135,792.35	4,810,936.26	19,372,312.92
Rest of state	9,430,187.56	6,532,275.89	455,053.20	996,842.20	599,707.75	846,308.52
Adams	None reported	—	—	—	—	—
Boone	124,084.29	58,433.64	5,372.23	11,222.56	—	49,055.86
Bureau	None reported	—	—	0.00	—	—
Champaign	817,945.54	537,905.26	78,258.63	133,634.48	—	68,147.17
Christian	48,084.92	29,370.72	9,231.21	4,677.11	1,703.16	3,102.72
Cook	125,207,015.00	112,370,610.00	3,332,907.00	666,444.00	—	8,837,054.00
DeKalb	39,617.35	19,880.22	1,944.30	8,346.68	—	9,446.15
DuPage	43,577,929.51	36,268,531.80	1,132,905.90	744,896.81	—	5,431,595.00
Franklin	104,804.16	103,884.47	—	714.43	—	205.26
Jackson	1,303,924.02	926,743.02	9,928.76	24,721.73	323,789.10	18,741.41
Jefferson	12,259.77	6,692.88	—	1,812.08	—	3,754.81
JoDavie	109,230.98	47,308.75	3,549.54	39,530.93	—	18,841.76
Kane	15,488,148.74	11,986,230.80	642,588.05	232,563.84	145,811.20	2,480,954.85
Kankakee	344,961.25	62,610.48	32,957.78	98,355.83	—	151,037.16
Kendall	1,217,482.99	972,457.23	961.36	81,520.40	5,209.00	157,335.00
Lake	35,623,877.41	27,995,246.45	789,452.59	74,349.18	841,562.61	5,923,266.58
LaSalle	710.23	—	—	—	—	710.23
Lee	22,319.17	9,879.95	440.46	9,570.66	—	2,428.10
Livingston	26,937.75	16,277.04	—	10,424.31	—	236.40
Logan	211,879.93	133,974.22	9,490.17	52,296.50	—	16,119.04
Macoupin	201,742.80	40,073.25	79,140.77	73,586.89	—	8,941.89
Marion	92,986.10	15,469.73	2,337.66	20,500.70	44,232.33	10,445.68
McDonough	571,021.39	491,984.78	1,520.85	38,082.07	34,445.84	4,987.85
McHenry	15,812,099.29	12,319,153.57	565,601.82	463,812.39	58,918.13	2,404,613.38
Menard	126,129.29	42,976.08	1,785.75	77,937.50	—	3,429.96
Monroe	48,945.00	4,921.00	3,177.00	12,968.00	15,253.00	12,626.00
Morgan	129,122.40	98,865.31	13,906.73	13,898.73	—	2,451.63
Randolph	149,333.39	12,221.78	40,594.44	96,517.17	—	—
Sangamon	583,532.15	401,288.23	29,126.28	46,020.35	17,636.12	89,461.17
Schuyler	22,538.02	19,525.64	—	3,012.38	—	—
Shelby	528.16	528.16	—	—	—	—
Stephens	297,417.99	169,703.01	3,037.87	82,373.21	8,754.75	33,549.15
Tazewell	1,502,528.93	1,388,216.76	57,857.56	14,922.45	—	41,532.16
Union	194,858.86	46,218.28	14,786.08	18,853.03	113,138.18	1,863.29
Washington	29,621.00	17,878.00	4,692.00	843.00	—	6,208.00
Whiteside	None reported	—	—	—	—	—
Williamson	431,981.95	344,694.86	50,955.77	—	13,656.90	22,674.42
Winnebago	663,657.78	512,293.14	—	20,499.02	21,889.37	108,976.25
Will	25,371,958.14	17,506,128.94	349,131.64	620,170.13	3,764,644.32	3,131,883.11

Information in this table was obtained from the county clerks' offices.
(1) Information was not available from the county.

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 \$258,396 in FY 2002.

County	FY 2002
Franklin	\$ 86,551
Hamilton	74,397
Jefferson	19,929
Total paid to counties	\$ 180,877
State of Illinois	
General Revenue Fund	\$ 77,519
Total TVA payments	\$ 258,396

Stipends and Reimbursements

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

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

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

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

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Table 42: FY 2002 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	3,500.00	—	20,313.48	6,500.00	Lee	4,250.00	3,000.00	22,848.54	6,500.00
Alexander	—	—	15,307.56	6,500.00	Livingston	2,500.00	6,000.00	24,209.96	6,500.00
Bond	500.00	3,000.00	19,700.04	6,500.00	Logan	1,000.00	—	16,272.06	6,500.00
Boone	7,500.00	24,000.00	24,361.50	6,500.00	Macon	7,250.00	—	23,058.00	6,500.00
Brown	2,500.00	6,000.00	12,836.28	6,500.00	Macoupin	2,000.00	—	18,322.56	6,500.00
Bureau	4,500.00	6,000.00	19,837.50	6,500.00	Madison	18,000.00	3,000.00	23,537.52	6,500.00
Calhoun	1,000.00	3,000.00	12,566.64	6,500.00	Marion	3,500.00	6,000.00	19,875.00	6,500.00
Carroll	3,000.00	6,000.00	17,499.96	6,500.00	Marshall	2,500.00	—	16,015.09	6,500.00
Cass	1,000.00	3,000.00	6,858.00	6,500.00	Mason	1,500.00	6,000.00	20,799.96	6,500.00
Champaign	10,750.00	24,000.00	24,999.96	6,500.00	Massac	1,000.00	—	15,274.59	6,500.00
Christian	1,000.00	12,000.00	20,200.68	6,500.00	McDonough	4,000.00	3,000.00	15,316.08	6,500.00
Clark	1,000.00	3,000.00	15,102.60	6,500.00	McHenry	11,500.00	48,000.00	37,654.80	6,500.00
Clay	2,000.00	6,000.00	18,945.00	6,500.00	McLean	12,000.00	15,000.00	25,548.10	6,500.00
Clinton	3,500.00	21,000.00	20,323.74	6,500.00	Menard	500.00	6,000.00	17,861.52	6,500.00
Coles	4,000.00	—	21,825.00	6,500.00	Mercer	2,000.00	—	17,149.98	6,500.00
Cook	38,750.00	—	—	6,500.00	Monroe	1,000.00	3,000.00	23,577.00	6,500.00
Crawford	2,000.00	9,000.00	17,500.08	6,500.00	Montgomery	4,000.00	—	18,321.24	6,500.00
Cumberland	1,500.00	3,000.00	15,000.00	6,500.00	Morgan	2,500.00	3,000.00	18,812.46	6,500.00
DeKalb	7,500.00	—	32,516.94	6,500.00	Moultrie	1,500.00	12,000.00	18,437.52	6,500.00
DeWitt	1,500.00	—	18,777.96	6,500.00	Ogle	5,000.00	9,000.00	24,466.68	6,500.00
Douglas	3,500.00	6,000.00	16,113.90	6,500.00	Peoria	13,500.00	21,000.00	34,583.78	6,500.00
DuPage	24,500.00	30,000.00	39,394.67	6,500.00	Perry	—	—	18,959.94	5,416.68
Edgar	3,000.00	6,000.00	20,300.04	6,500.00	Piatt	3,500.00	9,000.00	19,300.02	6,500.00
Edwards	1,000.00	—	14,984.34	6,500.00	Pike	2,500.00	—	15,040.80	6,500.00
Effingham	3,000.00	3,000.00	21,625.08	6,500.00	Pope	—	—	17,750.04	6,500.00
Fayette	2,000.00	3,000.00	20,587.56	6,500.00	Pulaski	1,000.00	—	13,575.24	6,500.00
Ford	2,500.00	9,000.00	20,125.02	6,500.00	Putnam	1,000.00	—	14,040.96	6,500.00
Franklin	3,000.00	—	17,272.56	6,500.00	Randolph	1,500.00	—	20,304.96	6,500.00
Fulton	5,000.00	6,000.00	18,124.98	6,500.00	Richland	1,000.00	6,000.00	17,065.98	6,500.00
Gallatin	1,000.00	—	15,455.04	6,500.00	Rock Island	12,000.00	—	21,659.04	6,500.00
Greene	1,500.00	—	14,920.02	6,500.00	Saline	2,500.00	9,000.00	23,834.04	6,500.00
Grundy	1,500.00	3,000.00	27,544.50	6,500.00	Sangamon	10,500.00	21,000.00	26,042.16	6,500.00
Hamilton	1,000.00	—	12,999.96	6,500.00	Schuyler	1,000.00	3,000.00	16,540.02	6,500.00
Hancock	3,500.00	—	17,836.56	6,500.00	Scott	1,000.00	6,000.00	14,331.54	6,500.00
Hardin	500.00	—	3,677.56	6,500.00	Shelby	1,500.00	—	—	6,500.00
Henderson	1,000.00	—	14,313.54	6,500.00	St. Clair	5,000.00	—	—	6,500.00
Henry	5,000.00	—	27,996.66	6,500.00	Stark	1,000.00	3,000.00	14,224.98	6,500.00
Iroquois	8,000.00	27,000.00	20,375.04	6,500.00	Stephenson	6,000.00	12,000.00	22,867.26	6,500.00
Jackson	4,000.00	—	23,499.96	6,500.00	Tazewell	6,000.00	—	23,927.04	6,500.00
Jasper	1,000.00	3,000.00	18,385.44	6,500.00	Union	—	—	21,536.28	6,500.00
Jefferson	2,500.00	3,000.00	21,729.72	6,500.00	Vermillion	6,750.00	—	20,512.50	6,500.00
Jersey	1,500.00	—	17,896.09	6,500.00	Wabash	500.00	3,000.00	15,780.09	6,500.00
Jo Daviess	3,500.00	12,000.00	19,545.00	6,500.00	Warren	500.00	—	14,750.04	6,500.00
Johnson	1,000.00	—	19,737.54	6,500.00	Washington	3,500.00	6,000.00	17,000.04	6,500.00
Kane	16,500.00	9,000.00	34,000.02	6,500.00	Wayne	1,500.00	—	15,536.88	6,500.00
Kankakee	8,000.00	—	26,072.64	6,500.00	White	1,000.00	—	19,617.36	6,500.00
Kendall	2,000.00	15,000.00	32,014.80	6,500.00	Whiteside	4,500.00	—	27,070.80	6,500.00
Knox	5,000.00	—	20,604.48	6,500.00	Will	16,500.00	45,000.00	42,365.70	6,500.00
Lake	29,250.00	21,000.00	63,873.06	6,500.00	Williamson	3,000.00	—	22,001.04	6,500.00
LaSalle	11,000.00	—	27,712.88	6,500.00	Winnebago	16,500.00	27,000.00	29,267.52	6,500.00
Lawrence	1,000.00	6,000.00	14,799.96	6,500.00	Woodford	1,000.00	15,000.00	19,500.06	6,500.00
					Total	\$467,000.00	\$ 600,000.00	\$ 2,054,336.31	\$ 661,916.68

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 units of government may also impose an additional real estate transfer tax.

Distribution

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

Graph 37: Real Estate Transfer Tax Collections

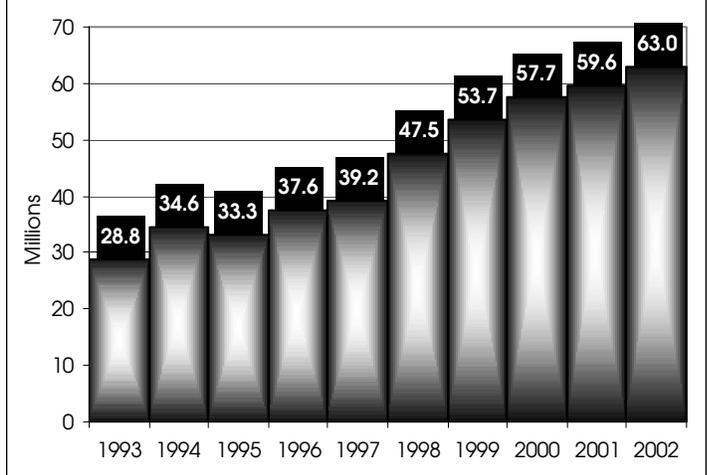


Table 43: Real Estate Transfer Tax Rate History

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

F I S C A L Y E A R 2 0 0 2 A N N U A L R E P O R T

Table 44: Real Estate Stamp Sales by County

County	FY 1999	FY 2000	FY 2001	FY 2002	County	FY 1999	FY 2000	FY 2001	FY 2002
Adams	\$144,000	\$154,000	99,000	149,000	Lee	\$98,825	\$76,975	145,300	45,150
Alexander	8,485	4,530	7,830	8,125	Livingston	72,000	80,001	105,138	80,000
Bond	25,525	26,095	28,580	32,420	Logan	52,138	35,000	70,000	57,000
Boone	219,011	135,548	180,196	200,000	Macon	270,000	265,000	275,000	250,000
Brown	8,010	6,434	6,430	13,920	Macoupin	109,000	78,950	70,725	60,798
Bureau	80,000	88,000	72,000	88,000	Madison	744,787	806,707	700,002	720,000
Calhoun	9,300	6,060	9,025	10,881	Marion	55,813	49,000	52,000	48,613
Carroll	49,047	53,938	51,727	48,344	Marshall	29,306	32,680	43,122	38,933
Cass	15,245	20,909	24,190	20,435	Mason	16,550	38,200	36,250	32,800
Champaign	420,000	450,000	520,000	619,000	Massac	20,045	16,586	12,580	19,912
Christian	60,000	60,000	60,000	84,000	McDonough	55,905	55,000	55,000	55,000
Clark	37,985	27,620	24,236	30,081	McHenry	1,680,000	1,920,000	1,760,000	2,340,000
Clay	20,785	18,350	20,164	19,992	McLean	667,500	568,000	565,001	765,000
Clinton	50,650	61,105	65,235	59,245	Menard	29,948	26,641	29,640	44,200
Coles	110,000	120,000	60,000	140,000	Mercer	35,000	31,915	35,000	40,000
Cook	24,225,284	25,760,893	27,381,085	29,266,258	Monroe	90,004	90,005	105,000	120,000
Crawford	28,558	32,931	26,093	33,050	Montgomery	49,939	150,737	39,979	59,980
Cumberland	13,521	18,220	17,150	15,895	Morgan	68,000	95,000	80,000	80,000
DeKalb	280,000	315,000	360,000	400,000	Moultrie	23,132	37,288	28,889	24,805
DeWitt	37,800	51,800	40,000	34,832	Ogle	164,950	157,964	305,725	203,475
Douglas	37,750	42,105	38,270	53,443	Peoria	467,501	473,850	463,350	532,000
Du Page	6,389,350	6,860,000	6,800,000	6,720,000	Perry	31,800	23,090	26,373	21,960
Edgar	46,223	43,721	38,873	30,349	Piatt	39,407	50,091	53,210	59,948
Edwards	6,562	7,663	7,508	7,213	Pike	27,993	40,605	51,073	33,485
Effingham	80,948	67,218	66,178	76,835	Pope	2,995	8,876	4,190	7,650
Fayette	26,850	33,270	31,340	36,235	Pulaski	7,060	7,626	4,003	4,395
Ford	26,431	34,380	33,045	36,266	Putnam	15,300	24,460	17,525	27,425
Franklin	35,000	50,001	40,001	40,000	Randolph	37,243	139,189	83,301	52,261
Fulton	50,000	80,001	80,000	50,000	Richland	24,003	22,784	21,892	24,482
Gallatin	7,800	8,124	18,973	8,100	Rock Island	330,000	263,761	329,824	299,878
Greene	20,000	22,000	22,535	22,680	St. Clair	545,285	607,136	555,752	695,101
Grundy	139,221	213,756	154,099	191,929	Saline	34,263	34,875	27,258	34,810
Hamilton	15,955	9,465	8,483	11,888	Sangamon	644,527	534,177	510,732	559,918
Hancock	31,460	38,730	31,453	38,358	Schuyler	15,108	16,038	19,058	14,133
Hardin	5,451	7,636	4,341	4,991	Scott	13,134	8,194	8,233	13,170
Henderson	10,125	9,275	14,525	20,360	Shelby	36,271	40,526	43,223	44,115
Henry	108,940	104,190	103,465	110,360	Stark	12,855	15,797	16,197	11,665
Iroquois	75,000	75,000	85,000	85,000	Stephenson	100,017	117,796	104,791	113,009
Jackson	80,000	98,542	73,710	77,000	Tazewell	300,000	390,000	345,000	345,000
Jasper	11,010	218,298	17,055	17,180	Union	20,783	18,176	21,071	21,113
Jefferson	60,003	60,002	40,000	90,000	Vermilion	136,200	157,805	130,000	148,000
Jersey	40,000	36,000	46,000	45,000	Wabash	17,590	17,215	17,454	17,720
Jo Daviess	84,700	255,613	109,300	68,125	Warren	32,106	38,522	35,300	41,000
Johnson	18,532	13,104	18,365	15,889	Washington	41,486	27,275	25,825	32,900
Kane	2,644,013	2,741,424	3,023,722	3,330,687	Wayne	22,722	23,823	18,249	17,155
Kankakee	240,000	280,000	260,000	280,000	White	22,063	19,065	21,694	20,400
Kendall	340,403	447,478	528,387	652,496	Whiteside	120,000	130,000	80,000	126,150
Knox	110,000	90,000	90,000	110,000	Will	3,390,228	3,999,072	4,264,741	4,266,667
Lake	5,038,410	4,848,122	5,440,000	5,660,000	Williamson	98,461	106,280	108,540	144,557
LaSalle	285,000	376,000	349,961	400,000	Winnebago	700,000	800,000	800,000	800,000
Lawrence	22,355	20,273	19,108	14,840	Woodford	87,616	82,665	106,333	87,985
Total						\$ 53,637,548	\$57,453,233	\$ 59,475,171	\$ 63,282,413

Disbursements to Local Governments

Table 45: Taxes Disbursed to Local Governments			
Section 1: Taxes Collected for Local Governments (1)			
	FY 2000	FY 2001	FY 2002
Automobile Renting Taxes			
1 County Automobile Renting Tax	82,814	78,203	64,509
2 MPEA Automobile Renting Tax	26,043,707	26,945,368	24,050,677
3 Municipal Automobile Renting Tax	5,556,834	5,715,746	5,154,968
A. Total Automobile Renting Taxes	\$ 31,683,355	\$ 32,739,317	\$ 29,270,154
B. Chicago Soft Drink Tax	\$ 7,487,522	\$ 7,953,705	\$ 7,323,659
C. County Motor Fuel Tax	\$ 27,132,259	\$ 26,983,326	\$ 26,247,323
D. County Water Commission Tax (2)	\$ 33,847,785	\$ 33,615,413	\$ 32,848,682
Home Rule and Non-home Rule Taxes (3)			
1 Chicago Home Rule Vehicle Use Tax	24,992,740	24,786,163	26,203,321
2 County Home Rule	268,646,063	279,511,401	273,592,150
3 Municipal Home Rule	364,013,835	379,927,819	389,231,803
4 Municipal Non-home Rule	2,699,861	2,638,254	4,446,818
E. Total Home Rule and Non-home Rule Taxes	\$ 660,352,499	\$ 686,863,637	\$ 693,474,092
Hotel Taxes			
1 Illinois Sport Facilities Tax ⁽⁴⁾	25,708,565	27,222,223	23,474,429
2 MPEA Hotel Tax	29,971,464	31,736,059	27,366,872
3 Municipal Hotel Tax	12,985,447	13,750,046	11,856,981
F. Total Hotel Taxes	\$ 68,665,476	\$ 72,708,328	\$ 62,698,282
Mass Transit District Sales and Use Taxes			
1 RTA	506,053,815	519,184,837	524,339,320
2 MED	22,421,618	22,737,679	23,372,482
3 RTA Motor Fuel Sales/Use Tax ⁽⁵⁾	12,528	0	0
G. Total Mass Transit District Sales and Use Taxes	\$ 528,487,961	\$ 541,922,516	\$ 547,711,802
H. Metro-east Park and Recreation District Tax ⁽⁶⁾	\$ 0	\$ 0	\$ 3,096,778
I. MPEA Food and Beverage Tax	\$ 21,062,415	\$ 23,106,600	\$ 21,852,319
Replacement Vehicle Taxes			
1 County Replacement Vehicle	226	258	149
2 Municipal Replacement Vehicle	46,950	45,458	51,838
J. Total Replacement Vehicle Taxes	\$ 47,176	\$ 45,716	\$ 51,987
K. Tennessee Valley Authority (TVA)	\$ 154,687	\$ 159,760	\$ 180,877
L. Special County ROT for Public Safety	\$ 15,242,091	\$ 18,275,098	\$ 22,591,932
Total Section 1: Taxes Collected for Local Governments (A+B+C+D+E+F+G+H+I+J+K+L)	\$ 1,394,163,226	\$ 1,444,373,416	\$ 1,425,314,691

Table 45: Taxes Disbursed to Local Governments (continued)

Section 2: Revenue-sharing with Local Governments	FY 2000	FY 2001	FY 2002
Gaming Taxes			
1 Charitable Games	49,550	49,160	48,775
2 Pull Tabs and Jar Games	1,350,203	1,320,204	1,271,011
A. Total Gaming Taxes	\$ 1,399,753	\$ 1,369,364	\$ 1,319,786
Fund Transfers to Local Governments			
1 Income Tax (LGDF)	892,526,660	903,539,363	827,497,057
2 Photoprocessing (LGDF)	25,597,857	25,267,839	24,927,618
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>	42,102,980	41,935,443	36,538,588
<i>Metro-East Public Transportation Fund</i>	1,263,139	1,258,063	1,096,203
<i>Local Use Tax (subsequently deposited into the LGDF)</i>	108,303,074	107,715,967	88,994,187
<i>RTA Occupation and Use Tax Replacement Fund</i>	21,249,529	21,089,120	18,269,295
Total Local Share of Use Tax	210,718,722	209,798,593	182,698,274
4 Sales Tax Transfers for Local Transportation			
<i>Public Transportation Fund</i>	160,164,660	164,329,470	165,571,042
<i>Downstate Public Transportation Fund</i>	35,065,917	37,798,346	41,706,544
<i>Metro-East Public Transportation Fund</i>	15,509,521	14,954,917	15,220,123
Total Sales Tax Transfers for Local Transportation	210,740,098	217,082,733	222,497,709
B. Total Fund Transfers to Local Governments	\$ 1,339,583,337	\$ 1,355,688,528	\$ 1,257,620,658
Local Share of Sales and Use Taxes			
1 Cook County Share of State Taxes ⁽²⁾	109,187,314	112,233,903	112,410,493
2 County Share of State Taxes ⁽²⁾	50,713,891	51,112,504	48,664,169
3 Countywide Share of State Taxes ⁽²⁾	167,570,136	168,836,788	174,486,192
4 Municipal Share of State Taxes ⁽²⁾	1,257,167,935	1,276,961,158	1,313,681,619
C. Total Local Share of Sales and Use Taxes	\$ 1,584,639,276	\$ 1,609,144,353	\$ 1,649,242,472
Motor Fuel Taxes (Collected by IDOR and Distributed by IDOT)			
1 Counties	200,400,000	212,317,355	213,309,872
2 Municipalities	281,100,000	297,726,491	299,001,555
3 Townships	91,000,000	96,320,159	96,815,021
D. Total Motor Fuel Taxes	\$ 572,500,000	\$ 606,364,005	\$ 609,126,448
E. Replacement Taxes	\$ 1,041,563,463	\$ 1,006,863,634	\$ 878,330,216
F. Tax Increment Financing Districts	\$ 16,945,826	\$ 16,781,564	\$ 16,947,385
Total Section 2: Revenue-sharing with Local Governments (A+B+C+D+E+F)	\$ 4,556,631,655	\$ 4,596,211,448	\$ 4,412,586,965
Disbursements Grand Total (Section 1 + Section 2)	\$ 5,950,794,881	\$ 6,040,584,864	\$ 5,837,901,656

(1) The amount disbursed may not agree with collection figures reported in Table 1 because these amounts may include interest or advance payments or are net of any statutory administrative fees.
 (2) Excludes hardship refunds.
 (3) Amounts include any interest or advance payments
 (4) Payments exclude \$8 million dollar advance to the authority from the General Revenue Fund.
 (5) The tax was discontinued October 31, 1979.
 (6) Imposed July 1, 2001.

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 DuPage, 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

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

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

Distribution

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

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 DuPage 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. DuPage 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, DuPage, and Will selling items that will be registered to an address within the corporate limits of Chicago.

Before Illinois Sales Tax Reform, most municipalities imposing a home rule sales tax did so at a 1 percent rate. 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 the units of local government imposing the tax based on sales occurring within the local government's boundaries. (Chicago Home Rule Use Tax collections, minus a 2% administrative fee, are distributed to Chicago.)

ILLINOIS DEPARTMENT OF REVENUE

Table 46: FY 2002 Home Rule, Non-home Rule, and Special					County ROT for Public Safety Sales Tax Disbursements				
Municipality	Net Collected	Interest	Advanced Payment	Total	Municipality	Net Collected	Interest	Advanced Payment	Total
Addison	2,306,277.01	3,344.12	8,502.78	2,318,123.91	Pekin	2,567,341.58	3,793.47	3,663.13	2,574,798.18
Alsip	533,128.89	809.31	0.00	533,938.20	Peoria	12,847,419.56	18,631.65	0.00	12,866,051.21
Alton	1,649,788.69	2,358.79	3,035.56	1,655,183.04	Peoria Heights	355,090.77	509.67	0.00	355,600.44
Arlington Heights	3,709,274.85	5,167.24	17,275.36	3,731,717.45	Quincy	3,340,931.04	4,773.92	0.00	3,345,704.96
Aurora	12,364,400.69	17,587.90	51,304.10	12,433,292.69	Rock Island	843,635.89	1,277.11	4,749.27	849,662.27
Belleville	834,816.88	1,213.47	2,222.99	838,253.34	Rolling Meadows	1,164,125.25	1,715.90	8,007.46	1,173,848.61
Berkeley	126,201.97	183.06	0.00	126,385.03	Rosemont	2,327,684.83	3,347.30	11,624.54	2,342,656.67
Berwyn	1,810,842.98	2,582.88	5,082.77	1,818,508.63	Round Lake Beach	365,505.91	218.39	0.00	365,724.30
Bloomington	1,811,407.68	2,627.61	0.00	1,814,035.29	Sauget	46,194.65	68.80	0.00	46,263.45
Bloomington	10,440,742.35	15,275.06	53,440.04	10,509,457.45	Schaumburg	10,140,182.66	14,350.56	0.00	10,154,533.22
Bolingbrook	5,108,229.77	7,233.28	58,039.14	5,173,502.19	Schiller Park	88,948.19	53.25	0.00	89,001.44
Buffalo Grove	2,054,205.51	3,022.98	0.00	2,057,228.49	Sesser	75,672.64	114.65	0.00	75,787.29
Burbank	1,881,310.64	2,687.37	7,999.69	1,891,997.70	Skokie	7,130,460.77	10,135.50	0.00	7,140,596.27
Burnham	45,456.04	69.80	0.00	45,525.84	South Barrington	228,648.20	339.09	0.00	228,987.29
Cahokia	229,966.37	334.58	0.00	230,300.95	Springfield	13,891,506.44	19,739.51	19,471.66	13,930,717.61
Calumet City	2,661,246.94	3,809.18	4,524.17	2,669,580.29	St. Charles	2,451,718.24	3,420.74	7,955.46	2,463,094.44
Carbondale	3,503,219.81	4,956.13	28,930.66	3,537,106.60	Stone Park	156,362.29	229.63	0.00	156,591.92
Carpentersville	1,522,681.87	2,184.21	6,985.80	1,531,851.88	Streamwood	1,040,117.94	1,486.67	3,102.39	1,044,707.00
Champaign	9,540,067.65	13,622.35	32,676.84	9,586,366.84	Sycamore	2,170,806.77	2,486.75	55,829.01	2,229,122.53
Channahon	1,968,224.78	2,922.14	103,068.54	2,074,215.46	Urbana	1,792,919.08	2,667.23	8,044.49	1,803,630.80
Chicago	136,517,776.20	199,174.60	0.00	136,716,950.80	Washington	832,631.95	1,229.35	3,477.40	837,338.70
Chicago Ridge	2,432,610.18	3,456.93	21,549.84	2,457,616.95	Watseka	832,191.30	1,115.31	47,430.97	880,737.58
Cicero	3,291,615.20	4,857.56	6,726.91	3,303,199.67	West Dundee	3,085,632.49	4,242.91	8,344.43	3,098,219.83
Danville	3,285,792.21	4,796.63	217.11	3,290,805.95	Wheeling	2,034,712.70	2,705.09	827.05	2,038,244.84
DeKalb	2,156,222.02	3,063.13	5,820.94	2,165,106.09	Total	387,270,178.00	554,231.99	1,407,393.23	389,231,803.22
Decatur	7,725,750.16	11,152.29	13,983.16	7,750,885.61	County Home Rule				
Des Plaines	3,722,582.67	5,580.73	25,180.26	3,753,343.66	Cook	\$ 272,733,569.79	474,041.00	384,539.06	273,592,149.85
Dolton	447,238.67	663.55	0.00	447,902.22	Municipal Non-home Rule				
East Hazel Crest	29,479.99	42.47	0.00	29,522.46	Arcola	27,157.56	20.63	0.00	27,178.19
East St. Louis	506,801.67	782.55	0.00	507,584.22	East Peoria	2,950,938.61	19,099.99	0.00	2,970,038.60
Elgin	4,329,744.95	6,323.62	14,483.30	4,350,551.87	Forest View	63,160.13	42.20	0.00	63,202.33
Elk Grove Village	3,020,281.79	4,663.25	0.00	3,024,945.04	Jerseyville	201,422.62	144.38	0.00	201,567.00
Elmhurst	1,357,612.61	2,023.94	13,545.57	1,373,182.12	Litchfield	243,896.77	179.91	0.00	244,076.68
Elmwood Park	792,243.95	1,139.56	850.30	794,233.81	Merrionette Park	52,592.57	40.90	0.00	52,633.47
Elwood	136,509.23	149.89	0.00	136,659.12	Mokena	228,795.22	159.60	0.00	228,954.82
Evanston	5,367,774.49	7,188.64	10,614.41	5,385,577.54	O'Fallon	522,168.18	396.78	0.00	522,564.96
Evergreen Park	1,166,374.79	1,620.00	5,301.50	1,173,296.29	Sparta	136,504.21	97.61	0.00	136,601.82
Fairview Heights	1,812,291.11	2,530.64	3,223.31	1,818,045.06	Total	4,426,635.87	20,182.00	0.00	4,446,817.87
Galesburg	2,178,874.94	3,157.81	0.00	2,182,032.75	Chicago Home Rule Vehicle Use Tax				
Glendale Heights	722,780.31	1,183.72	20,029.01	743,993.04	Chicago	26,162,924.09	40,397.01	0.00	26,203,321.10
Granite City	1,813,310.74	2,672.49	9,807.10	1,825,790.33	County Public Safety				
Gurnee	4,325,465.33	6,155.61	27,569.66	4,359,190.60	Boone	934,166.82	0.00	3,578.74	937,745.56
Hanover Park	810,587.76	1,228.74	3,352.45	815,168.95	Brown	49,489.28	0.00	0.00	49,489.28
Harwood Heights	694,753.90	1,044.69	2,817.52	698,616.11	Carroll	197,272.57	0.00	0.00	197,272.57
Highland Park	2,016,286.55	3,006.84	11,001.33	2,030,294.72	Champaign	3,474,843.38	0.00	1,288.50	3,476,131.88
Hoffman Estates	1,787,946.16	2,575.59	21,349.19	1,811,870.94	Kendall	770,230.81	0.00	0.00	770,230.81
Joliet	13,429,028.40	19,360.20	39,365.25	13,487,753.85	Knox	856,058.92	0.00	806.16	856,865.08
Lansing	703,341.70	435.07	0.00	703,776.77	LaSalle	2,316,594.65	0.00	3,350.89	2,319,945.54
Lincolnwood	1,202,480.22	1,745.27	0.00	1,204,225.49	Marion	450,067.74	0.00	0.00	450,067.74
Marion	2,717,176.37	3,643.11	3,666.03	2,724,485.51	McDonough	892,470.37	0.00	72,998.60	965,468.97
Moline	4,582,864.56	6,598.02	9,453.89	4,598,916.47	Peoria	3,835,804.66	0.00	0.00	3,835,804.66
Monee	279,925.51	407.33	0.00	280,332.84	Perry	245,007.72	0.00	0.00	245,007.72
Monmouth	545,410.79	807.04	42,927.85	589,145.68	Pike	174,863.76	0.00	0.00	174,863.76
Morton Grove	3,191,822.88	4,558.83	13,885.63	3,210,267.34	Richland	491,587.00	0.00	0.00	491,587.00
Mount Prospect	2,728,556.13	4,009.05	25,882.60	2,758,447.78	Stephenson	1,352,750.02	0.00	1,708.26	1,354,458.28
Mount Vernon	3,002,264.45	4,387.88	11,775.22	3,018,427.55	Tazewell	4,001,531.37	0.00	33,809.31	4,035,340.68
Mundelein	2,113,311.19	3,165.49	181,130.55	2,297,607.23	Vermilion	1,162,944.29	0.00	0.00	1,162,944.29
Murphysboro	292,606.95	434.89	0.00	293,041.84	Woodford	1,268,708.59	0.00	0.00	1,268,708.59
Niles	6,415,718.36	9,186.33	169,900.39	6,594,805.08	Total	\$ 22,474,391.95	\$ 0.00	\$ 117,540.46	\$ 22,591,932.41
Normal	4,715,850.50	6,435.78	0.00	4,722,286.28					
Norridge	2,962,832.54	4,191.93	10,191.84	2,977,216.31					
Northbrook	1,006,048.72	597.83	0.00	1,006,646.55					
Northlake	1,837,962.92	2,649.93	9,816.26	1,850,429.11					
Oak Lawn	1,012,126.45	1,478.11	82,518.49	1,096,123.05					
Oak Park	2,021,078.22	3,018.65	14,850.06	2,038,946.93					
Orland Park	3,316,507.40	2,046.31	0.00	3,318,553.71					
Palatine	2,022,536.91	2,964.36	8,990.60	2,034,491.87					
Park Ridge	810,086.74	1,231.20	0.00	811,317.94					

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.

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, DuPage, Kane, Lake, McHenry, and Will counties. The **Metro-East Mass Transit District (MED)** imposes a sales tax in parts of Madison and St. Clair counties.

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

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

The RTA also receives Cook County's share of 0.25 percent of sales tax revenues disbursed to 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 sales occurring within the district boundaries.

Table 47: FY 2002 Regional Transportation Authority Payments

RTA Sales Tax		
County	Payment	Percent of total
Cook	\$ 426,803,721.53	67.03%
DuPage	41,103,546.55	6.46%
Kane	11,700,709.01	1.84%
Lake	24,592,785.69	3.86%
McHenry	7,089,360.69	1.11%
Will	12,081,884.79	1.90%
Total	\$ 523,372,008.26	82.19%
Cook County Share of State Taxes (revenue-sharing)		
	\$ 112,410,492.62	17.65%
Advanced Payment		
	\$ 967,311.97	0.15%
Total	\$ 636,749,812.85	100.0%

Note: Cook County's total from both its RTA sales tax and its 0.25 percent of the state 6.25 percent rate (County and Mass Transit Fund) is \$539,214,214.15.

Table 48: FY 2002 Metro-East Mass Transit District Payments

County	Payment	Percent of total
Madison	\$ 6,486,395.31	27.8%
St. Clair	16,886,086.19	72.2%
Total	\$ 23,372,481.50	100.0%

Metro-East Park and Recreation District Tax

Statutory reference

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

Definition

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

Distribution

Funds are distributed monthly.

Metropolitan Pier and Exposition Authority Food and Beverage Tax

Statutory Reference

70 ILCS 210/13(b)

Definition

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

Effective October 1, 1992, the tax rate is 1 percent.

Distribution

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

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 49: Charitable Games Distributions to Municipalities and Counties

Treasurer	Number of licenses	Allocation	Treasurer	Number of licenses	Allocation
County			Municipality		
Cook County Treasurer	1	\$ 236.77	Lemont Village Treasurer	1	\$ 236.77
DuPage County Treasurer	1	236.77	Lexington City Treasurer	1	236.77
Lake County Treasurer	2	473.54	Lincolnshire Village Treasurer	6	1,420.62
Winnebago County Treasurer	1	236.77	Lisle Village Treasurer	4	947.08
Total County	5	\$ 1,183.85	Lockport City Treasurer	2	473.54
Municipality			Lombard Village Treasurer	1	236.77
Addison Village Treasurer	1	236.77	Long Grove Village Treasurer	1	236.77
Antioch Village Treasurer	2	473.54	Loves Park City Treasurer	1	236.77
Arlington Heights Treasurer	5	1,183.85	Macomb City Treasurer	1	236.77
Aviston Village Treasurer	1	236.77	Manhattan Village Treasurer	1	236.77
Belleville City Treasurer	6	1,420.62	Marseilles City Treasurer	1	236.77
Bloomington Village Treasurer	1	236.77	Maryville Village Treasurer	1	236.77
Blue Island City Treasurer	1	236.77	Mokena Village Treasurer	1	236.77
Bradley Village Treasurer	1	236.77	Mount Prospect Village Treasurer	1	236.77
Breese City Treasurer	1	236.77	Mount Zion Village Treasurer	1	236.77
Brookfield Village Treasurer	2	473.54	Mundelein Village Treasurer	2	473.54
Burbank City Treasurer	2	473.54	Murphysboro City Treasurer	1	236.77
Burr Ridge Village Treasurer	1	236.77	Naperville City Treasurer	2	473.54
Cahokia Village Treasurer	2	473.54	New Baden Village Treasurer	1	236.77
Carol Stream Village Treasurer	1	236.77	North Aurora Village Treasurer	1	236.77
City of Chicago	38	8,997.26	Northbrook Village Treasurer	4	947.08
Clarendon Hills Vlg Treasurer	1	236.77	Northfield Village Treasurer	1	236.77
Collinsville City Treasurer	1	236.77	Oakbrook Terrace City Treasurer	2	473.54
Columbia City Treasurer	1	236.77	Oak Brook Village Treasurer	3	710.31
Crestwood Village Treasurer	1	236.77	Oak Park Village Treasurer	1	236.77
Danville City Treasurer	2	473.54	Oregon City Treasurer	1	236.77
Decatur City Treasurer	1	236.77	Orland Park Village Treasurer	1	236.77
Deerfield Village Treasurer	3	710.31	Ottawa City Treasurer	1	236.77
Des Plaines City Treasurer	3	710.31	Palatine Village Treasurer	1	236.77
Edwardsville City Treasurer	1	236.77	Park Ridge City Treasurer	2	473.54
Effingham City Treasurer	2	473.54	Pawnee Village Treasurer	1	236.77
Elgin City Treasurer	1	236.77	Peoria City Treasurer	1	236.77
Elk Grove Village Treasurer	1	236.77	Pontoon Beach Village Treasurer	1	236.77
Elmhurst City Treasurer	2	473.54	River Forest Village Treasurer	1	236.77
Evanston Finance Director	1	236.77	Rockford City Comptroller	8	1,894.16
Evergreen Park Village Treasurer	2	473.54	Rolling Meadows City Treasurer	2	473.54
Flossmoor Village Treasurer	2	473.54	Romeo Village Treasurer	1	236.77
Forest Park Village Treasurer	1	236.77	Roscoe Village Treasurer	1	236.77
Fox Lake Village Treasurer	1	236.77	Rosemont Village Treasurer	5	1,183.85
Freeburg Village Treasurer	1	236.77	St Charles City Treasurer	4	947.08
Galesburg City Treasurer	1	236.77	Salem City Treasurer	1	236.77
Geneva City Treasurer	4	947.08	Schaumburg Village Treasurer	1	236.77
Glenview Village Treasurer	2	473.54	Skokie Village Treasurer	1	236.77
Granite City Treasurer	1	236.77	South Beloit City Treasurer	1	236.77
Highland City Treasurer	1	236.77	Spring Bay Village Treasurer	1	236.77
Hillside Village Treasurer	1	236.77	Springfield City Treasurer	1	236.77
Hoffman Estates Vlg Treasurer	1	236.77	Tinley Park Village Treasurer	2	473.54
Homewood Village Treasurer	2	473.54	Waterloo City Treasurer	1	236.77
Itasca Village Treasurer	1	236.77	West Chicago City Treasurer	1	236.77
Kankakee City Treasurer	2	473.54	Willow Springs Village Treasurer	1	236.77
Kaskaskia Village Treasurer	1	236.77	Wilmette Village Treasurer	1	236.77
Lake Forest City Treasurer	1	236.77	Winnetka Village Treasurer	1	236.77
Lakemoor Village Treasurer	1	236.77	Winthrop Harbor Vlg Treasurer	1	236.77
Lake Villa Village Treasurer	2	473.54	Total Municipal	201	\$ 47,590.77
			Grand Total	206	\$ 48,774.62

F I S C A L Y E A R 2 0 0 2 A N N U A L R E P O R T

Table 50: 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	1	\$ 1,228.03	Calumet City Treasurer	1	1,228.03
Bond County Treasurer	1	1,228.03	Canton City Treasurer	3	3,684.09
Cass County Treasurer	1	1,228.03	Carbondale City Treasurer	3	3,684.09
Champaign County Treasurer	1	1,228.03	Carlinville City Treasurer	4	4,912.12
Clinton County Treasurer	1	1,228.03	Carlyle City Treasurer	2	2,456.06
Cook County Treasurer	19	23,332.57	Carmi City Treasurer	2	2,456.06
Cumberland County Treasurer	1	1,228.03	Carpentersville Vlg Treasurer	3	3,684.09
DuPage County Treasurer	6	7,368.18	Carrier Mills Village Treasurer	1	1,228.03
Edgar County Treasurer	1	1,228.03	Carthage City Treasurer	1	1,228.03
Franklin County Treasurer	1	1,228.03	Casey City Treasurer	2	2,456.06
Grundy County Treasurer	1	1,228.03	Caseyville Village Treasurer	1	1,228.03
Henderson County Treasurer	1	1,228.03	Cedar Point Village Treasurer	1	1,228.03
Jackson County Treasurer	1	1,228.03	Centralia City Treasurer	3	3,684.09
Jefferson County Treasurer	1	1,228.03	Champaign City Treasurer	3	3,684.09
Kane County Treasurer	10	12,280.30	Channahon Village Treasurer	3	3,684.09
Kendall County Treasurer	1	1,228.03	Charleston City Treasurer	4	4,912.12
Lake County Treasurer	4	4,912.12	Chenoa City Treasurer	1	1,228.03
LaSalle County Treasurer	4	4,912.12	Cherry Village Treasurer	1	1,228.03
Lawrence County Treasurer	1	1,228.03	Chester City Treasurer	5	6,140.15
Lee County Treasurer	2	2,456.06	City of Chicago ATTN Eric Toller	102	125,259.06
Livingston County Treasurer	2	2,456.06	Chicago Heights City Treasurer	5	6,140.15
Macoupin County Treasurer	3	3,684.09	Chicago Ridge Village Treasurer	3	3,684.09
Madison County Treasurer	3	3,684.09	Chillicothe City Treasurer	2	2,456.06
McDonough County Treasurer	1	1,228.03	Christopher City Treasurer	1	1,228.03
McHenry County Treasurer	3	3,684.09	Cicero Town Treasurer	9	11,052.27
McLean County Treasurer	1	1,228.03	Clinton City Treasurer	2	2,456.06
Peoria County Treasurer	2	2,456.06	Coal City Village Treasurer	1	1,228.03
Perry County Treasurer	2	2,456.06	Collinsville City Treasurer	4	4,912.12
Randolph County Treasurer	3	3,684.09	Colona City Treasurer	1	1,228.03
Rock Island County Treasurer	1	1,228.03	Columbia City Treasurer	2	2,456.06
St Clair County Treasurer	7	8,596.21	Crestwood Village Treasurer	3	3,684.09
Sangamon County Treasurer	2	2,456.06	Creve Coeur Village Treasurer	5	6,140.15
Tazewell County Treasurer	3	3,684.09	Cuba City Treasurer	1	1,228.03
Union County Treasurer	1	1,228.03	Cullom Village Treasurer	1	1,228.03
Vermilion County Treasurer	2	2,456.06	Darien City Treasurer	1	1,228.03
Washington County Treasurer	1	1,228.03	Decatur City Treasurer	9	11,052.27
Will County Treasurer	7	8,596.21	DeKalb City Treasurer	4	4,912.12
Williamson County Treasurer	1	1,228.03	Des Plaines City Treasurer	4	4,912.12
Winnebago County Treasurer	5	6,140.15	Dixon City Treasurer	1	1,228.03
Woodford County Treasurer	3	3,684.09	Dolton Village Treasurer	11	13,508.33
Total County	112	\$ 137,539.36	Downers Grove Village Treasurer	2	2,456.06
Municipality			DuBois Village Treasurer	2	2,456.06
Abingdon City Treasurer	1	\$ 1,228.03	Dupo Village Treasurer	1	1,228.03
Albion City Treasurer	2	2,456.06	DuQuoin City Treasurer	5	6,140.15
Aledo City Treasurer	1	1,228.03	Dwight Village Treasurer	1	1,228.03
Alsip Village Treasurer	1	1,228.03	East Alton Village Treasurer	1	1,228.03
Altamont City Treasurer	1	1,228.03	East Dundee Village Treasurer	1	1,228.03
Alton City Treasurer	4	4,912.12	East Moline City Treasurer	2	2,456.06
Antioch Village Treasurer	2	2,456.06	East Peoria City Treasurer	1	1,228.03
Arlington Heights Treasurer	5	6,140.15	Edgewood Village Treasurer	1	1,228.03
Athens City Treasurer	1	1,228.03	Edwardsville City Treasurer	2	2,456.06
Aurora City Treasurer	12	14,736.36	Effingham City Treasurer	7	8,596.21
Bartlett Village Treasurer	2	2,456.06	Eldorado City Treasurer	1	1,228.03
Bartonville Village Treasurer	1	1,228.03	Elgin City Treasurer	7	8,596.21
Batavia City Treasurer	2	2,456.06	Elk Grove Village Treasurer	1	1,228.03
Beckemeyer Village Treasurer	2	2,456.06	Elmhurst City Treasurer	2	2,456.06
Beecher City Village Treasurer	1	1,228.03	Elmwood Park Village Treasurer	1	1,228.03
Belleville City Treasurer	4	4,912.12	El Paso City Treasurer	1	1,228.03
Bellwood Village Treasurer	2	2,456.06	Eureka City Treasurer	3	3,684.09
Belvidere City Treasurer	5	6,140.15	Evergreen Park Village Treasurer	2	2,456.06
Bensenville Village Treasurer	2	2,456.06	Fairbury City Treasurer	1	1,228.03
Benton City Treasurer	3	3,684.09	Fairfield City Treasurer	3	3,684.09
Berwyn City Treasurer	6	7,368.18	Fairmont City Village Treasurer	1	1,228.03
Bethalto Village Treasurer	1	1,228.03	Fairview Heights City Treasurer	2	2,456.06
Bloomington City Treasurer	5	6,140.15	Farina Village Treasurer	1	1,228.03
Blue Island City Treasurer	2	2,456.06	Farmer City Treasurer	1	1,228.03
Bolingbrook Village Treasurer	7	8,596.21	Farmington City Treasurer	1	1,228.03
Bradley Village Treasurer	3	3,684.09	Fayetteville Village Treasurer	1	1,228.03
Braidwood City Treasurer	1	1,228.03	Flora City Treasurer	5	6,140.15
Bridgeview Village Treasurer	5	6,140.15	Forest Park Village Treasurer	1	1,228.03
Brocton Village Treasurer	1	1,228.03	Fox Lake Village Treasurer	2	2,456.06
Brookfield Village Treasurer	2	2,456.06	Franklin Park Village Treasurer	1	1,228.03
Burbank City Treasurer	2	2,456.06	Freeburg Village Treasurer	1	1,228.03
Cahokia Village Treasurer	3	3,684.09	Freeport City Treasurer	3	3,684.09
Cairo City Treasurer	2	2,456.06	Galesburg City Treasurer	5	6,140.15

ILLINOIS DEPARTMENT OF REVENUE

Table 50: Pull Tabs and Jar Games Distributions to Municipalities and Counties (continued)

Treasurer	Number of licenses	Allocation	Treasurer	Number of licenses	Allocation
Municipality			Municipality		
Gardner Village Treasurer	1	1,228.03	Morris City Treasurer	3	3,684.09
Geneseo City Treasurer	1	1,228.03	Morrisonville Village Treasurer	1	1,228.03
Genoa City Treasurer	1	1,228.03	Morton Village Treasurer	1	1,228.03
Germantown Village Treasurer	3	3,684.09	Morton Grove Village Treasurer	1	1,228.03
Glendale Heights Vlg Treasurer	2	2,456.06	Mount Carmel City Treasurer	6	7,368.18
Glenview Village Treasurer	1	1,228.03	Mount Morris Village Treasurer	1	1,228.03
Granite City Treasurer	14	17,192.42	Mount Olive City Treasurer	1	1,228.03
Grayslake Village Treasurer	1	1,228.03	Mount Prospect Village Treasurer	1	1,228.03
Grayville City Treasurer	1	1,228.03	Mount Vernon City Treasurer	4	4,912.12
Greenup Village Treasurer	2	2,456.06	Mount Zion Village Treasurer	10	12,280.30
Gurnee Village Treasurer	1	1,228.03	Murphysboro City Treasurer	4	4,912.12
Hamilton City Treasurer	1	1,228.03	Naperville City Treasurer	2	2,456.06
Hanna City Village Treasurer	1	1,228.03	Neoga City Treasurer	1	1,228.03
Harrisburg City Treasurer	4	4,912.12	Newark Village Treasurer	1	1,228.03
Harvard City Treasurer	1	1,228.03	New Athens Village Treasurer	1	1,228.03
Harvey City Treasurer	2	2,456.06	New Baden Village Treasurer	1	1,228.03
Harwood Heights Vlg Treasurer	1	1,228.03	New Lenox Village Treasurer	1	1,228.03
Havana City Treasurer	1	1,228.03	Niles Village Treasurer	2	2,456.06
Hecker Village Treasurer	1	1,228.03	Norridge Village Treasurer	1	1,228.03
Herrin City Treasurer	4	4,912.12	North Aurora Village Treasurer	1	1,228.03
Hickory Hills Vlg Treasurer	2	2,456.06	Northbrook Village Treasurer	1	1,228.03
Highland City Treasurer	1	1,228.03	Northlake City Treasurer	2	2,456.06
Hillsboro City Treasurer	2	2,456.06	North Riverside Vlg Treasurer	2	2,456.06
Hillside Village Treasurer	1	1,228.03	Godfrey Village Treasurer	1	1,228.03
Hinsdale Village Treasurer	1	1,228.03	Oak Forest Village Treasurer	2	2,456.06
Hometown City Treasurer	1	1,228.03	Oak Lawn Village Treasurer	6	7,368.18
Hoopeston City Treasurer	1	1,228.03	O'Fallon City Treasurer	3	3,684.09
Huntley Village Treasurer	2	2,456.06	Oglesby City Treasurer	1	1,228.03
Itasca Village Treasurer	1	1,228.03	Okawville Village Treasurer	1	1,228.03
Jacksonville City Treasurer	6	7,368.18	Olney City Treasurer	3	3,684.09
Jerseyville City Treasurer	3	3,684.09	Oregon City Treasurer	1	1,228.03
Joliet City Treasurer	15	18,420.45	Orient Village Treasurer	1	1,228.03
Justice Village Treasurer	1	1,228.03	Orland Park Village Treasurer	3	3,684.09
Kankakee City Treasurer	2	2,456.06	Oswego Village Treasurer	1	1,228.03
Kewanee City Treasurer	4	4,912.12	Ottawa City Treasurer	4	4,912.12
Kincaid Village Treasurer	3	3,684.09	Palestine City Treasurer	2	2,456.06
Lacon City Treasurer	1	1,228.03	Palos Hills City Treasurer	1	1,228.03
LaGrange Village Treasurer	2	2,456.06	Pana City Treasurer	5	6,140.15
Lake in the Hills Vlg Treasurer	1	1,228.03	Paris City Treasurer	3	3,684.09
Lake Zurich Village Treasurer	1	1,228.03	Pekin City Treasurer	5	6,140.15
LaSalle City Treasurer	6	7,368.18	Peoria City Treasurer	14	17,192.42
Lawrenceville City Treasurer	3	3,684.09	Peoria Heights Village Treasurer	2	2,456.06
Lemont Village Treasurer	3	3,684.09	Peotone Village Treasurer	1	1,228.03
Libertyville Village Treasurer	2	2,456.06	Peru City Treasurer	5	6,140.15
Lincoln City Treasurer	4	4,912.12	Pinckneyville City Treasurer	1	1,228.03
Lindenhurst Village Treasurer	1	1,228.03	Pittsfield City Treasurer	1	1,228.03
Litchfield City Treasurer	3	3,684.09	Plainfield Village Treasurer	1	1,228.03
Lockport City Treasurer	5	6,140.15	Plano City Treasurer	2	2,456.06
Lombard Village Treasurer	3	3,684.09	Pleasant Hill Village Treasurer	1	1,228.03
Loves Park City Treasurer	6	7,368.18	Polo City Treasurer	1	1,228.03
Lyons Village Treasurer	1	1,228.03	Pontiac City Treasurer	1	1,228.03
Macomb City Treasurer	3	3,684.09	Pontoon Beach Village Treasurer	1	1,228.03
Macon City Treasurer	1	1,228.03	Princeton City Treasurer	2	2,456.06
Madison City Treasurer	1	1,228.03	Quincy City Treasurer	3	3,684.09
Manteno Village Treasurer	1	1,228.03	Rantoul Village Treasurer	2	2,456.06
Marion City Treasurer	3	3,684.09	Red Bud City Treasurer	2	2,456.06
Marseilles City Treasurer	2	2,456.06	Reynolds Village Treasurer	1	1,228.03
Marshall City Treasurer	2	2,456.06	Ridgway Village Treasurer	1	1,228.03
Maryville Village Treasurer	1	1,228.03	River Grove Village Treasurer	3	3,684.09
Mascoutah City Treasurer	2	2,456.06	Robinson City Treasurer	3	3,684.09
Matteson Village Treasurer	1	1,228.03	Rochelle City Treasurer	2	2,456.06
Mattoon City Treasurer	4	4,912.12	Rockdale Village Treasurer	3	3,684.09
Mazon Village Treasurer	1	1,228.03	Rock Falls City Treasurer	4	4,912.12
McHenry City Treasurer	1	1,228.03	Rockford City Comptroller	36	44,209.08
Melrose Park Village Comptroller	2	2,456.06	Rock Island City Treasurer	9	11,052.27
Mendota City Treasurer	2	2,456.06	Rockton Village Treasurer	2	2,456.06
Metropolis City Treasurer	2	2,456.06	Rolling Meadows City Treasurer	2	2,456.06
Midlothian Village Treasurer	5	6,140.15	Roscoe Village Treasurer	1	1,228.03
Milan Village Treasurer	2	2,456.06	Roselle Village Treasurer	1	1,228.03
Millstadt Village Treasurer	5	6,140.15	Round Lake Village Treasurer	3	3,684.09
Mokena Village Treasurer	1	1,228.03	Round Lake Park Vlg Treasurer	1	1,228.03
Moline City Treasurer	6	7,368.18	St Charles City Treasurer	3	3,684.09
Monee Village Treasurer	1	1,228.03	St Jacob Village Treasurer	1	1,228.03
Monmouth City Treasurer	3	3,684.09	Salem City Treasurer	4	4,912.12
Montgomery Village Treasurer	1	1,228.03	Sandwich City Treasurer	1	1,228.03

F I S C A L Y E A R 2 0 0 2 A N N U A L R E P O R T

Table 50: Pull Tabs and Jar Games Distributions to Municipalities and Counties (continued)

Treasurer	Number of licenses	Allocation	Treasurer	Number of licenses	Allocation
Municipality			Municipality		
Sauk Village Treasurer	1	1,228.03	Trenton City Treasurer	1	1,228.03
Savanna City Treasurer	2	2,456.06	Troy City Treasurer	1	1,228.03
Savoy Village Treasurer	1	1,228.03	Tuscola City Treasurer	1	1,228.03
Schaumburg Village Treasurer	1	1,228.03	Union Village Treasurer	1	1,228.03
Schiller Park Village Treasurer	1	1,228.03	Urbana City Treasurer	2	2,456.06
Shelbyville City Treasurer	3	3,684.09	Vandalia City Treasurer	4	4,912.12
Sims Village Treasurer	1	1,228.03	Villa Grove City Treasurer	1	1,228.03
Skokie Village Treasurer	1	1,228.03	Villa Park Village Treasurer	8	9,824.24
Smithton Village Treasurer	1	1,228.03	Virdeon City Treasurer	1	1,228.03
South Beloit City Treasurer	2	2,456.06	Warrenville City Treasurer	1	1,228.03
South Chicago Hts Vlg Treasurer	1	1,228.03	Washington City Treasurer	1	1,228.03
South Elgin Village Treasurer	2	2,456.06	Waterloo City Treasurer	2	2,456.06
South Roxana Village Treasurer	1	1,228.03	Wauconda Village Treasurer	2	2,456.06
Sparta City Treasurer	3	3,684.09	Waukegan City Treasurer	3	3,684.09
Springfield City Treasurer	14	17,192.42	Westchester Village Treasurer	4	4,912.12
Staunton City Treasurer	2	2,456.06	West Chicago City Treasurer	1	1,228.03
Steeleville Village Treasurer	1	1,228.03	West Dundee Village Treasurer	1	1,228.03
Steger Village Treasurer	2	2,456.06	West Frankfort City Treasurer	4	4,912.12
Sterling City Treasurer	4	4,912.12	Westville Village Treasurer	2	2,456.06
Stickney Village Treasurer	1	1,228.03	Wheeling Village Treasurer	1	1,228.03
Stockton Village Treasurer	1	1,228.03	White Hall City Treasurer	1	1,228.03
Streamwood Village Treasurer	4	4,912.12	Wilmette Village Treasurer	1	1,228.03
Streator City Treasurer	6	7,368.18	Wilmington City Treasurer	1	1,228.03
Sugar Grove Village Treasurer	1	1,228.03	Winthrop Harbor Vlg Treasurer	1	1,228.03
Sullivan City Treasurer	1	1,228.03	Wood Dale Village Treasurer	2	2,456.06
Summit Village Treasurer	3	3,684.09	Woodridge Village Treasurer	1	1,228.03
Swansea Village Treasurer	3	3,684.09	Wood River City Treasurer	3	3,684.09
Sycamore City Treasurer	3	3,684.09	Woodstock City Treasurer	3	3,684.09
Taylor Springs Village Treasurer	2	2,456.06	Worth Village Treasurer	2	2,456.06
Taylorville City Treasurer	3	3,684.09	Wyanet Village Treasurer	1	1,228.03
Teutopolis Village Treasurer	1	1,228.03	Yorkville City Treasurer	1	1,228.03
Tilton Village Treasurer	1	1,228.03	Zeigler City Treasurer	3	3,684.09
Tinley Park Village Treasurer	4	4,912.12	Zion City Treasurer	1	1,228.03
Toledo Village Treasurer	1	1,228.03	Total Municipalities	923	\$ 1,133,471.69
			Total	1,035	\$ 1,271,011.05

Fund Transfers to Local Governments

Population-based disbursements (Local Government Distributive Fund and State and Local Sales Tax Reform Fund)

Income Taxes

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

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

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.

Local Use Tax

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

The "local" share of use tax, 1.25 percent on general merchandise (excluding titled or registered tangible

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

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.

Distribution	FY 2002	Percent of total
Income Tax		
Counties	116,505,187.96	12.38%
Municipalities	710,991,868.89	75.52%
Subtotal	\$ 827,497,056.85	87.90%
Photo Processing		
Counties	3,509,420.76	0.37%
Municipalities	21,418,197.68	2.28%
Subtotal	\$ 24,927,618.44	2.65%
Local Use Tax		
Counties	16,339,654.04	1.74%
Municipalities	72,654,533.12	7.72%
Subtotal	\$ 88,994,187.16	9.45%
Total	\$ 941,418,862.45	100.00%

The total amount distributed is \$77.98 per capita

state sales taxes **and** transfers from the State and Local Sales Tax Reform Fund.

Distribution

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

Fund	Payment	Percent
Public Transportation Fund	\$ 165,571,042.33	74.0%
Downstate Public Transportation Fund	41,706,543.96	18.7%
Metro-East Public Transportation Fund	16,316,326.09 *	7.3%
Total	\$ 223,593,912.38	100.0%
* Total of two separate fund transfers as follows:		
• \$15,220,122.75 (2/32 of all state sales taxes)		
• \$1,096,203.34 (0.6% transfer from State and Local Sales Tax Reform Fund)		

FISCAL YEAR 2002 ANNUAL REPORT

Table 54: FY 2002 Population-based Distributions of Tax Revenues Shared With Local Governments

County	Unincorporated				Incorporated				Total for county
	Income Tax	Photo-processing	Local Use Tax	Total	Income Tax	Photo-processing	Local Use Tax	Total	
Adams	1,392,766.23	41,955.94	195,336.83	1,630,059.00	3,156,527.47	95,087.19	442,705.40	3,694,320.06	5,324,379.06
Alexander	270,428.44	8,145.16	37,868.07	316,441.67	368,552.72	11,103.37	51,749.43	431,405.52	747,847.19
Bond	489,397.08	14,742.65	68,638.39	572,778.12	685,488.55	20,649.28	96,139.96	802,277.79	1,375,055.91
Boone	1,207,454.56	36,341.29	169,052.78	1,412,848.63	1,576,745.05	47,530.14	221,433.62	1,845,708.81	3,258,557.44
Brown	272,050.12	8,195.24	38,155.26	318,400.62	191,027.87	5,754.31	26,791.64	223,573.82	541,974.44
Bureau	624,189.52	18,803.17	87,543.16	730,535.85	1,741,372.89	52,456.28	244,228.17	2,038,057.34	2,768,593.19
Calhoun	222,410.79	6,699.89	31,193.30	260,303.98	116,335.62	3,504.25	16,315.92	136,155.79	396,459.77
Carroll	451,884.41	13,612.60	63,377.20	528,874.21	659,103.23	19,854.57	92,439.56	771,397.36	1,300,271.57
Cass	247,663.53	7,460.61	34,735.01	289,859.15	664,833.54	20,027.34	93,243.32	778,104.20	1,067,963.35
Champaign	2,440,932.18	73,491.80	342,463.60	2,856,887.58	9,530,406.76	287,134.10	1,336,527.67	11,154,068.53	14,010,956.11
Christian	701,613.54	21,135.52	98,401.97	821,151.03	1,655,220.89	49,861.37	232,145.60	1,937,227.86	2,758,378.89
Clark	559,291.94	16,848.19	78,441.23	654,581.36	573,950.33	17,289.59	80,496.93	671,736.85	1,326,318.21
Clay	434,827.14	13,098.78	60,984.89	508,910.81	535,304.86	16,125.34	75,076.73	626,506.93	1,135,417.74
Clinton	893,841.03	26,926.21	125,362.05	1,046,129.29	1,473,854.07	44,397.92	206,708.74	1,724,960.73	2,771,090.02
Coles	750,120.18	22,596.71	105,205.09	877,921.98	2,794,327.34	84,176.58	391,906.95	3,270,410.87	4,148,332.85
Cook	7,248,286.28	217,555.95	1,012,781.95	8,478,624.18	350,969,439.05	10,572,671.07	22,160,791.44	383,702,901.56	392,181,525.74
Crawford	636,113.23	19,162.19	89,207.42	744,482.84	726,602.53	21,888.17	101,914.50	850,405.20	1,594,888.04
Cumberland	430,895.98	12,980.35	60,433.53	504,309.86	318,890.76	9,606.03	44,724.47	373,221.26	877,531.12
DeKalb	1,100,793.70	33,160.50	154,387.40	1,288,341.60	4,827,207.37	145,415.07	677,020.04	5,649,642.48	6,937,984.08
DeWitt	343,344.18	10,342.92	48,154.31	401,841.41	775,905.61	23,373.22	108,821.15	908,099.98	1,309,941.39
Douglas	414,171.86	12,476.54	58,087.98	484,736.38	913,229.83	27,509.86	128,080.94	1,068,820.63	1,553,557.01
DuPage	6,934,514.29	208,896.72	972,572.64	8,115,983.65	53,309,705.74	1,605,910.99	7,476,719.97	62,392,336.70	70,508,320.35
Edgar	473,872.29	14,275.00	66,461.02	554,608.31	839,004.16	25,273.89	117,670.77	981,948.82	1,536,557.13
Edwards	193,360.10	5,824.77	27,118.90	226,303.77	271,117.07	8,166.92	38,024.16	317,308.15	543,611.92
Effingham	987,989.17	29,762.36	138,566.43	1,156,317.96	1,295,019.54	39,010.90	181,627.27	1,515,657.71	2,671,975.67
Fayette	702,879.51	21,173.64	98,579.53	822,632.68	749,786.65	22,586.36	105,157.95	877,530.96	1,700,163.64
Ford	242,399.77	7,302.04	33,996.78	283,698.59	706,477.07	21,281.54	99,083.69	826,842.30	1,110,540.89
Franklin	821,480.88	24,746.40	115,213.50	961,440.78	1,778,286.37	53,568.66	249,405.66	2,081,260.69	3,042,701.47
Fulton	644,111.88	19,403.30	90,337.30	753,852.48	1,904,483.24	57,369.96	267,104.73	2,228,957.93	2,982,810.41
Gallatin	148,518.14	4,473.94	20,829.76	173,821.84	280,911.57	8,461.85	39,397.76	328,771.18	502,593.02
Greene	331,550.68	9,987.65	46,500.28	388,038.61	651,973.71	19,639.73	91,439.52	763,052.96	1,151,091.57
Grundy	804,556.85	24,236.57	112,839.88	941,633.30	1,696,398.14	51,101.92	237,920.84	1,985,420.90	2,927,054.20
Hamilton	324,088.12	9,762.83	45,453.65	379,304.60	250,328.50	7,540.69	35,108.57	292,977.76	672,282.36
Hancock	445,687.83	13,425.93	62,508.11	521,621.87	894,972.94	26,959.59	125,520.09	1,047,452.62	1,569,074.49
Hardin	192,760.46	5,806.70	27,034.79	225,601.95	127,063.19	3,827.53	17,820.61	148,711.33	374,313.28
Henderson	265,786.89	8,006.57	37,276.83	311,070.29	281,444.49	8,477.83	39,472.41	329,394.73	640,465.02
Henry	1,008,311.31	30,374.53	141,416.65	1,180,102.49	2,391,148.95	72,030.67	335,360.35	2,798,539.97	3,978,642.46
Iroquois	779,570.59	23,483.91	109,335.53	912,390.03	1,308,211.64	39,407.79	183,476.90	1,531,096.33	2,443,486.36
Jackson	1,315,925.13	39,636.54	184,540.15	1,540,101.82	2,656,020.13	80,014.58	372,528.64	3,108,563.35	4,648,665.17
Jasper	407,708.74	12,281.84	57,181.50	477,172.08	266,386.21	8,024.32	37,360.58	311,771.11	788,943.19
Jefferson	1,196,207.83	36,034.75	167,769.31	1,400,011.89	1,471,988.74	44,341.94	206,447.41	1,722,778.09	3,122,789.98
Jersey	778,704.42	23,457.80	109,214.02	911,376.24	665,033.32	20,033.24	93,271.28	778,337.84	1,689,714.08
Jo Daviess	716,871.82	21,595.15	100,541.96	839,008.93	768,242.96	23,142.20	107,746.33	899,131.49	1,738,140.42
Johnson	654,306.27	19,710.42	91,767.07	765,783.76	203,754.08	6,137.54	28,576.32	238,467.94	1,004,251.70
Kane	4,320,440.53	130,139.73	605,813.35	5,056,393.61	22,533,107.88	681,042.85	3,170,863.82	26,385,014.55	31,441,408.16
Kankakee	2,040,342.93	61,463.66	286,160.12	2,387,966.71	4,878,045.73	146,946.33	684,149.96	5,709,142.02	8,097,108.73
Kendall	1,658,486.57	49,960.53	232,604.38	1,941,051.48	1,975,777.98	59,518.16	277,104.36	2,312,400.50	4,253,451.98
Knox	640,647.11	19,298.94	89,851.36	749,797.41	3,079,703.05	92,772.85	431,930.64	3,604,406.54	4,354,203.95
Lake	5,604,246.18	169,120.11	787,422.00	6,560,788.29	37,415,791.15	1,124,896.55	5,237,255.46	43,777,943.16	50,338,731.45
LaSalle	2,095,179.41	63,115.58	293,850.99	2,452,145.98	5,334,660.54	160,701.10	748,190.29	6,243,551.93	8,695,697.91
Lawrence	438,958.18	13,223.21	61,564.27	513,745.66	590,607.65	17,791.24	82,833.03	691,231.92	1,204,977.58
Lee	849,265.57	25,583.40	119,110.31	993,959.28	1,553,543.75	46,798.59	217,885.55	1,818,227.89	2,812,187.17

ILLINOIS DEPARTMENT OF REVENUE

Table 54: FY 2002 Population-based Distributions of Tax Revenues Shared With Local Governments

County	Unincorporated				Incorporated				Total for county
	Income Tax	Photo-processing	Local Use Tax	Total	Income Tax	Photo-processing	Local Use Tax	Total	
Livingston	833,874.04	25,119.75	116,951.64	975,945.43	1,809,869.02	54,520.06	253,835.22	2,118,224.30	3,094,169.73
Logan	641,313.41	19,319.03	89,944.81	750,577.25	1,436,408.32	43,270.06	201,457.05	1,681,135.43	2,431,712.68
Macon	1,001,381.79	30,165.80	140,444.77	1,171,992.36	6,641,475.00	200,068.54	931,473.11	7,773,016.65	8,945,009.01
Macoupin	1,083,846.24	32,627.71	151,909.16	1,268,383.11	2,182,286.71	65,760.62	306,167.84	2,554,215.17	3,822,598.28
Madison	3,643,460.09	109,756.31	510,998.92	4,264,215.32	13,609,769.60	409,981.99	1,908,782.50	15,928,534.09	20,192,749.41
Marion	941,214.94	28,353.30	132,006.30	1,101,574.54	1,836,654.34	55,327.03	257,591.88	2,149,573.25	3,251,147.79
Marshall	312,827.66	9,423.63	43,874.34	366,125.63	565,354.80	17,030.37	79,291.10	661,676.27	1,027,801.90
Mason	417,769.86	12,584.94	58,592.58	488,947.38	650,840.99	19,605.60	91,280.66	761,727.25	1,250,674.63
Massac	480,801.82	14,483.73	67,432.89	562,718.44	529,374.96	15,946.82	74,245.22	619,567.00	1,182,285.44
McDonough	465,943.33	14,036.13	65,348.97	545,328.43	1,727,048.26	52,025.40	242,219.73	2,021,293.39	2,566,621.82
McHenry	4,559,739.08	137,834.64	641,788.42	5,339,362.14	12,789,821.16	385,281.74	1,793,783.87	14,968,886.77	20,308,248.91
McLean	1,352,188.59	40,733.57	189,645.79	1,582,567.95	8,671,156.71	261,210.65	1,216,137.51	10,148,504.87	11,731,072.82
Menard	443,222.50	13,351.68	62,162.35	518,736.53	388,718.97	11,709.59	54,517.99	454,946.55	973,683.08
Mercer	510,385.52	15,374.92	71,582.04	597,342.48	619,458.15	18,660.11	86,878.98	724,997.24	1,322,339.72
Monroe	722,868.50	21,775.81	101,382.98	846,027.29	1,117,384.27	33,660.02	156,713.96	1,307,758.25	2,153,785.54
Montgomery	542,429.48	16,338.50	77,414.43	636,182.41	1,499,911.19	45,184.35	209,024.92	1,754,120.46	2,390,302.87
Morgan	570,637.51	17,187.31	79,904.93	667,729.75	1,869,084.83	56,306.78	262,268.06	2,187,659.67	2,855,389.42
Moultrie	379,391.00	11,428.81	53,209.92	444,029.73	572,550.98	17,247.27	80,300.48	670,098.73	1,114,128.46
Ogle	1,581,662.21	47,646.28	221,829.69	1,851,138.18	1,818,597.73	54,783.18	255,059.61	2,128,440.52	3,979,578.70
Peoria	2,434,392.62	73,334.10	341,426.00	2,849,152.72	9,787,742.17	294,847.29	1,372,739.99	11,455,329.45	14,304,482.17
Perry	598,803.49	18,038.44	83,982.75	700,824.68	939,948.63	28,314.90	131,828.47	1,100,092.00	1,800,916.68
Piatt	342,544.62	10,318.84	48,042.18	400,905.64	747,854.29	22,528.11	104,886.93	875,269.33	1,276,174.97
Pike	409,111.40	12,323.08	57,328.46	478,762.94	749,182.91	22,568.59	105,122.49	876,873.99	1,355,636.93
Pope	235,470.24	7,093.28	33,024.90	275,588.42	58,567.64	1,764.18	8,214.08	68,545.90	344,134.32
Pulaski	222,210.90	6,693.88	31,165.26	260,070.04	267,385.61	8,054.40	37,500.81	312,940.82	573,010.86
Putnam	175,170.13	5,276.81	24,567.75	205,014.69	230,339.49	6,938.48	32,305.05	269,583.02	474,597.71
Randolph	664,567.30	20,019.51	93,206.19	777,793.00	1,593,721.46	48,008.84	223,520.35	1,865,250.65	2,643,043.65
Richland	406,709.29	12,251.76	57,041.35	476,002.40	669,297.76	20,161.77	93,869.41	783,328.94	1,259,331.34
Rock Island	1,305,747.48	39,334.56	183,132.37	1,528,214.41	8,647,037.00	260,484.37	1,212,755.02	10,120,276.39	11,648,490.80
Saint Clair	3,878,797.14	116,845.66	544,005.21	4,539,648.01	13,183,937.39	397,154.00	1,849,059.05	15,430,150.44	19,969,798.45
Saline	593,539.74	17,879.87	83,244.49	694,664.10	1,187,678.88	35,777.51	166,572.81	1,390,029.20	2,084,693.30
Sangamon	2,488,962.55	74,977.98	349,079.49	2,913,020.02	10,100,835.79	304,278.32	1,416,651.13	11,821,765.24	14,734,785.26
Schuyler	236,736.21	7,131.43	33,202.45	277,070.09	242,266.37	7,297.86	33,977.90	283,542.13	560,612.22
Scott	144,253.85	4,345.49	20,231.69	168,831.03	224,675.82	6,767.78	31,510.68	262,954.28	431,785.31
Shelby	697,815.62	21,021.10	97,869.31	816,706.03	827,543.56	24,928.51	116,063.33	968,535.40	1,785,241.43
Stark	166,175.08	5,005.84	23,306.17	194,487.09	255,725.64	7,703.35	35,865.57	299,294.56	493,781.65
Stephenson	995,451.72	29,987.15	139,613.08	1,165,051.95	2,268,016.94	68,321.64	318,091.11	2,654,429.69	3,819,481.64
Tazewell	1,667,933.11	50,225.62	233,822.98	1,951,981.71	6,893,017.77	207,665.35	966,858.17	8,067,541.29	10,019,523.00
Union	594,206.03	17,899.95	83,337.96	695,443.94	624,655.62	18,816.93	87,608.23	731,080.78	1,426,524.72
Vermilion	1,550,013.00	46,692.86	217,390.84	1,814,096.70	4,041,506.31	121,746.07	566,824.27	4,730,076.65	6,544,173.35
Wabash	258,390.98	7,783.78	36,239.55	302,414.31	603,600.67	18,182.77	84,655.39	706,438.83	1,008,853.14
Warren	416,370.64	12,542.78	58,396.36	487,309.78	831,941.46	25,061.31	116,680.40	973,683.17	1,460,992.95
Washington	459,480.23	13,841.44	64,442.53	537,764.20	549,829.73	16,562.46	77,113.43	643,505.62	1,181,269.82
Wayne	596,604.71	17,972.18	83,674.35	698,251.24	546,165.30	16,452.27	76,599.73	639,217.30	1,337,468.54
White	387,653.11	11,677.70	54,368.70	453,699.51	636,515.47	19,174.01	89,271.41	744,960.89	1,198,660.40
Whiteside	1,415,620.32	42,644.40	198,542.13	1,656,806.85	2,625,686.69	79,096.15	368,254.65	3,073,037.49	4,729,844.34
Will	7,154,336.21	215,472.66	1,002,627.48	8,372,436.35	26,311,631.34	792,661.50	3,691,006.82	30,795,299.66	39,167,736.01
Williamson	1,261,038.79	37,987.75	176,861.93	1,475,888.47	2,823,110.93	85,043.14	395,943.40	3,304,097.47	4,779,985.94
Winnebago	4,120,997.08	124,141.74	577,973.97	4,823,112.79	14,429,985.76	434,691.33	2,023,819.66	16,888,496.75	21,711,609.54
Woodford	989,921.43	29,820.54	138,837.44	1,158,579.41	1,373,376.02	41,370.95	192,616.59	1,607,363.56	2,765,942.97
Total:	116,505,187.96	3,509,420.76	16,339,654.04	136,354,262.76	710,991,868.89	21,418,197.68	72,654,533.12	805,064,599.69	941,418,862.45

Local Share of State Sales and Use Taxes

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

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

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

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

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

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

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

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

Note: 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.

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.

ILLINOIS DEPARTMENT OF REVENUE

Table 55: Fiscal Year 2002 Municipal and County Share of State Sales and Use Taxes

County	Unincorporated	Incorporated	Total	County	Unincorporated	Incorporated	Total
Adams	496,490.92	7,211,064.27	7,707,555.19	Lee	466,986.64	2,009,219.85	2,476,206.49
Alexander	80,381.87	250,107.22	330,489.09	Livingston	443,188.87	3,228,932.84	3,672,121.71
Bond	109,468.81	895,850.62	1,005,319.43	Logan	110,420.01	2,258,615.44	2,369,035.45
Boone	634,492.87	2,637,371.97	3,271,864.84	Macon	330,022.14	13,010,400.40	13,340,422.54
Brown	57,562.75	226,429.24	283,991.99	Macoupin	1,189,719.88	2,827,553.86	4,017,273.74
Bureau	188,158.65	2,288,285.15	2,476,443.80	Madison	768,770.57	25,765,404.27	26,534,174.84
Calhoun	70,859.97	196,871.29	267,731.26	Marion	187,978.86	2,587,159.12	2,775,137.98
Carroll	263,828.68	908,602.06	1,172,430.74	Marshall	56,176.77	624,165.74	680,342.51
Cass	57,418.29	942,127.56	999,545.85	Mason	59,051.52	844,417.05	903,468.57
Champaign	804,408.56	19,341,899.00	20,146,307.56	Massac	88,714.00	747,874.54	836,588.54
Christian	265,771.00	2,860,423.69	3,126,194.69	McDonough	98,599.43	2,644,177.67	2,742,777.10
Clark	174,456.32	934,541.19	1,108,997.51	McHenry	2,448,130.21	25,876,695.63	28,324,825.84
Clay	81,901.13	753,312.15	835,213.28	McLean	687,163.24	18,788,563.00	19,475,726.24
Clinton	257,970.07	3,116,557.37	3,374,527.44	Menard	74,850.23	367,164.74	442,014.97
Coles	245,542.31	5,720,863.49	5,966,405.80	Mercer	94,271.06	713,428.77	807,699.83
Cook	4,071,445.90	533,635,790.78	537,707,236.68	Monroe	167,978.33	2,894,235.11	3,062,213.44
Crawford	195,936.13	1,221,709.04	1,417,645.17	Montgomery	134,395.47	2,876,072.04	3,010,467.51
Cumberland	44,780.44	315,640.68	360,421.12	Morgan	109,614.79	3,319,259.81	3,428,874.60
DeKalb	291,633.99	9,769,482.61	10,061,116.60	Moultrie	206,700.28	744,092.10	950,792.38
DeWitt	104,909.92	1,241,470.69	1,346,380.61	Ogle	313,437.94	3,086,656.02	3,400,093.96
Douglas	253,581.95	1,727,996.64	1,981,578.59	Peoria	1,039,394.99	21,405,866.27	22,445,261.26
DuPage	4,282,249.99	159,860,413.48	164,142,663.47	Perry	109,517.23	1,443,663.85	1,553,181.08
Edgar	195,442.48	1,292,134.65	1,487,577.13	Piatt	53,913.97	830,527.63	884,441.60
Edwards	48,928.58	381,675.90	430,604.48	Pike	69,818.41	1,022,385.77	1,092,204.18
Effingham	283,742.71	5,300,238.78	5,583,981.49	Pope	41,235.44	71,863.73	113,099.17
Fayette	119,649.34	1,412,987.82	1,532,637.16	Pulaski	42,781.67	180,371.57	223,153.24
Ford	44,701.34	1,086,299.80	1,131,001.14	Putnam	40,808.03	228,669.21	269,477.24
Franklin	311,578.88	2,746,781.27	3,058,360.15	Randolph	966,380.95	2,667,410.13	3,633,791.08
Fulton	116,755.28	2,357,722.65	2,474,477.93	Richland	122,053.81	1,487,954.27	1,610,008.08
Gallatin	31,727.09	185,956.33	217,683.42	Rock Island	365,885.94	15,537,682.72	15,903,568.66
Greene	53,357.41	602,801.99	656,159.40	Saint Clair	985,409.54	26,190,495.91	27,175,905.45
Grundy	282,411.64	6,267,964.74	6,550,376.38	Saline	219,951.52	2,113,115.41	2,333,066.93
Hamilton	59,528.57	308,027.72	367,556.29	Sangamon	2,049,287.07	22,991,552.95	25,040,840.02
Hancock	135,296.88	890,780.12	1,026,077.00	Schuyler	48,227.86	316,656.26	364,884.12
Hardin	53,175.52	91,496.38	144,671.90	Scott	35,993.95	199,604.76	235,598.71
Henderson	66,584.55	227,994.00	294,578.55	Shelby	142,131.16	981,034.29	1,123,165.45
Henry	137,118.49	4,162,533.38	4,299,651.87	Stark	54,139.59	191,486.10	245,625.69
Iroquois	131,669.81	2,390,583.12	2,522,252.93	Stephenson	370,486.55	4,135,277.78	4,505,764.33
Jackson	446,418.52	6,000,851.19	6,447,269.71	Tazewell	366,375.79	14,721,466.22	15,087,842.01
Jasper	91,980.44	513,064.76	605,045.20	Union	94,345.81	1,285,273.21	1,379,619.02
Jefferson	574,690.71	4,626,521.52	5,201,212.23	Vermilion	491,232.85	6,657,678.58	7,148,911.43
Jersey	126,891.28	1,894,381.76	2,021,273.04	Wabash	104,266.33	858,591.14	962,857.47
Jo Daviess	350,808.37	1,643,837.11	1,994,645.48	Warren	100,056.87	1,026,576.79	1,126,633.66
Johnson	75,983.93	421,695.63	497,679.56	Washington	104,995.86	1,224,869.11	1,329,864.97
Kane	1,870,532.02	44,876,023.77	46,746,555.79	Wayne	182,682.39	961,917.35	1,144,599.74
Kankakee	651,512.68	13,069,104.01	13,720,616.69	White	123,721.01	994,725.26	1,118,446.27
Kendall	743,735.94	5,886,062.03	6,629,797.97	Whiteside	472,129.36	5,293,132.31	5,765,261.67
Knox	245,880.99	4,959,800.80	5,205,681.79	Will	4,382,713.19	43,899,712.62	48,282,425.81
Lake	4,174,892.10	94,106,504.64	98,281,396.74	Williamson	649,430.01	6,961,272.06	7,610,702.07
LaSalle	701,827.18	13,128,952.95	13,830,780.13	Winnebago	1,072,888.54	32,698,234.78	33,771,123.32
Lawrence	245,300.89	673,275.35	918,576.24	Woodford	320,368.45	2,325,598.42	2,645,966.87
Total:	48,664,168.52	1,313,681,618.82	1,362,345,787.34				

F I S C A L Y E A R 2 0 0 2 A N N U A L R E P O R T

Table 56: Fiscal Year 2002 Countywide Share of State Sales Taxes

County	Amount	County	Amount	County	Amount
Adams	1,620,382.36	Hardin	28,941.43	Morgan	699,668.18
Alexander	71,271.85	Henderson	66,112.16	Moultrie	199,622.78
Bond	213,669.51	Henry	887,210.41	Ogle	701,707.69
Boone	695,596.99	Iroquois	549,163.27	Peoria	4,676,221.09
Brown	55,427.54	Jackson	1,348,409.55	Perry	307,122.52
Bureau	521,842.70	Jasper	128,922.62	Piatt	190,771.19
Calhoun	60,996.43	Jefferson	1,109,546.37	Pike	220,070.82
Carroll	255,253.50	Jersey	407,820.03	Pike	24,081.10
Cass	194,096.15	Jo Daviess	440,586.67	Pulaski	48,384.56
Champaign	4,179,313.53	Johnson	108,044.04	Putnam	60,016.99
Christian	636,519.34	Kane	9,877,820.59	Randolph	775,051.71
Clark	233,665.73	Kankakee	2,922,922.73	Richland	328,180.03
Clay	165,954.29	Kendall	1,346,671.28	Rock Island	3,266,104.56
Clinton	696,244.90	Knox	1,063,437.61	Saint Clair	5,885,773.63
Coles	1,228,444.63	Lake	21,013,359.94	Saline	457,207.14
Cook*	0.00	LaSalle	2,930,200.94	Sangamon	5,263,617.84
Crawford	291,730.05	Lawrence	190,872.61	Schuyler	77,046.64
Cumberland	77,072.34	Lee	513,396.29	Scott	54,086.31
DeKalb	2,163,403.23	Livingston	777,025.26	Shelby	241,806.84
DeWitt	279,296.70	Logan	462,694.04	Stark	55,939.79
Douglas	435,429.76	Macon	2,769,116.54	Stephenson	911,561.54
DuPage	35,779,157.81	Macoupin	895,227.96	Tazewell	3,085,930.49
Edgar	299,856.45	Madison	5,501,758.77	Union	253,505.81
Edwards	89,237.11	Marion	598,464.86	Vermilion	1,452,243.85
Effingham	1,197,735.97	Marshall	134,917.55	Wabash	203,058.16
Fayette	320,029.87	Mason	186,140.00	Warren	231,158.81
Ford	234,502.53	Massac	172,933.55	Washington	299,875.46
Franklin	611,346.59	McDonough	554,150.08	Wayne	229,061.52
Fulton	479,431.86	McHenry	5,813,585.72	White	231,918.91
Gallatin	48,623.18	McLean	4,152,034.32	Whiteside	1,186,289.19
Greene	129,471.35	Menard	92,057.53	Will	10,121,555.14
Grundy	1,436,827.17	Mercer	170,952.84	Williamson	1,596,096.53
Hamilton	77,389.13	Monroe	635,466.76	Winnebago	7,096,294.04
Hancock	224,975.73	Montgomery	619,916.52	Woodford	581,084.27
				Total:	174,486,192.25

* Cook County's portion, \$112,410,492.62, goes to the RTA. See Table 47.

Replacement Taxes

Statutory References

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

Definition

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

The General Assembly enacted, effective July 1, 1979, the **Personal Property Tax Replacement Income Tax**.

This tax was imposed on the income of corporations (other than S corporations) at the rate of 2.85 percent until December 31, 1980, after which the rate became 2.5 percent. The income of partnerships, trusts, and S corporations is taxed at the rate of 1.5 percent.

Payment of personal property replacement taxes mirrors the procedures and requirements established for calculating and remitting business income taxes. (See "Income Tax" in this section.) Credits applicable to the replacement tax differ from those for the income tax.

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

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

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

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

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

Invested Capital Taxes are imposed on

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

The tax rate is 0.8 percent of invested capital.

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 2002, the department collected \$959,123,291 of which \$746,786,810 came from income taxes, \$177,571,534 from the Invested Capital Tax and the Electricity Distribution Tax, and \$34,764,947 from the Telecommunications Infrastructure Maintenance Fees.

The Refund Fund percentage for replacement tax collections was 23.0 percent for FY 2002. Distributions to local governments (reflecting collections from May 2001 through April 2002) totaled \$878,330,502. Another \$173,956,799 was allocated to refunds.

F I S C A L Y E A R 2 0 0 2 A N N U A L R E P O R T

Table 57: 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	75,888,393.82	8.6%	33,780,702.09	7.5%	8,564,706.96	7.8%	33,542,984.77	10.6%
Municipality	178,099,628.14	20.3%	119,890,102.21	26.5%	12,978,384.15	11.9%	45,231,141.78	14.3%
Township	15,845,463.58	1.8%	3,875,772.83	0.9%	2,766,894.15	2.5%	9,202,796.60	2.9%
Park	46,882,957.80	5.3%	34,629,449.95	7.6%	4,679,379.14	4.3%	7,574,128.71	2.4%
Sanitary	33,170,473.87	3.8%	26,164,082.51	5.8%	2,444,812.97	2.2%	4,561,578.39	1.4%
Fire Protection	6,279,306.35	0.7%	1,138,410.61	0.3%	2,218,944.88	2.0%	2,921,950.86	0.9%
Public Health	379,762.98	0.0%	196,029.59	0.0%	0.00	0.0%	183,733.39	0.1%
Hospital	956,192.70	0.1%	0.00	0.0%	0.00	0.0%	956,192.70	0.3%
TB Sanitarium	424,672.62	0.0%	421,183.51	0.1%	0.00	0.0%	3,489.11	0.0%
Mosquito Abatement	389,720.58	0.0%	325,172.75	0.1%	27,206.37	0.0%	37,341.46	0.0%
Airport Authority	2,000,164.54	0.2%	0.00	0.0%	37,884.64	0.0%	1,962,279.90	0.6%
Public Library	2,150,012.27	0.2%	956,703.56	0.2%	691,253.54	0.6%	502,055.17	0.2%
Water Authority	11,411.37	0.0%	0.00	0.0%	0.00	0.0%	11,411.37	0.0%
Cemetery	17,517.28	0.0%	0.00	0.0%	364.38	0.0%	17,152.90	0.0%
Forest Preserve	8,084,756.90	0.9%	5,194,505.44	1.1%	2,181,534.62	2.0%	708,716.84	0.2%
Street Lighting	3,368.00	0.0%	587.49	0.0%	707.04	0.0%	2,073.47	0.0%
Mass Transit	513,104.49	0.1%	0.00	0.0%	0.00	0.0%	513,104.49	0.2%
River Conservation	160,076.70	0.0%	17,653.18	0.0%	0.00	0.0%	142,423.52	0.0%
Soil & Water Conservation	995.16	0.0%	0.00	0.0%	0.00	0.0%	995.16	0.0%
Conservation	456,411.95	0.1%	0.00	0.0%	122,091.72	0.1%	334,320.23	0.1%
Junior College	31,841,726.39	3.6%	13,772,781.58	3.0%	4,241,137.25	3.9%	13,827,807.56	4.4%
School	459,183,534.52	52.3%	210,871,113.46	46.6%	65,890,431.62	60.2%	182,421,989.44	57.7%
Road Districts	15,590,563.54	1.8%	1,496,979.23	0.3%	2,651,435.01	2.4%	11,442,149.30	3.6%
Total	\$ 878,330,215.55		\$ 452,731,229.99		\$ 109,497,168.44		\$ 316,101,817.12	
Percent of state total		100.00		51.65		12.34		36.01

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

Table 58: Replacement Tax Payments by County

County	Amount	County	Amount	County	Amount
Adams	\$ 7,297,263.99	Hardin	\$ 307,963.35	Morgan	\$ 2,826,598.73
Alexander	513,839.13	Henderson	229,847.76	Moultrie	322,683.34
Bond	543,761.44	Henry	2,273,617.05	Ogle	3,043,913.66
Boone	2,741,552.13	Iroquois	1,219,357.75	Peoria	23,974,864.73
Brown	165,349.79	Jackson	3,066,715.27	Perry	1,184,798.77
Bureau	1,657,865.25	Jasper	928,578.12	Piatt	7,307,778.56
Calhoun	71,995.20	Jefferson	2,235,335.97	Pike	586,284.49
Carroll	792,285.28	Jersey	570,855.17	Pope	64,456.71
Cass	598,254.15	Jo Daviess	969,826.36	Pulaski	537,876.38
Champaign	8,191,873.15	Johnson	654,896.69	Putnam	2,271,905.70
Christian	1,686,986.86	Kane	17,258,774.75	Randolph	2,890,181.33
Clark	610,498.58	Kankakee	6,152,433.48	Richland	1,082,664.13
Clay	711,512.92	Kendall	3,235,123.90	Rock Island	18,326,837.17
Clinton	1,082,340.46	Knox	3,066,471.85	Saint Clair	13,672,493.50
Coles	2,693,661.52	Lake	26,377,093.57	Saline	880,887.15
Cook	452,731,229.99	LaSalle	11,005,624.44	Sangamon	11,093,547.75
Crawford	1,491,110.05	Lawrence	382,081.79	Schuyler	135,237.95
Cumberland	322,481.62	Lee	3,116,411.49	Scott	225,158.89
DeKalb	3,587,587.50	Livingston	2,706,096.17	Shelby	788,469.24
DeWitt	1,396,535.24	Logan	1,770,563.68	Stark	294,617.14
Douglas	1,961,646.73	Macon	943,850.96	Stephenson	2,579,834.95
DuPage	29,024,906.29	Macoupin	6,819,099.13	Tazewell	15,040,123.84
Edgar	867,669.28	Madison	8,902,702.79	Union	766,184.33
Edwards	219,975.81	Marion	5,844,588.90	Vermilion	7,374,539.59
Effingham	1,246,720.12	Marshall	1,216,895.22	Wabash	795,744.17
Fayette	844,088.96	Mason	25,730,025.09	Warren	865,831.86
Ford	896,194.59	Massac	3,366,808.73	Washington	720,608.67
Franklin	1,371,382.40	McDonough	645,613.98	Wayne	581,471.46
Fulton	6,177,762.85	McHenry	1,828,751.56	White	587,920.64
Gallatin	362,859.51	McLean	1,372,922.45	Whiteside	6,495,245.84
Greene	371,305.74	Menard	352,399.81	Will	30,017,294.70
Grundy	3,033,204.12	Mercer	1,127,877.37	Williamson	2,022,565.71
Hamilton	316,727.02	Monroe	841,317.78	Winnebago	33,045,415.63
Hancock	520,814.47	Montgomery	1,906,898.20	Woodford	1,395,516.12
				Total	\$ 878,330,215.55

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.

Table 59: Tax Increment Financing Allocations

Sales Tax TIF district	Amount	Sales Tax TIF district	Amount
Aledo TIF District	\$ 50,985.86	Manteno TIF District	\$ 50,596.08
Antioch TIF District	20,103.68	Mendota TIF District	185,720.96
Arlington Heights TIF Dist #1	105,784.89	Moline TIF District	129,091.60
Arlington Heights TIF Dist #2	29,132.33	Morris TIF District	338,593.82
Aurora TIF District	109,136.19	Mount Zion TIF District	15,345.75
Bartlett TIF District	28,746.83	Niles Lawrencewood TIF District	680,403.36
Belleville TIF District #1	4,080.02	North Pekin TIF District	337,271.92
Belleville TIF District #3	373,047.62	Oak Forest TIF District	3,266.54
Bellevue TIF District	26,831.77	Oak Park TIF District	257,573.12
Belvidere TIF District	24,357.46	Oglesby TIF District	163,003.10
Bloomington Market Sq TIF Dist	252,425.41	Palos Heights TIF District	50.84
Bourbonnais TIF District	568,318.33	Pekin TIF District #1	158,105.31
Breese TIF District	109,610.71	Pekin TIF District #2	144,119.65
Buffalo Grove TIF District	186,360.67	Peoria Campustown TIF District	131,769.30
Carbon Cliff TIF District	813.48	Peoria Southtown TIF District	65,924.88
Champaign TIF District #2	26,560.61	Pontiac TIF District #1	36,589.18
Charleston TIF District	20,446.91	Pontiac TIF District #2	206,197.46
Chicago Chatham Ridge TIF Dist	727,478.66	River Forest TIF District	231,792.09
Chicago Edgewater Area TIF Dist	48,346.37	Rock Island TIF District	93,320.20
Chicago Ryan Garfield TIF Dist	161,753.29	Rosemont TIF District #1	266,635.68
Chicago W.Ridge & Pet. TIF Dist	99,785.52	Rosemont TIF District #2	161,291.42
Chicago Ridge TIF District #2	3,813.16	Rosemont TIF District #3	259,589.86
Cicero TIF District	1,352,290.76	Round Lake Beach TIF District	502,969.67
Collinsville TIF District	475,426.09	Salem TIF District	274,698.34
Creve Coeur TIF District	114,101.77	Sherman TIF District	63,331.92
DeKalb TIF District	561,255.55	Silvis TIF District	158,380.76
East Peoria TIF District #1	6,050.22	Sparta TIF District	8,386.03
East Peoria TIF District #2	147,165.88	Springfield TIF District	163,566.66
East St. Louis TIF District	22,849.14	Sterling TIF District	41,402.24
Effingham TIF District	1,011,222.62	Sullivan TIF District	111,966.39
Elgin TIF District #1	162,681.11	Summit TIF District	109,157.43
Elgin TIF District #2	23,001.68	Tuscola TIF District	215,412.55
Elmhurst TIF District	158,499.39	University Park TIF District	6,622.14
Elmwood Park TIF District	172,557.14	Urbana TIF District #2	273,867.91
Galena TIF District	121,808.53	Warrenville TIF District	186,530.14
Galesburg TIF District #1	80,338.51	Watseka TIF District	420,750.00
Galesburg TIF District #2	49,223.35	Wood River TIF District	461,453.10
Galva TIF District	3,198.76		
Gardner TIF District	149,453.78	Total Sales Tax TIFs	\$ 16,937,424.55
Geneva TIF District	50,307.98		
Granite City TIF District	82,880.62	Utility Tax TIF District	Total
Harvey TIF District	2,389.58	Canton Utility TIF District 4a	2,694.63
Havana TIF District	53,934.71	Canton Utility TIF District 4b	677.90
Heyworth TIF District	19,125.00	Colona Utility TIF District	237.26
Hodgkins TIF District	1,911,063.88	East St. Louis Utility TIF Dist	338.95
Justice TIF District	2,114.14	University Park Utility TIF	6,012.03
LaGrange TIF District	83,325.55		
LeRoy TIF District	97,281.60	Total Utility Tax TIFs	\$ 9,960.77
Libertyville TIF District	109,593.77		
Macomb TIF District #2	21,616.27	Total for all TIF Districts	\$ 16,947,385.32

Report on Areas of Recurrent Non-compliance

The Illinois Department of Revenue is the major tax collector for the State of Illinois. As of June 30, 2002, the department's records indicated that ##### accounts totaling \$ 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 unreported 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

The 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 professional law enforcement officers develop and evaluate forensic evidence of financial tax crimes and evasion where fraud is employed to circumvent Illinois' tax laws. The publicized criminal prosecution of tax 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.

Table 60: FY 2002 Major Enforcement Program Totals

Program Area	Number of cases	Amount collected
Audits*	44,358	\$167,134,554
Attorney General Referrals	16	1,840,879
Bulk Sales	4,350	2,178,121
Bureau of Criminal Investigations **, ***	987	\$4,908,242
Certificate of Registration Non-renewal	542	256,701
Certificate of Registration Revocation	16,759	30,515,563
Chicago City License Revocation	16,608	13,187,960
Comptroller Offsets	13,460	7,641,065
Corporate Charter Renewal	519	149,471
Corporate Officer 100 Percent Penalty	2,824	3,519,238
Criminal Restitution	101	571,377
Delinquent Child Support	47,696	30,991,870
Levies (Asset and Wage)	82,117	30,228,447
Liens	15,265	3,860,733
Liquor License Programs	14,600	24,958,176
Outside Collection Agencies	223,127	18,429,222
Payment Agreements	8,357	13,098,278
Professional License Referrals	6,609	1,388,841
Publication of Delinquent Taxpayer Names	1,568	13,483,251
Seizure	222	1,809,769
Service and Call Unit	198,942	49,715,267
Total	699,027	\$ 419,867,025

* Represents amount collected when audits were closed. Total audit amount established was \$359,759,258.

** Prosecution referrals totaled 91; conviction rate was 99 percent.

*** Total estimated liability is \$6,983,917.

Legislation Recap for Calendar Year 2002

Miscellaneous / Tax Administration

Public Act 92-610 (Senate Bill 1649)

Effective July 1, 2002

Senate Bill 1649 amends the Illinois Petroleum Education and Marketing Act to provide that assessments to fund the Illinois Petroleum Resources Board shall be imposed on persons who own an interest in the gross production of oil or gas produced from a well in Illinois rather than from a person who derives the majority of his or her income from a working interest or who produces oil and gas. Senate Bill 1649 further provides for the continued existence of the Illinois Petroleum Resources Board until January 1, 2008, the scheduled sunset date for the Act.

Public Act 92-742 (Senate Bill 2209)

Effective July 25, 2002

Senate Bill 2209 amends the Uniform Penalty and Interest Act, with respect to penalties for late payment or nonpayment of admitted liability. Senate Bill 2209 provides that if notice and demand is made for the payment of any amount of tax due and if the amount due is paid within 30 days after the date of the notice and demand, the penalty for late payment or nonpayment of admitted liability on the amount so paid shall not accrue for the period after the date of the notice and demand. This change allows the tiered penalties to coincide with the calculation and imposition of interest.

Public Act 92- 826 (Senate Bill 2210) Effective August 21, 2002 (Some Parts) and January 1, 2003

Senate Bill 2210 amends the Department of Revenue Law of the Civil Administrative Code of Illinois to allow the Department to collect a fee from taxpayers for the cost of offsets taken against an overpayment of Illinois taxes to satisfy an outstanding federal tax liability. These fees are allowed only if federal law does not allow the Department to collect a fee from the federal government for the cost. Senate Bill 2210 further changes provisions concerning what the Director of Revenue must do if a taxpayer files a protest of withholding of an income tax refund for payment of delinquent income tax liability, and establishes an order of priority the Department is to follow when considering requests to withhold refunds to pay delinquent taxes. Senate Bill 2210 also amends the Illinois Income Tax Act to provide that if the due date for payment of a taxpayer's federal income tax liability for a tax year is later than the date fixed for filing the taxpayer's Illinois income tax return for that tax year, the Department may, by rule, prescribe a due date for payment that is not later than the due

date for payment of the taxpayer's federal income tax liability. Senate Bill 2210 further amends the Retailers' Occupation Tax Act and other related Acts to provide, beginning January 1, 2003, taxpayers are liable for the filing fee incurred by the Department for filing a lien for delinquent taxes as well as the fee incurred by the Department to file the release of that lien. The filing fees shall be paid to the Department in addition to payment of the tax, penalty, and interest included in the amount of the lien.

Public Act 92-570 (House Bill 4465)

Effective June 26, 2002

House Bill 4465 amends the Public Aid Code provisions regarding the Child Support Enforcement Trust Fund and the Child Support Administrative Fund. Beginning July 1, 2002, certain payments received or retained under the provisions of the Social Security Act from the Child Support Enforcement Trust Fund are shifted to the Child Support Administrative Fund. House Bill 4465 allows moneys in the Child Support Administrative Fund to be appropriated to other State agencies or offices (IDOR) for child support enforcement activities. House Bill 4465 further removes the limitation on the amount of moneys that can be transferred from the Child Support Enforcement Trust Fund to the Child Support Administrative Fund.

Public Act 92-600 (House Bill 5686) Effective June 28, 2002 (Generally) and July 1, 2002 (Some Parts)

House Bill 5686 provides that the purpose of the Act is to make changes relating to State finances that are necessary to implement the State's FY2003 budget. House Bill 5686 establishes income tax offset for the Income Tax Refund Fund of 8% and 27% for FY03. House Bill 5686 further redirects sales tax on photoprocessing currently deposited in LGDF, to GRF. House Bill 5686 reduces distribution of the Hotel Operators' Occupation Tax to the International Tourism Fund, from 6% of the 60% collected to 4.5% of the 60%. House Bill 5686 also creates a new assessment on electric utilities totaling \$5.5 million, annually, to be paid by July 31, to the Department of Revenue, for deposit in the Public Utility Fund. This new assessment is effective through January 1, 2009. The Illinois Commerce Commission (ICC) is to notify the Department of Revenue of the pro rata share to be collected from the affected electric utilities. Any unpaid liability is reported to ICC for action against the utility's ICC issued license. House Bill 5686 also allows state agencies a 3% transfer authority for FY03 (rather than a 2% transfer authority).

Circuit Breaker / Pharmaceutical Assistance

**Public Act 92-594 (Senate Bill 2098)
Effective July 27, 2002**

Senate Bill 2098 creates the Senior Pharmaceutical Assistance Review Committee, which is to include the Director of Revenue or his/her designee, to gather information and advise State agencies concerning pharmaceutical assistance for Illinois seniors. Senate Bill 2098 further creates the Senior Health Assistance Program within the Department on Aging to provide outreach and education to seniors on available prescription drug programs, and requires the Illinois Comprehensive Health Insurance Board to study a catastrophic pharmaceutical assistance coverage option. Senate Bill 2098 requires reports to General Assembly and Governor.

**Public Act 92-597 (House Bill 4580)
Effective July 1, 2002**

House Bill 4580 creates the FY2003 Budget Implementation Act. House Bill 4580 provides that the purpose of the Act is to make the changes in State programs that are necessary to implement the Governor's FY2003 budget recommendations. Among other changes not affecting the Department of Revenue, this Act provides, beginning July 1, 2002, the reimbursement rate paid for products and professional dispensing fees under the Pharmaceutical Assistance program shall be determined by rule, promulgated by the Department of Revenue.

**Public Act 92-699 (House Bill 4937)
Effective January 1, 2003**

Amends the Illinois Vehicle Code (IVC) and the State Finance Act to provide that, beginning with the 2004 registration year, the \$24 annual motor vehicle registration fee for persons who have claimed and received a grant under the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act applies to the types of special plates issued to veterans or their surviving spouses, parents, or siblings for which a fee is required (as well as to standard plates displayed on those vehicles). Other unrelated provisions for special plates, under the IVC are also included in House Bill 4937.

Income Tax

**Public Act 92-603 (Senate Bill 1543)
Effective June 28, 2002**

Senate Bill 1543 amends the Illinois Income Tax Act, to "decouple" from federal income tax statutes for purposes of the accelerated depreciation schedule beginning with tax year 2001. The Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act are also amended to extend the aggregate mining sales & use tax exemption another 5 years.

**Public Act 92-626 (House Bill 4187)
Effective July 11, 2002**

House Bill 4187 amends the Illinois Income Tax Act, to provide that, for tax years beginning on or after January 1, 2002, an individual's adjusted gross income (AGI) must be increased by the amount excluded from his/her federal gross income for distributions from tuition programs, other than the College Savings Pool or the Illinois Prepaid Tuition Trust Fund. House Bill 4187 further provides that the deduction from an individual's AGI for contributions to a College Savings Pool account does not apply to amounts excluded from his or her federal gross income.

**Public Act 92-664 (House Bill 4106)
Effective January 1, 2003**

Tax Refund Anticipation Loan Disclosure Act to require persons making tax refund anticipation loans to make certain disclosures.

**Public Act 92-772 (House Bill 4230)
Effective August 6, 2002**

House Bill 4230 amends the Illinois Income Tax Act to create the Multiple Sclerosis Assistance Fund checkoff, beginning for tax years ending on or after December 31, 2002. The new Multiple Sclerosis checkoff is created consistent with the provisions of all other checkoffs on the IL-1040. The Department of Human Services Act is also amended to provide that, subject to appropriation, the Department of Human Services shall make grants from the Multiple Sclerosis Assistance Fund for health-related programs for people with multiple sclerosis. Grants are to be made to only organizations that are located in the State of Illinois. The Multiple Sclerosis Assistance Fund is created in the State Finance Act.

**Public Act 92-826 (Senate Bill 2210)
Effective August 21, 2002 (Some Parts) and
January 1, 2003**

See listing under Tax Administration.

**Public Act 92-846 (Senate Bill 2212)
Effective August 23, 2002**

Senate Bill 2212 amends the Illinois Income Tax Act to incorporate several changes:

- Amends Section 201(l)(i) in reference to “Sections 702 and 704 of subchapter S” to say “Sections 702 and 704 and subchapter S.” Amends Section 201(m) limiting the education expense credit to \$500 per family to refer to “the total credit (of) this subsection.”
- Moves the exemption for ride-sharing arrangements from Section 202 to Section 203(a)(2).
- Corrects two erroneous references in both Section 203(b)(2)(M) and Section 203(b)(2)(M-1).
- Amends Section 203(d)(2)(K) to provide dividends paid to a partnership by a corporation qualify for the subtraction modification, if the corporation conducts substantially all of its business in an enterprise zone.
- Amends Section 209(a) to remove requirement that Department of Revenue certify education programs claimed under “TECH-PREP” Credit. (State Board of Education already certifies qualified programs).
- Amends Subsections 502(c)(4)(B)(iii) and (iv) to refer to correct subsections of Internal Revenue Code (IRC) Section 6015, and add references to the United States Tax Court.
- Amends Section 506 to include reporting requirements for finalization of federal withholding income tax audit.
- Amends Section 701 to require all state agencies to withhold taxes from any compensation payments, including unemployment compensation.
- Amends Sections 905(f) and 911(c), to provide that an agreement by a partnership, S corporation, or trust to extend the statute of limitations for notices of deficiency or refund claims acts to extend the statutes of limitations for partners, shareholders and beneficiaries with respect to pass-through items.
- Amends Section 905(n) to provide no notice of deficiency shall be issued as the result of a decrease determined by the Department in a net loss incurred by a taxpayer unless the Department has notified the taxpayer of a proposed decrease within 3 years after the return reporting a loss was filed, or within 1 year after an amended return reporting an increase in the loss was filed; provided that, in the case of an amended return, a decrease proposed by the Department more than 3 years after original return was filed may not exceed increase claimed by the taxpayer on the original return. Amends Section 911(h) to provide similar limitations on adjustment of

Illinois net losses by taxpayers.

- Amends Section 1501 to allow an election to treat all income, other than compensation, as business income.

Senate Bill 2212 further amends the proper statutes to repeal authority for the imposition and collection of Chicago use tax outside city jurisdictional boundaries previously granted under Public Act 92-221 (SB 164) from last year. Senate Bill 2212 also amends the Property Tax Code to grant property tax exemption for land owned by City of Chicago and used for the Chicago Skyway (Toll Road/Bridge) in a lease/financing transaction similar to exemption previously granted to CTA lands.

**Property Tax / Local Government
Public Act 92-536 (House Bill 539)
Effective June 6, 2002**

See listing under Sale and Excise Tax.

**Public Act 92-548 (House Bill 3710)
Effective June 24, 2002**

House Bill 3710 amends the Forest Preserve Zoological Parks Act’s population requirements to allow corporate authorities to establish zoological parks in counties, other than Cook County, to forest preserve districts containing a population of 140,000 or more. House Bill 3710 also provides the annual tax rate for a forest preserve district located in a county with a population in excess of 140,000, but less than 200,000, and that is contiguous to the Mississippi River, shall not exceed .01% of the value of all taxable property in the district.

**Public Act 92-558 (House Bill 5785)
Effective June 24, 2002**

House Bill 5785 amends the Township Code to provide that a township board, by ordinance, may decrease the maximum tax rate for the General Assistance tax. House Bill 5785 further provides that if the board decreases the maximum tax rate by ordinance, then it may, at any time after the decrease, increase the maximum tax rate, by ordinance, to a rate less than or equal to the maximum tax rate immediately prior to the board’s ordinance to decrease the rate.

**Public Act 92-577 (House Bill 5742)
Effective June 26, 2002**

House Bill 5742 amends the Illinois Banking Act, the Illinois Savings and Loan Act of 1985, the Savings Bank Act, the Illinois Credit Union Act, and the Residential Mortgage License Act of 1987 to provide that when making a reverse mortgage loan, the lender or broker must inform the mortgagor that by obtaining the reverse mortgage loan, the mortgagor’s eligibility to obtain a tax deferral under the Senior Citizens Real Estate Tax Deferral Act may be adversely affected.

**Public Act 92-603 (Senate Bill 1543)
Effective June 28, 2002**

See listing under Income Tax.

**Public Act 92-621 (House Bill 3775)
Effective July 11, 2002**

House Bill 3775 amends the Property Tax Code with respect to leased low-rent housing abatements. House Bill 3775 makes numerous changes to limiting provisions in Property Tax code related to multi-family dwelling or multi-building development containing residential units. House Bill 3775 provides that if such property receives abatement, leases for residential units cannot include property tax.

**Public Act 92-624 (House Bill 4053)
Effective July 11, 2002**

House Bill 4053 amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code to provide that if the redevelopment plan will not result in displacement of residents from 10 or more inhabited residential units (now, 10 or more residents from inhabited units), and the municipality certifies in the plan that such displacement will not result from the plan, a housing impact study need not be performed, and a resolution or ordinance providing for a feasibility study need not be adopted. Further, House Bill 4053 also provides that in a municipality in which a redevelopment project area is proposed the municipality shall provide notice of availability of the proposed redevelopment plan and eligibility report to all residential addresses located outside the proposed redevelopment project area and within 750 feet of the boundaries of the proposed redevelopment project area.

**Public Act 92-639 (Senate Bill 1606)
Effective January 1, 2003**

Senate Bill 1606 amends the Senior Citizens Real Estate Tax Deferral Act by increasing the income eligibility cap from an annual household income of \$25,000, to an annual household income of \$40,000.

**Public Act 92-640 (Senate Bill 1668)
Effective July 11, 2002**

Senate Bill 1668 amends the Property Tax Code in provisions requiring tax purchasers to deposit with the Cook County Collector a letter of credit, or other unconditional bond, in an amount not less than \$1,000.

**Public Act 92-656 (House Bill 4335)
Effective July 16, 2002**

House Bill 4335 amends the Township Code to provide that a township may, by taxation, accumulate moneys in a dedicated fund for a specific capital construction or maintenance project or a major equipment purchase without submitting a proposition to the electors of the district if the annual budget and appropriation ordinance for the township states the amount, purpose, and duration of any accumulation of funds, with specific reference to each project to be

constructed or equipment to be purchased. House bill 4335 also amends the Illinois Highway Code to provide that any road district may accumulate moneys in a dedicated fund for a specific capital construction or maintenance project or a major equipment purchase without submitting a proposition to the electors of the district if the annual budget and appropriation ordinance for the road district states the amount, purpose, and duration of any accumulation of funds, with specific reference to each project to be constructed or equipment to be purchased.

**Public Act 92-658 (House Bill 1918)
Effective July 16, 2002**

House Bill 1918 amends the Property Tax Code to provide that if an exemption decision has been made by the Department and notice has been given of the Department's decision, any party to the proceeding who feels aggrieved by the decision may file an application for hearing within 60 days after notice of the decision has been given by certified mail (now, 20 days). House Bill 1918 establishes procedures for a rehearing, if requested by an aggrieved party, if a decision denying an exemption request is made at hearing. House Bill 1918 further provides that the Department's decision is final on the later of (i) 30 days after issuance of a notice of decision, if no request for rehearing is made, or (ii) if a timely request for rehearing is made, upon the issuance of the denial of the request or the issuance of a notice of final decision. House Bill 1918 also changes the time within which an owner may apply for review of a decision by the Department to remove an exemption from 10 to 60 days after notice.

**Public Act 92-662 (House Bill 3697)
Effective July 16, 2002**

House Bill 3697 amends the Illinois Municipal Code by changing population requirements to allow a municipality to levy a tax for purpose of providing ambulance services pursuant to an intergovernmental cooperation agreement with any other unit of local government. House Bill 3697 also amends the Fire Protection District Act by changing the population requirements to allow a fire protection district to levy a tax for purpose of providing ambulance services pursuant to an intergovernmental cooperation agreement with any other unit of local government.

**Public Act 92-667 (House Bill 4337)
Effective July 16, 2002**

House Bill 4337 amends the Property Tax Code to provide that a county supervisor of assessments who has served as a supervisor of assessments for 12 years or more is qualified to hold office if he/she has a Certified Illinois Assessing Official (CIAO) certificate, with a minimum of 360 additional hours of successfully completed courses approved by the Department of Revenue, of which at least 180 hours required a written examination.

**Public Act 92-684 (House Bill 5779)
Effective July 16, 2002**

House Bill 5779 amends the Property Tax Code to require the board of a multi-township assessment district to make a tentative budget and appropriation ordinance available for public inspection at least 30 days before the public hearing required by the Illinois Municipal Budget Law. The public hearing is to be held on or before the last day of the first quarter of the fiscal year. Notice of the hearing must be given by publication in a newspaper published in the multi-township assessment district or, if no newspaper is published in the district, by posting notice in the 5 most public places in each township comprising the multi-township assessment district. The township clerks are required to arrange the hearing. House Bill 5779 allows the board to adopt all or part of the tentative budget and appropriation ordinance at the public hearing.

**Public Act 92-718 (House Bill 3812)
Effective July 18, 2002**

House Bill 3812 amends the Township Code to provide that certain townships may transfer moneys from the general assistance fund if specific requirements are met.

**Public Act 92-729 (Senate Bill 1666)
Effective July 25, 2002**

Senate Bill 1666 amends the Property Tax Code to provide that when the county collector discovers, via investigation, that a tax sale should not have occurred for one or more reason, the county collector shall notify the tax purchaser, or subsequent holder of a certificate of purchase, that he/she intends to declare an administrative sale in error. If the tax purchaser, or subsequent holder of a certificate of purchase, files written objections with supporting documentation, the county collector shall not administratively declare a sale in error, but shall apply to the circuit court for a sale in error as otherwise provided. At any time after 30 days following the mailing of notice to the tax purchaser, or subsequent holder of a certificate of purchase, the county collector shall make a written finding, based upon clear and convincing evidence, that taxes were sold in error and post finding in warrant book.

**Public Act 92-732 (Senate Bill 1930)
Effective July 25, 2002**

Senate Bill 1930 amends the The Local Governmental and Governmental Employees Tort Immunity Act to provide that if a school district was a member of a joint-self-health-insurance cooperative that had more liability in outstanding claims than revenue to pay those claims, the school board of that district may by resolution make a one-time transfer from any fund in which tort immunity moneys are maintained to the fund or funds from which payments to a joint-self-health-insurance cooperative can be or have been made of an amount not to exceed the amount of the liability claim that the school district owes to the joint-

self-health-insurance cooperative or that the school district paid within the 2 years immediately preceding the effective date of this amendatory Act of the 92nd General Assembly.

**Public Act 92-733 (Senate Bill 1932)
Effective July 25, 2002**

Senate Bill 1932 amends the Property Tax Code to replace the exemption for property used exclusively for "burial purposes" with an exemption for property used exclusively for "cemetery purposes". Senate Bill 1932 further provides that "property used exclusively for cemetery purposes" includes all real property of a cemetery, including grounds and improvements such as offices, maintenance buildings, mausoleums, and other structures in which human or cremated remains are buried, interred, entombed, or inurned and real property that is used exclusively in the establishment, operation, administration, preservation, security, repair, or maintenance of the cemetery. Senate Bill 1932 also amends the State Mandates Act to require implementation without reimbursement by the State.

**Public Act 92-739 (Senate Bill 2037)
Effective January 1, 2003**

Senate Bill 2037 amends the Illinois Municipal Code to require the Department of Revenue, beginning on October 1, 2002, to administer and enforce certain non-home rule municipal occupation and use taxes beginning on (i) the first day of July if a certified copy of the ordinance or resolution concerning the tax is delivered to the Department on or before the first day of April or (ii) the first day of January if a certified copy of the ordinance or resolution concerning the tax is delivered to the Department on or before the first day of October.

Senate Bill 2037 further provides that the Retailer's Occupation Tax, the Service Occupation Tax, and the Use Tax imposed by non-home rule municipalities under the Illinois Municipal Code shall not be imposed at a rate greater than ½% and shall be imposed only in ¼% increments. Finally, this measure provides that the proceeds from these three taxes may also be used for municipal property tax relief. "Property tax relief" is defined in the bill as the action of a municipality to reduce the levy for real estate taxes or to avoid an increase in the levy for real estate taxes that would otherwise have been required.

**Public Act 92-781 (Senate Bill 1814)
Effective January 1, 2003**

Senate Bill 1814 amends the Township Code to make changes concerning the tax levy for senior citizens services. Senate Bill 1814 provides that senior citizens services provided for by the tax levy may include, but are not limited to, the construction, maintenance, repair, and operation of a senior citizens center. Senate Bill 1814 further provides that the tax levy may be in addition to any other taxes and is not subject to

the tax rate limitations for townships but is subject to the extension limits set forth in the Property Tax Extension Limitation Law of the Property Code.

**Public Act 92-800 (House Bill 4365)
Effective August 16, 2002**

House Bill 4365 amends the Illinois Highway Code to provide that the township board of trustees shall assume all taxing authority of a township road district abolished because of a reduction in the total mileage of the township road system to 4 miles or less. House Bill 4365 further increases from 20% to 50% the percentage of motor fuel tax moneys that a road district may spend on eligible non-dedicated subdivision roads.

**Public Act 92-807 (House Bill 1975)
Effective January 1, 2003**

House Bill 1975 sets up a tax sale system for Mobile Home Taxes under the Mobile Home Local Services Tax Act. Provides that taxes upon a mobile home shall be a prior and first lien on the mobile home until a court order transfers ownership of the mobile home, rather than until the mobile home is sold. Creates the Mobile Home Local Services Tax Enforcement Act.

**Public Act 92-815 (House Bill 5375)
Effective August 21, 2002**

House Bill 5375 amends the Illinois Municipal Code regarding the Municipal Retailer's Occupation Tax to provide that for the City of DuQuoin only, the meaning of "public infrastructure" includes public school for any referendum approved in November, 2002.

Sales and Excise Tax

**Public Act 92-536 (House Bill 539)
Effective June 6, 2002**

House Bill 539 amends the Cigarette Tax Act and the Cigarette Use Tax Act to increase the cigarette tax an additional 40 cents/pack, beginning July 1, 2002. Between the effective date of this Act and June 30, 2002, distributors were allowed to purchase only 115% of their average monthly purchases for the proceeding 12-month period. No floor stock tax was required. HB 539 also changes the distributions of current collections of the Real Estate Transfer Tax as follows: 20% (rather than current 35%) paid to Open Space Lands Acquisition Fund, and 5% (rather than current 15%) paid to the Natural Areas Acquisition Fund. The additional 25% spun off of these two funds will now be deposited to GRF.

**Public Act 92-600 (House Bill 5686)
Effective July 1, 2002**

See listing under Miscellaneous/Tax Administration.

**Public Act 92-602 (House Bill 6012)
Effective July 1, 2002**

House Bill 6012 amends the Simplified Municipal Telecommunications Tax Act to create an extensive dispute resolution procedure for consumers that believe they are being improperly charged a local telecommunications tax.

**Public Act 92-680 (House Bill 4974)
Effective July 16, 2002**

House Bill 4974 amends the Illinois Vehicle Code to change the name of the "drive-away decals" to "drive-away permits." House Bill 4974 further provides that the Secretary of State shall prescribe how drive-away permits are displayed and the process for obtaining a drive-away permit. The length of time that a short-term permit or a drive-away permit is valid is changed to 7 days. House Bill 4974 also amends the Use Tax Act and the Retailers' Occupation Tax Act to reflect the change in the name of the drive-away permits.

**Public Act 92-737 (Senate Bill 2017)
Effective July 25, 2002**

Senate Bill 2017 creates the Tobacco Product Manufacturers' Escrow Enforcement Act to provide that a distributor of cigarettes may not affix, or cause to be affixed, tax stamps to individual packages of cigarettes delivered or caused to be delivered by the distributor in this State if the manufacturer of those cigarettes has (i) failed to become a participating manufacturer under the Tobacco Product Manufacturers' Escrow Act or (ii) failed to create a qualified escrow fund for any cigarettes manufactured by the tobacco product manufacturer and sold in this State or otherwise failed to bring itself into compliance with certain provisions of the Tobacco Product Manufacturers' Escrow Act. Further, Senate Bill 2017 provides that a distributor (including distributors of roll-your-own tobacco) who violates the Act is subject to the revocation, cancellation, or suspension of his/her license under the Tobacco Products Tax Act of 1995, the Cigarette Tax Act or the Cigarette Use Tax Act, as appropriate. Senate Bill 2017 further authorizes the Attorney General, in consultation with the Department of Revenue to adopt rules to effectuate compliance with the Act and the Tobacco Product Manufacturers' Escrow Act. The Cigarette Tax Act, and the Cigarette Use Tax Act are amended to make corresponding changes.

**Public Act 92-743 (Senate Bill 2211)
Effective July 25, 2002**

Senate Bill 2211 amends the Tobacco Products Tax Act of 1995 to provide that any duly authorized employee of the Department of Revenue (i) may arrest without warrant any person committing in his or her presence a violation of any of the provisions of the Act (ii) and may without a search warrant inspect all tobacco products located in any place of business

and seize any tobacco products and any vending device in which those tobacco products are found. Senate Bill 2211 provides that the tobacco products or vending devices so seized shall be subject to confiscation and forfeiture under the Act. Senate Bill 2211 also provides procedures for the seizure, forfeiture, and sale of tobacco products found to be in violation of the Act.

**Public Act 92-779 (Senate Bill 1760)
Effective August 6, 2002**

Senate Bill 1760 amends the Retailers' Occupation Tax Act to make changes to the Enterprise Zone Building Materials Exemption. Senate Bill 1760 defines "qualified sales" as a sale of building materials that will be incorporated into real estate as part of a building project for which a Certificate of Eligibility for Sales Tax Exemption has been issued by the administrator of the enterprise zone in which the building project is located. Senate Bill 1760 further provides a method by which qualified sales may be made by any retailer, without regard for the retailer's proximity to an enterprise zone.

Court Cases

Toney v. Bower et al., No. 4-00-0401 (4th Dist. 2/8/01). and **Griffith v. Bower et al., No. 5-99-0829 (5th Dist. 4/03/01).**

Both cases challenged the constitutionality of the Illinois educational expense credit. Section 201(m) of the Tax Code allows for a credit of up to \$500 against income tax liability equal to 25% of qualified educational expenses incurred on behalf of qualifying pupils, beginning with tax years after December 31, 1999. Both Courts rejected the Plaintiffs' claims of unconstitutionality. The Courts determined that the money from the credit did not constitute public money or the expenditure of public funds. Furthermore, the credit did not constitute an unreasonable tax classification or provide support for sectarian schools.

Arangold Corporation v. Zehnder et al., 99 L 51215 (Cook County Circuit Court 3/14/01).

The taxpayer in this case challenged the constitutionality of the Tobacco Products Tax Act of 1995 claiming violation of the Due Process Clauses and Equal Protection Clauses of the United States and Illinois Constitutions. The taxpayer also claimed a violation of the Uniformity Clause and the Special Legislation Clauses of the Illinois Constitution. The Illinois Supreme Court reversed the same court's earlier declaration of unconstitutionality based on a claimed violation of the single subject rule. In finding for the State, the Circuit Court rejected Plaintiff's contention that there was no reasonable relationship between distributors of certain tobacco products and taxation to fund nursing home care for the poor. The Court took judicial notice of the connection between tobacco use and the debilitating diseases that result in nursing home stays and considered the State's justification for the legislation to be adequate to survive the Plaintiff's challenge. The Plaintiff has challenged the Circuit Court's ruling by appealing the decision to the First District.

Subway Restaurants of Bloomington-Normal, Inc. v. Topinka et al., No. 4-00-0729 (4th Dist. 6/7/01).

Taxpayer opened four restaurants in residence halls on the Illinois State University campus. The restaurants were independent of the University, but allowed students to use their university debit cards to pay for food if the students chose that form of payment. Subway did not collect tax on the sales of the food claiming they were acting as an agent of the University. The Court did not agree with the taxpayer. Citing to the fact that the restaurants were not run by the University, but by an independent corporation, which leased space on the campus and the fact that the sales were not to the University the Court agreed with the Department that the sales were sales at retail and therefore, taxable.

Hercules, Inc. v. Department of Revenue et al., No. 1-00-0433 (1st Dist. 6/29/01).

The taxpayer sought to divest itself of its outdated polypropylene business and formed a joint venture with

a foreign corporation that developed a state of the art polypropylene production process. Each company contributed its respective business assets to the joint venture, which went public a few years after the formation of the joint venture. Several months after the initial public offering Hercules sold its remaining interest to the foreign company at a substantial gain, which the Department sought to classify as business income. The Department took the position that an operational relationship existed between the taxpayer and the joint venture. The taxpayer contributed its entire business to the joint venture including people, products, intellectual property, accounts receivable and much more. It purchased millions of dollars of polypropylene from the joint venture, a significant percentage of the joint venture's output, at a discount; it also provided a variety of services to the joint venture including accounting, legal, clerical and more. Furthermore, the taxpayer had numerous other dealings with the joint venture. The Appellate Court did not agree with the Department's position and ruled in the taxpayer's favor. The Illinois Supreme Court elected not to take the case.

Weber-Stephen Products, Inc. v. The Department of Revenue et al., No. 1-99-2578 (1st Dist. 8/24/01).

Taxpayer acquired a larger airplane and divested itself of a smaller one while attempting to defer federal income tax consequences under section 1031 of the Internal Revenue Code. The taxpayer contacted JB&A to assist it in locating the larger plane and to act as an intermediary to facilitate the purchase of the larger plane and the sale of the smaller plane. JB&A located a plane owned by Chase Manhattan Bank who listed the plane with its intermediary. Chase's intermediary took title to the plane and passed title to JB&A. JB&A took title and passed it to the taxpayer. The taxpayer claimed that no tax was due on the transaction claiming it to be an occasional sale from Chase. The Court looked at the passage of title and determined that JB&A, an airplane dealer, took title and sold the plane to the taxpayer resulting in a taxable transaction.

Lena Community Trust Fund, Inc. v. The Department of Revenue et al., 322 Ill. App. 3d 884 (Second Dist. 6/13/01).

The Lena Community Trust Fund (the Trust) applied for a charitable exemption from real estate taxes for 1995. The department's Administrative Law Judge found that the Trust did not qualify as an institution of public charity. The department also found that the Trust failed to establish that their property was used exclusively for charitable purposes. Although the Trust charged fees for its services, the court noted the existence of a fee waiver policy and the fact that a majority of its operating costs were derived from charitable donations. The land upon which the community center sat was also received as a donation. The court reversed the department and concluded the Trust operated the community center primarily as a community resource, and this constituted a charitable use.



**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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