Illinois Department of Revenue

Annual Report of Collections and Distributions

Fiscal Year 2003

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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.

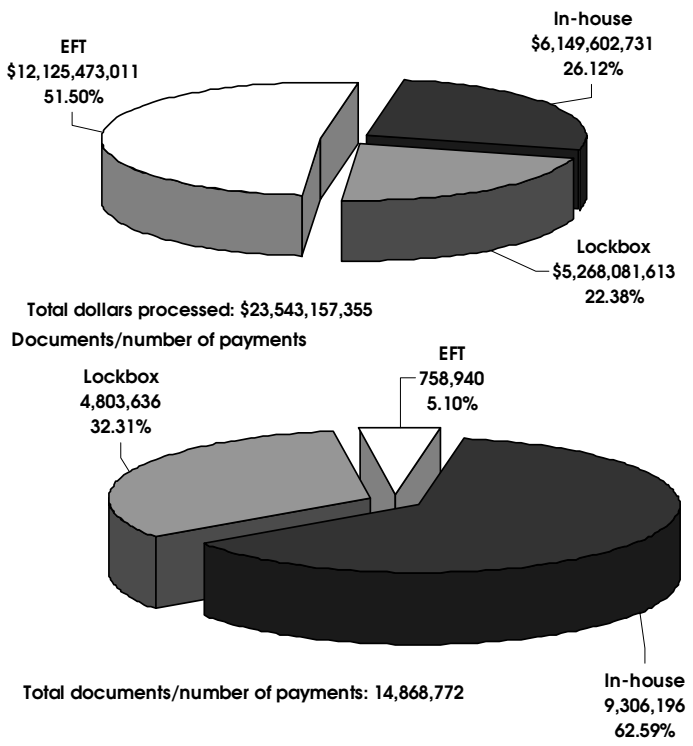
Electronic Funds Transfer (EFT)

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.

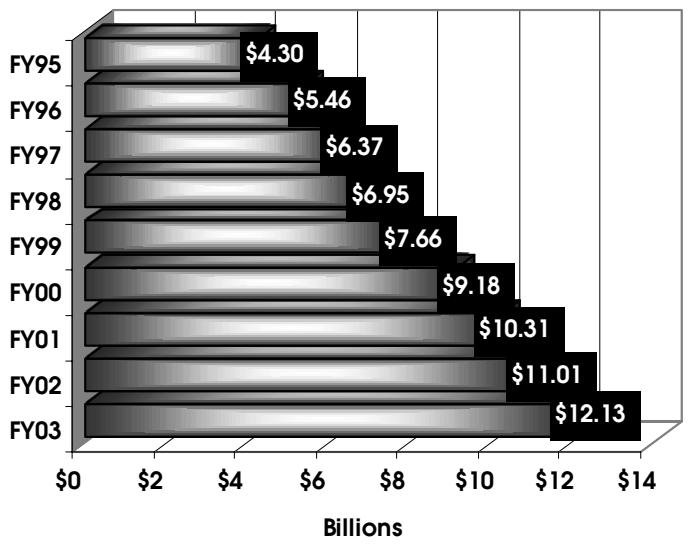
Graph 1: Dollars and Documents Processed



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".

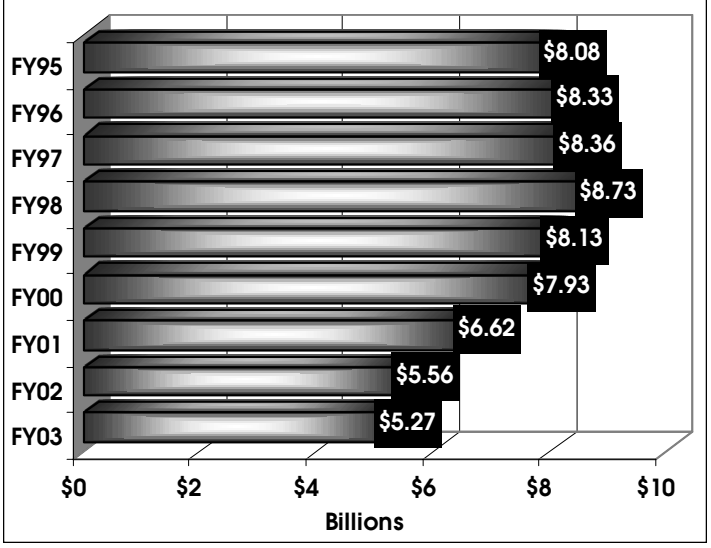
Graph 2: EFT Program Dollars Collected



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, six 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.

Graph 3: Lockbox Processing Dollars Collected



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 1,444,354 returns in processing year 2003 through both electronic filing methods, a 16.6 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 128,434 returns in processing year 2003 by the TeleFile method, a 6.2 percent increase from the previous year.

I-File

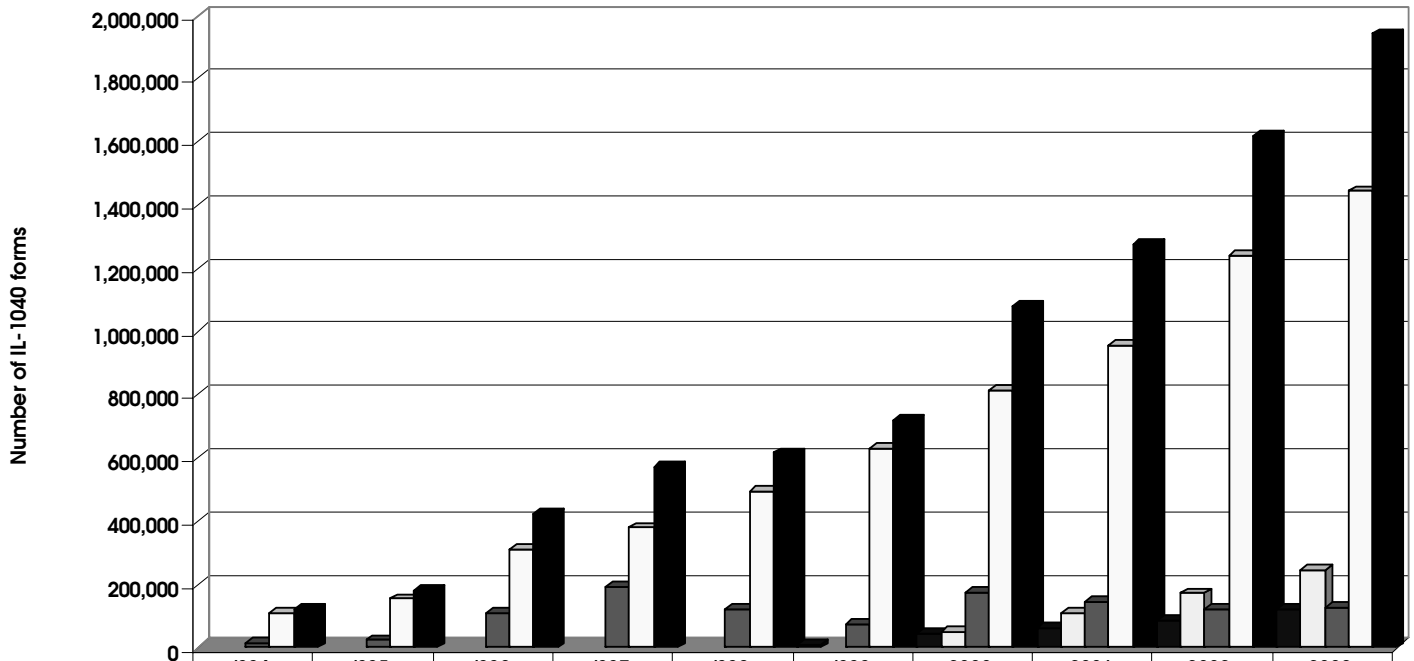
In January 1999, the department introduced the Internet Filing Pilot Program to 700,000 randomly selected taxpayers. Beginning in 2000, the program is available to any Illinois taxpayer who is assigned an IL-PIN and who meets the I-File program criteria. These taxpayers have the opportunity to file their 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 120,887 Internet filed returns in processing year 2003, a 39.1 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 247,342 PC Retail Software filed returns in 2003, a 44.4 percent increase from the previous year.

Graph 4: Income Tax Alternative Filing Options



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Internet						11,191	43,538	62,556	86,881	120,887
PC Retail Software							51,195	108,501	171,232	247,342
TeleFile	14,008	24,229	111,670	190,406	119,654	74,727	172,367	147,014	120,963	128,434
Electronic Filing	107,299	154,016	310,711	378,505	495,423	631,171	811,927	957,297	1,238,563	1,444,354
Total	121,307	178,245	422,381	568,911	615,077	717,089	1,079,027	1,275,368	1,617,639	1,941,017

Credit Card Payments

In addition to paying by check or money order, taxpayers may use a credit card to pay Individual Income Tax owed for the current tax year, prior tax years, estimated payments, and extension payments. In FY 2003, 17,693 credit card payments totaling more than $5.25 million were received.

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 2003, 30,635 electronic funds withdrawal payments totaling $3,597,447 were received.

Sales Tax Alternative Filing Options

TeleFile

The Sales Tax TeleFile Program was implemented in November 1999, but only those with relatively simple sales tax returns could participate. In May 2002, the program was expanded to include use tax reporting. The direct debit payment feature was also added. The program was further expanded in October of 2003 so that taxpayers who are required to report their liquor sales and those who want to apply a prior overpayment of tax could use the TeleFile Program. In January 2004, a Spanish-speaking script was added.

Taxpayers receive a personal identification number to access the toll-free TeleFile system. Taxpayers are prompted to enter information from the telephone keypad. The TeleFile system computes math, eliminating arithmetic mistakes. The department received 16,676 TeleFile Form ST-1 returns (returns only) in fiscal year 2003.

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 165 Form ST-1 returns by EDI in fiscal year 2003.

Total Revenue Collected

Table 1: Total Revenue Collected [1]

Section 1: State Taxes and Fees Collections [2]	FY 2001	FY 2002	FY 2003
Income Taxes			
1 Corporate Income Tax	1,302,558,427	1,042,682,985	$ 921,586,926
2 Individual Income Tax	8,617,847,075	8,090,152,509	7,976,979,827
3 Personal Property Replacement Income Tax	942,653,146	746,786,810	761,126,499
A. Total Income Taxes	**$ 10,863,058,648**	**$ 9,879,622,304**	**$ 9,659,693,252**
Sales Taxes			
1 Retailers' Occupation, Use, Service Occupation, Service Use	8,014,161,192	8,266,932,058	8,118,945,837
2 Other Sales or Renting Taxes and Fees			
a Automobile Renting Occupation and Use Taxes	31,730,257	28,978,931	27,341,198
b Replacement Vehicle Tax	1,233,808	1,337,011	1,492,275
c Tire User Fee	6,448,167	6,259,881	6,662,296
d Vehicle Use Tax	38,999,471	42,328,377	40,659,305
B. Total Sales Taxes	**$ 8,092,572,895**	**$ 8,345,836,258**	**$ 8,195,100,911**
Motor Fuel Taxes			
1 Motor Fuel and Motor Fuel Use Taxes	1,296,026,938	1,299,068,873	1,323,322,100
2 Underground Storage Tank Tax and Environmental Impact Fee	73,658,542	69,446,083	72,387,628
C. Total Motor Fuel Taxes	**$ 1,369,685,480**	**$ 1,368,514,956**	**$ 1,395,709,728**
Excise Taxes			
1 Cigarette and Cigarette Use Taxes	470,352,315	464,508,645	643,123,995
2 Coin-operated Amusement Device Tax	1,307,615	1,298,772	1,144,655
3 Dry-cleaning Solvent Tax and License Fees	1,771,326	1,648,968	1,518,215
4 Electricity Excise Tax	367,730,929	317,240,916	353,290,697
5 Energy Assistance and Renewable Energy Charges	92,619,239	92,592,764	95,511,406
6 Gas Revenue Tax	150,560,390	109,522,250	144,262,954
7 Hotel Operators' Occupation Tax	170,013,089	149,658,344	150,727,788
8 Invested Capital Tax and Electricity Distribution Tax	183,470,954	177,571,534	177,285,109
9 Liquor Gallonage Tax	140,118,688	141,093,445	142,756,272
10 Oil and Gas Production Assessment	293,911	259,346	301,488
11 Telecommunications Excise Tax	793,188,882	756,300,376	657,347,648
12 Telecommunications Infrastructure Maintenance Fee	36,872,412	34,764,947	32,036,182
13 Tobacco Products Tax	17,317,691	17,753,571	18,301,531
D. Total Excise Taxes	**$ 2,425,617,441**	**$ 2,264,213,878**	**$ 2,417,607,940**
Gaming Taxes			
1 Bingo Tax and License Fees	5,190,765	4,904,218	4,665,869
2 Charitable Games Tax and License Fees	160,632	156,720	153,835
3 Pull Tabs and Jar Games Tax and License Fees	7,918,236	7,596,099	7,690,845
4 Racing Privilege Tax	12,815,513	12,388,203	12,222,206
5 Riverboat Gambling Taxes and Fees	528,547,545	570,672,511	691,261,635
E. Total Gaming Taxes	**$ 554,632,691**	**$ 595,717,751**	**$ 715,994,390**
Other Collections			
1 Miscellaneous [3]	770,852	696,251	696,824
2 Pharmaceutical Assistance	4,485,037	7,571,238	3,961,487
3 Qualified Solid Waste Energy Facility Payment [4]	100,220	359,168	298,038
4 Real Estate Transfer Tax	59,584,436	62,981,829	72,439,402
5 Senior Citizens Real Estate Tax Deferral	2,319,222	3,472,658	2,938,594
6 Tennessee Valley Authority (TVA)	68,469	77,519	81,577
F. Total Other Collections	**$ 67,328,236**	**$ 75,158,663**	**$ 80,415,922**
Total Section 1: State Collections (A+B+C+D+E+F)	**$ 23,360,655,875**	**$ 22,529,063,810**	**$ 22,464,522,143**

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

Section 2: Taxes Collected for Local Governments [5]	FY 2001	FY 2002	FY 2003
Automobile Renting Occupation and Use Taxes			
1 County Automobile Renting Occupation and Use Taxes	78,180	104,006	48,319
2 MPEA Automobile Renting Occupation and Use Taxes	26,945,368	24,050,677	21,335,614
3 Municipal Automobile Renting Occupation and Use Taxes	5,761,105	5,217,889	4,870,704
A. Total Automobile Renting Occupation and Use Taxes	**$ 32,784,653**	**$ 29,372,572**	**$ 26,254,637**
B. Chicago Soft Drink Tax	**$ 8,071,991**	**$ 7,960,115**	**$ 8,173,372**
C. County Motor Fuel Tax	**$ 27,292,721**	**$ 26,653,660**	**$ 28,267,307**
D. County Water Commission Tax	**$ 33,324,122**	**$ 32,665,268**	**$ 31,262,606**
E. Home Rule and Non-home Rule Sales Taxes	**$ 682,323,787**	**$ 691,127,245**	**$ 735,332,256**
Hotel Taxes			
1 Illinois Sports Facilities Tax	27,222,223	23,474,429	24,395,848
2 MPEA Hotel Tax	31,736,059	27,366,872	28,441,076
3 Municipal Hotel Tax (Chicago)	13,750,046	11,856,981	12,322,392
F. Total Hotel Taxes	**$ 72,708,328**	**$ 62,698,282**	**$ 65,159,316**
G. Mass Transit District Sales and Use Taxes	**$ 537,851,021**	**$ 656,548,287**	**$ 653,845,504**
H. Metro-East Park and Recreation District Tax [6]	**$ 0**	**$ 3,096,778**	**$ 3,558,619**
I. MPEA Food and Beverage Tax	**$ 23,106,600**	**$ 22,298,284**	**$ 23,456,015**
J. Municipal Simplified Telecommunications Tax [7]	**$ 0**	**$ 0**	**$ 98,800,419**
Replacement Vehicle Taxes			
1 County Replacement Vehicle Tax	243	102	554
2 Municipal Replacement Vehicle Tax	46,150	52,645	60,292
K. Total Replacement Vehicle Taxes	**$ 46,393**	**$ 52,747**	**$ 60,846**
L. Tennessee Valley Authority (TVA)	**$ 159,760**	**$ 180,877**	**$ 190,347**
M. Special County Retailers' Occupation Tax for Public Safety	**$ 17,821,985**	**$ 22,474,392**	**$ 25,312,365**
Total Section 2: Taxes Collected for Local Governments (A+B+C+D+E+F+G+H+I+J+K+L+M)	**$ 1,435,491,361**	**$ 1,442,718,014**	**$ 1,699,673,609**
Collections Grand Total (Section 1+ Section 2)	**$ 24,808,386,752**	**$ 23,971,781,824**	**$ 24,164,195,752**

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 44 and "Revenue-sharing with Local Governments" for more information.

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

(4) Payments were required to be sent to the department effective January 2001.

(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 44.

(6) Imposed July 1, 2001.

(7) First collections were January 1, 2003.

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 allowed for any taxpayer or spouse who was either 65 years of age or older, legally blind, or both ($1,000 each). The total exemption amount is deducted from base income to arrive at "net income." The tax rate is then applied against net income.

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

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

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

Illinois Income Tax is **not** withheld from

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

Table 2: Illinois Income Tax Rate History

Effective date	Individuals	Corporations
August 1, 1969	2.5 percent	4.0 percent
January 1, 1983 (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

Taxpayer status	2001 returns	2002 returns
Single*	3,343,148	3,255,506
Married, filing jointly	2,255,874	2,236,240
Married, filing separately	76,824	71,115
Total	**5,675,846**	**5,562,861**

* Includes single, head of household, and widowed.

Table 5: Individual Income Tax returns Filed by Adjusted Gross Income — Tax Year 2002

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 Zero	51,713	$ (2,477,509,602)	93,069	$ 770,253	288	$ 87,997
$0 — $5,000	492,616	1,283,432,142	504,624	19,798,095	11,418	400,395
$5,001 — $15,000	888,370	8,734,059,935	1,491,979	152,077,545	122,110	8,549,070
$15,001 — $25,000	753,295	14,938,079,468	1,595,139	304,379,298	181,439	16,188,583
$25,001 — $50,000	1,308,453	47,569,134,503	2,893,206	1,107,069,937	576,982	61,004,513
$50,001 — $100,000	1,206,013	84,597,723,080	3,400,516	2,075,926,000	915,918	134,141,565
$100,001 — $500,000	491,056	$79,024,954,744	1,556,737	2,115,657,931	436,329	113,483,291
$500,001 & more	25,591	$35,991,852,006	84,766	1,072,865,545	23,961	14,226,509
Subtotal resident returns	5,217,107	$ 269,661,726,276	11,620,036	$ 6,848,544,604	2,268,445	$ 348,081,923
Nonresidents and residents with invalid Illinois Zip Codes	345,754	$60,652,494,076	764,135	377,601,031	37,007	7,470,341
Total	**5,562,861**	**$ 330,314,220,352**	**12,384,171**	**$ 7,226,145,635**	**2,305,452**	**$ 355,552,264**

Individual Income Tax Credits

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

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

Graph 5: Illinois Individual Income Tax — Property Tax Relief

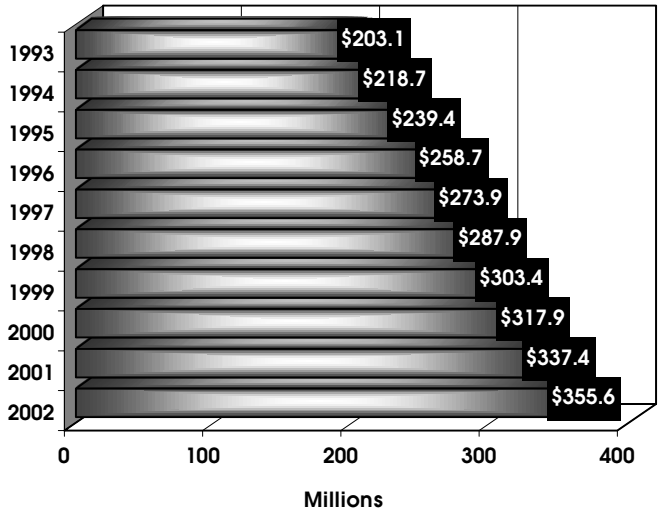


Table 6: Property Tax Credit, Education Expense Credit, and Earned Income Credit Amounts

	Property tax		Education Expense		Earned Income	
Tax year	Number of returns	Credit amount	Number of returns	Credit amount	Number of returns	Credit amount
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	165,781	$ 61,233,025	542,070	$ 39,921,206
2001	2,337,890	337,404,976	189,055	68,444,006	584,223	44,147,501
2002	2,305,452	$ 355,552,264	185,005	$ 66,518,652	645,973	$ 50,829,816

Table 7: Corporate Liability Stratification for Income and Replacement Taxes — Tax Year 2001

Liability Range (000'S)	Total filers	Percent of filers	Liabilities (millions)	Percent of liabilities	Average Liability
$0	89,756	70.14%	$ 0.0	0.00%	$ 0.0
$0 > $5	29,858	23.33%	35.6	3.34%	1,192
$5 > $10	3,172	2.48%	21.9	2.05%	6,904
$10 > $50	3,250	2.54%	72.1	6.76%	22,185
$50 > $100	759	0.59%	54.0	5.06%	71,146
$100 > $500	838	0.65%	177.5	16.64%	211,814
$500 > $1,000	162	0.13%	111.7	10.47%	689,506
$1,000 or more	171	0.13%	594.1	55.68%	3,474,269
Totals	**127,966**	**100.00%**	**$ 1,066.9**	**100.00%**	**$ 8,337**
Liability only	38,210	29.86%	$ 1,066.9	100.00%	$ 27,922

Note: For information about replacement taxes, see Table 56 and Table 57.

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 required to pay **Personal Property Replacement Tax**. Income from these entities is generally passed on to owners who, in turn, must report this income on their federal income tax returns. This income is included in federal adjusted gross income, which is the starting point for the Illinois Individual Income Tax, or taxable income for corporations.

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

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

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

- Research and Development Credit (for tax years ending on or before December 31, 2003 and beginning again for tax years ending on or after December 31, 2004)
- 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 and HMO Guarantee Association fee offset (for tax years ending on or before December 31, 2002)
- Affordable Housing Credit (for tax years ending on or after December 31, 2000)
- Film Production Services Credit (for tax years beginning on or after January 1, 2004)

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

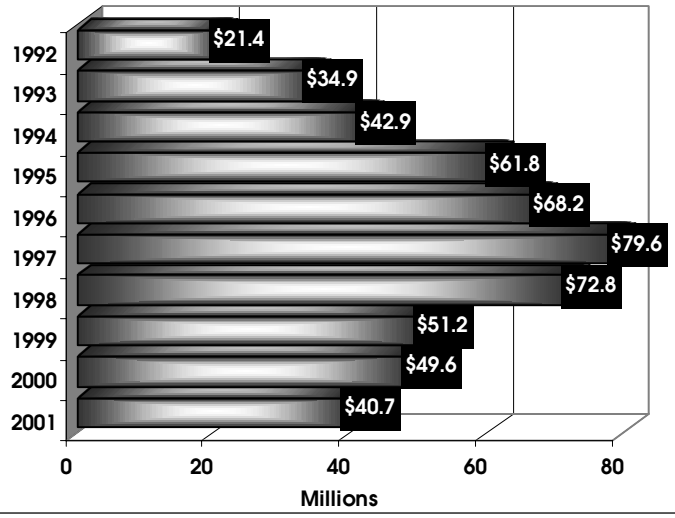


Table 8: Corporate Income Tax Credit Profile* (in millions)

Credit	1993	1994	1995	1996	1997	1998	1999	2000	2001	Total
Enterprise Zone	$ 2.9	$ 7.0	$ 10.0	$ 8.4	$ 9.0	$1 0.0	$ 5.8	$ 4.4	$ 7.5	$ 65.0
Coal Research & Coal Utilization	3.1	3.1	3.9	0.7	4.3	1.1	0.1	1.1	1.1	18.5
High Impact Business	0.0	0.2	0.4	1.2	0.4	0.5	0.5	0.5	0.2	3.9
Jobs Tax Credit	0.0	0.3	0.0	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	12.7	128.5
Research & Development	16.5	24.0	27.8	35.2	32.6	27.5	15.9	15.0	6.7	201.2
Life & Health Insurance Tax Offset	N/A	N/A	2.7	4.1	12.3	16.1	14.1	12.9	6.2	68.4
Tech-Prep	N/A	N/A	0.0	0.0	0.2	0.3	0.3	0.0	0.0	0.8
Dependent Care	N/A	N/A	0.0	1.0	0.0	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	0.0	0.2
EDGE**	N/A	N/A	N/A	N/A	N/A	N/A	0.0	0.2	3.3	3.5
Child Care	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.9	3.0	3.9
Affordable Housing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0	0.0
Total	**$ 28.4**	**$ 4 4.4**	**$ 62.2**	**$ 68.3**	**$ 77.6**	**$ 72.8**	**$ 51.2**	**$ 49.6**	**$ 40.7**	**$ 495.2**

* Based on a review of Schedules 1299-D.
** Economic Development for a Growing Economy

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 27.0 percent for corporations in FY 2003 — 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

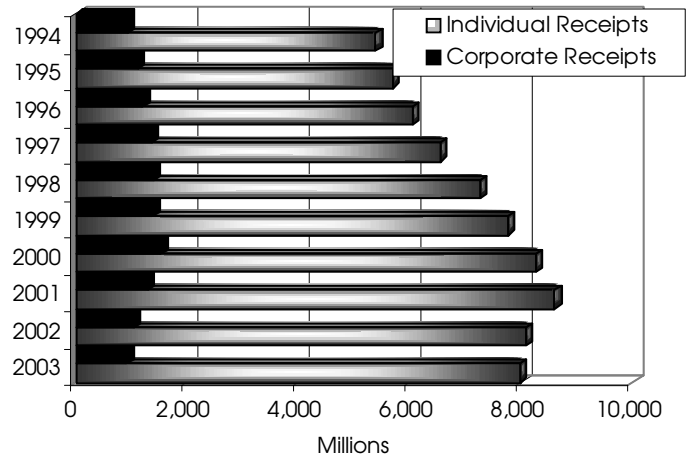


Table 9: Individual and Corporate Income Tax Receipts by Fund (in millions)

Funds	Individual FY 2003	Corporate FY 2003	Total FY 2003
ITRF	$ 638.5	$ 272.9	$ 911.4
EAF	535.8	54.0	589.8
GRF	6,805.0	684.5	7,489.5
Total	**$ 7,979.3**	**$1,011.4**	**$ 8,990.7**

The GRF received 83.3 percent of total income tax receipts in FY 2003. The individual and corporate receipt totals by fund shown in this table may not equal those in Table 10 due to timing differences between when the money was received and when it was deposited into the funds.

Table 10: Income Tax Collections and Refunds

Fiscal year	Individual	Corporate	Total collections	Total refunds
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
2003	**$ 7,976,979,827**	**$ 921,586,926**	**$ 8,898,566,753**	**$ 1,396,083,434**

Note: Collections from replacement income taxes are not included in this table. See Table 56 and Table 57.

Income Tax Refund Fund

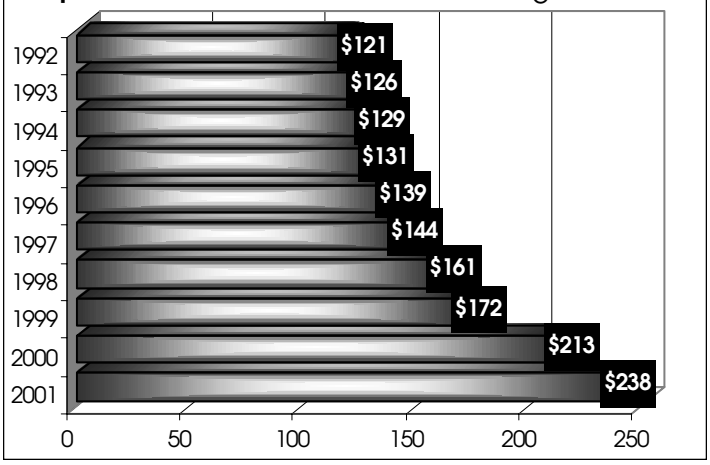
Effective January 1, 1989, the Income Tax Refund Fund (ITRF) removed income and replacement tax refunds from the appropriation process. Percentages of all incoming income tax dollars are deposited into the fund. Public Act 85-1414 set the individual percentage at 6 percent and the corporate percentage 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 were fixed at 7.1 percent for individual income tax collections and 19.0 percent for corporate and replacement tax collections. For fiscal year 2003, the percentages were 8 percent and 27 percent. For fiscal year 2004, the percentages were 11.7 percent and 32 percent; for fiscal year 2005, they are 10 percent and 24 percent. All deposits into the ITRF are designated for the sole purpose of paying refunds.

ITRF deposits are shown in Table 12.

Table 11: Individual Income Tax Refunds

Tax year	Refunds issued	Refund amount	Average refund
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
2001	**3,680,097**	**$ 877,145,543**	**$ 238.34**

Graph 8: Individual Income Tax Average Refund



Income Tax Checkoffs

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

Graph 9: Checkoff Dollars Donated

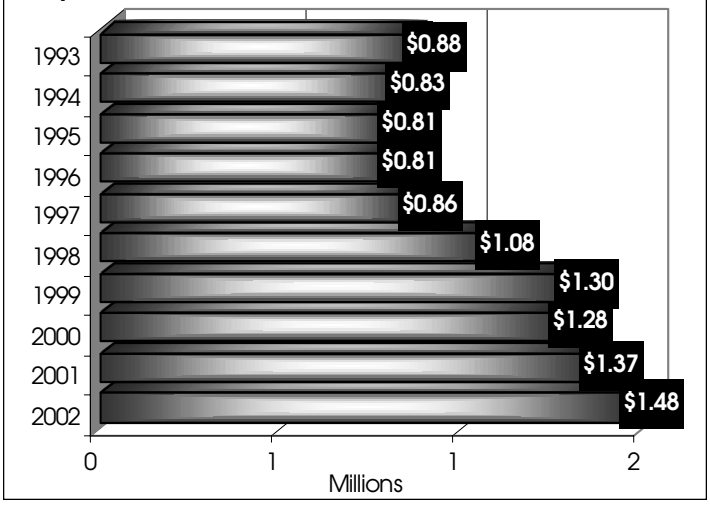


Table 12: Income Tax Refund Fund Deposits per the Office of the Comptroller (in millions)

	Individual		Corporate		Replacement		
Fiscal year	Refund percent	Refund deposits	Refund percent	Refund deposits	Refund percent	Refund deposits	Total deposits
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	1,027.7
2003	**8.0**	**$ 638.5**	**27.0**	**$ 272.9**	**27.0**	**$ 205.0**	**$ 1,116.4**

Table 13: Checkoff Dollars Donated by Tax Year
Note: Totals may not add due to rounding.

Voluntary Contributions	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Veterans Home	178,283	124,150	68,499	—	—	—	—	—	—	—
Wildlife Conservation	259,972	227,947	171,291	200,200	205,875	234,117	239,970	234,220	175,802	169,086
Child Abuse Prevention	498,337	353,407	240,052	266,837	296,130	312,694	285,977	273,728	182,395	205,338
Food and Housing Assistance	—	116,208	79,122	—	—	—	—	—	—	—
Mental Health Education	—	—	56,417	—	—	—	—	—	—	—
Alzheimer's Disease Research	—	—	114,850	173,026	164,603	169,823	169,784	185,781	103,651	124,415
U.S. Olympic Fund	—	—	—	—	82,629	—	—	—	—	—
Assistance to the Blind	—	—	—	—	84,427	—	—	—	—	—
Heritage Preservation	—	—	—	—	—	49,496	—	—	—	—
Assistance to the Homeless	—	—	—	—	—	—	263,989	280,481	178,184	202,248
Child Care Expansion Program	—	—	—	—	—	—	77,720	—	—	—
Community Health Center Care	—	—	—	—	—	—	60,058	—	—	—
Gulf War Veterans	—	—	—	—	—	—	—	—	15,922	—
1992 U.S. Olympians	—	—	—	—	—	—	—	—	33,817	—
Rehabilitation Technology	—	—	—	—	—	—	—	—	28,764	—
AIDS Victims Assistance	—	—	—	—	—	—	—	—	96,677	—
Domestic Violence	—	—	—	—	—	—	—	—	54,589	—
Drug Abuse Prevention	—	—	—	—	—	—	—	—	75,992	—
Literacy Advancement	—	—	—	—	—	—	—	—	—	82,285
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	—	—	—	—	—	—	—	—	—	—
Multiple Sclerosis Assistance	—	—	—	—	—	—	—	—	—	—
Total	**936,592**	**821,711**	**730,232**	**640,063**	**833,664**	**766,129**	**1,097,497**	**974,211**	**945,793**	**783,371**

Voluntary Contributions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Veterans Home	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Wildlife Conservation	185,824	205,177	216,356	208,763	178,688	240,033	237,183	225,373	248,751	267,594
Child Abuse Prevention	167,299	167,801	175,912	179,119	138,290	239,537	283,213	232,810	248,169	263,942
Food and Housing Assistance	—	—	—	—	—	—	—	—	—	—
Mental Health Education	—	—	—	—	—	—	—	—	—	—
Alzheimer's Disease Research	108,116	108,592	119,277	130,165	102,721	161,503	225,860	166,146	181,614	192,262
U.S. Olympic Fund	—	—	—	—	—	—	—	—	—	—
Assistance to the Blind	—	—	—	—	—	—	—	—	—	—
Heritage Preservation	—	—	—	—	—	—	—	—	—	—
Assistance to the Homeless	152,274	141,603	145,321	143,717	115,011	190,708	189,386	180,108	192,981	221,257
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	117,279	111,008	129,797	146,317	110,965	247,496	224,968	249,649	252,541	256,937
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	115,468	117,471	131,025
National WWII Memorial	—	—	—	—	—	—	—	112,666	86,411	—
Korean War Veteran's Museum	—	—	—	—	—	—	—	—	40,934	—
Multiple Sclerosis Assistance	—	—	—	—	—	—	—	—	—	146,342
Total	**876,503**	**831,144**	**811,005**	**808,081**	**863,149**	**1,079,278**	**1,296,446**	**1,282,221**	**1,368,871**	**1,479,360**

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; and
- prescription and nonprescription medical appliances that directly replace a malfunctioning part of the human body, such as corrective eyewear, contact lenses, prostheses, insulin syringes, and dentures.

"Vehicles" includes

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

Table 14: Sales Tax Rates History

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

Footnotes

(1) 0.25 percent in DuPage, Kane, Lake, McHenry, and Will counties; 1.00 percent in Cook County
(2) No change to rates imposed by local governments (up to 1%) and RTA (either 0.25 percent or 1 percent)
(3) Portions of Madison and St. Clair counties
(4) No change to rates imposed on food, drugs, and medical appliances by local governments (up to 1 percent) and mass transit districts (RTA, either 0.25 percent or 1 percent; MED, 0.25 percent); "soft drinks" removed from definition of food, drugs, and medical appliances effective September 1
(5) Most of DuPage County and certain municipalities in Cook and Will counties
(6) County Supplementary Tax Act
(7) Local sales tax acts and County Supplementary Tax Act repealed; additional 1.25 percent on general merchandise and 1.00 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
(8) Imposed in 0.25 percent increments and on the same general merchandise base as the state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes), and qualifying food, drugs, and medical appliances
(9) Imposed on the same general merchandise base as the state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes), and qualifying food, drugs, and medical appliances

"Other general merchandise" includes sales of most tangible personal property including sales of

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

The fundamental rate 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.

Graph 10: State Sales Tax Collections

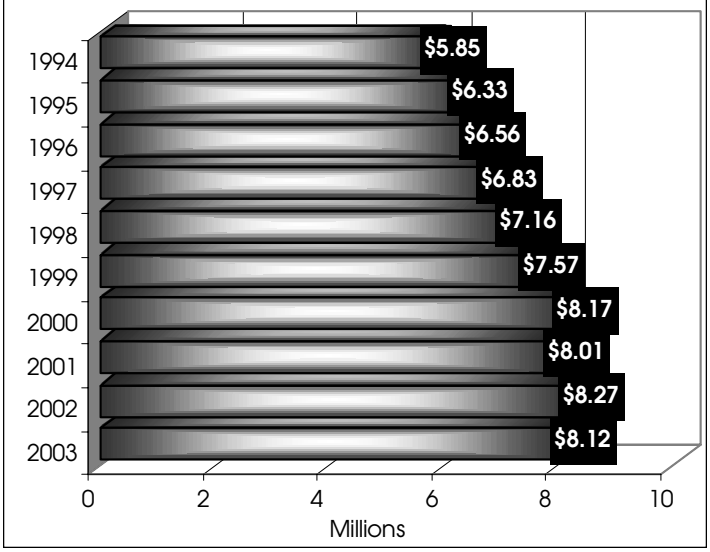


Table 15: State Sales Tax Collections

Fiscal year	Collections	Number of taxpayers
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
2003	**$ 8,118,945,837**	**241,460**

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

Graph 11: Sales Tax Reported by Type of Business for Fiscal Year 2003

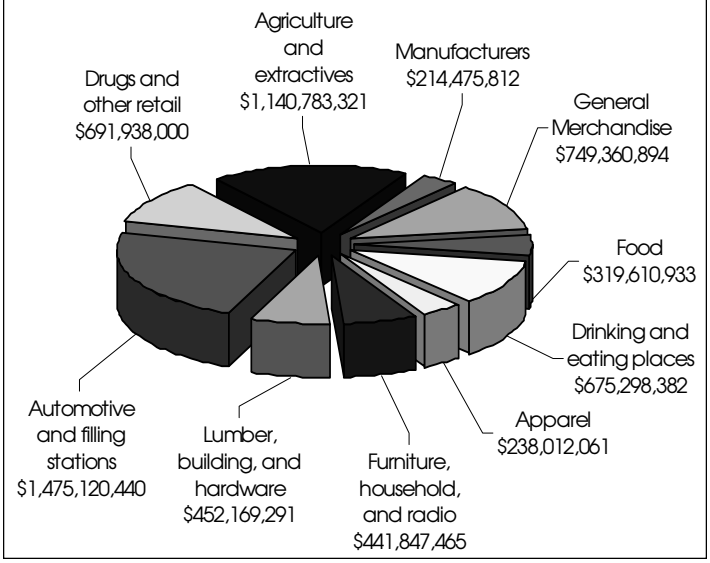


Table 16: Sales Tax Reported by Type of Business (1)

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Number of taxpayers filing (2)	399,323	332,814	332,672	332,860	**344,811**
General merchandise	$ 688,401,607	$ 707,330,341	$ 702,095,418	$ 747,449,729	**$ 749,360,894**
Food	221,895,292	270,122,075	270,103,662	300,866,189	**319,610,933**
Drinking and eating places	580,091,716	643,298,617	667,482,637	660,714,606	**675,298,382**
Apparel	229,317,700	239,477,718	247,274,214	234,107,920	**238,012,061**
Furniture, household, and radio	395,715,790	438,941,925	449,535,424	441,525,889	**441,847,465**
Lumber, building, and hardware	362,691,745	401,369,486	407,483,210	434,584,164	**452,169,291**
Automotive and filling stations	1,293,388,251	1,437,105,671	1,377,200,398	1,503,133,350	**1,475,120,440**
Drugs and other retail	574,801,314	630,806,710	681,046,638	679,956,940	**691,938,000**
Agriculture and extractives	1,266,815,433	1,326,995,905	1,212,130,197	1,155,742,681	**1,140,783,321**
Manufacturers	316,091,101	277,365,381	259,577,057	232,890,159	**214,475,812**
Total tax collections	**$5,929,209,954**	**$6,372,813,833**	**$6,273,928,855**	**$6,390,971,628**	**$6,398,616,598**

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 6.25 percent general merchandise sales tax (including items that must be titled or registered).

In FY 2003, the state's 80 percent share was disbursed as shown below.

- Build Illinois Fund — 5.55 percent
- Illinois Tax Increment Fund — 0.27 percent
- General Revenue Fund — 70.635 percent (or 75 percent of the amount remaining after disbursements to the first two funds listed)
- General Revenue/Common School Special Account Fund — 23.545 percent (or 25 percent of the amount remaining after disbursements to the first two funds listed)

Local governments receive the remaining 20 percent of the 6.25 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 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.

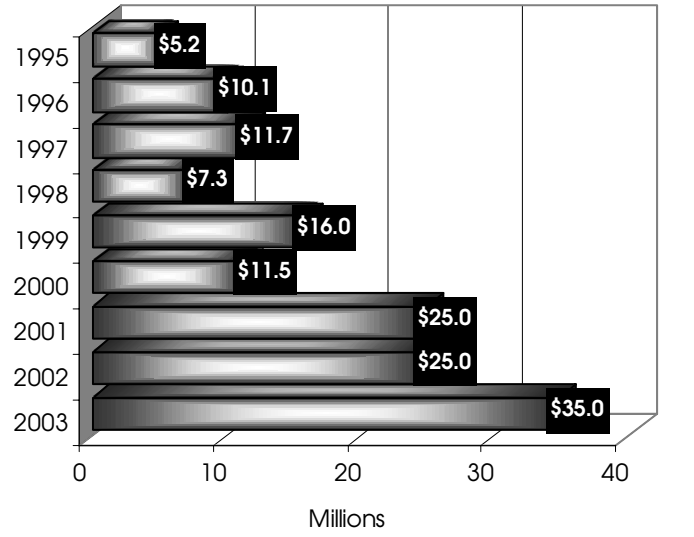
Taxpayers who make qualifying purchases must report MPC earned to the Department of Revenue to receive the MPC. The MPC must be used within two calendar years following the year in which the credit was earned. The taxpayer must pay any locally imposed taxes (*e.g.,* home rule, mass transit) directly 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 for purchases made on or after January 1, 1995, but before July 1, 1995 (manufacturers only)
- 25 percent for purchases made on or after July 1, 1995, but before July 1, 1996 (manufacturers only)
- 40 percent for purchases made on or after July 1, 1996, but before July 1, 1997 (manufacturers and graphic artists)
- 50 percent for purchases made on or after July 1, 1997 (manufacturers and graphic artists)

Graph 12: MPC Used



Other Sales or Renting Taxes and Fees

Automobile Renting Occupation and Use Taxes

Statutory Reference

35 ILCS 155/1 to 155/5

Definition

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

The use tax is imposed on persons renting automobiles in Illinois based on the rental price. Rentors collect the use tax from rentees 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

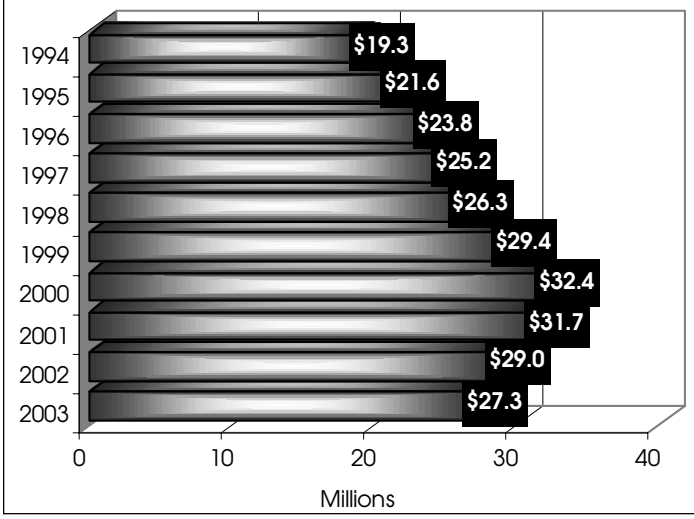
Collections are deposited into the General Revenue Fund.

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. Effective July 1, 2003, this tax is no longer imposed; sales or use tax must be paid instead.

Distribution

Collections are deposited into the General Revenue Fund.

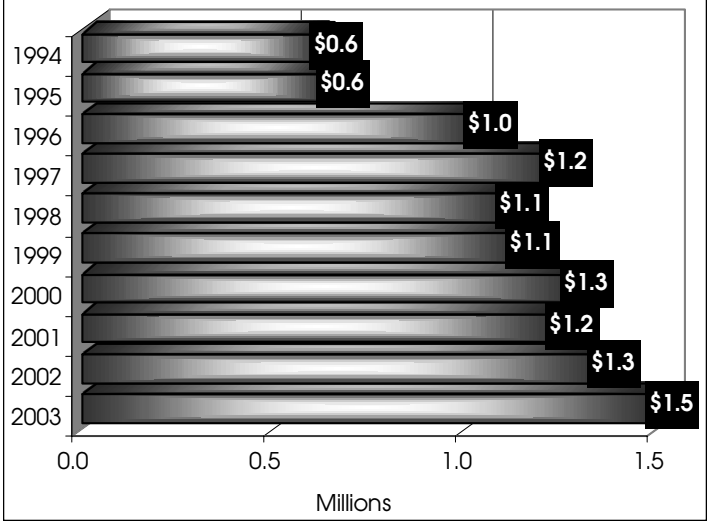
Local Taxes Collected by the Department

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 - 55.15

Definition

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

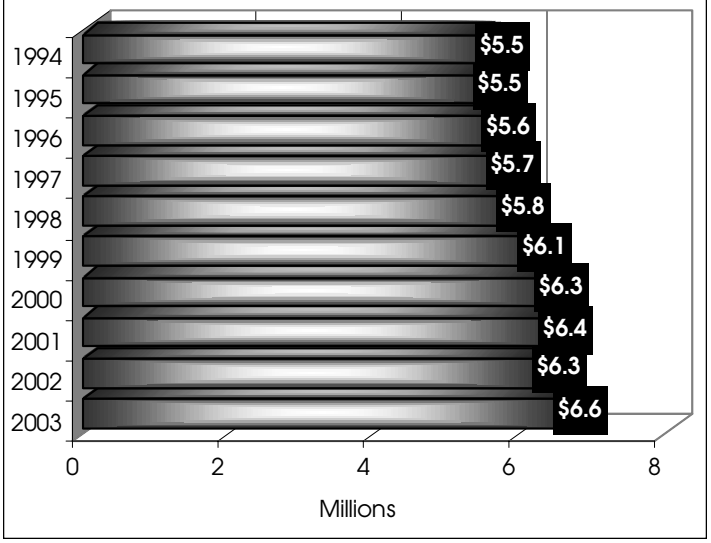
- new and used tires for vehicles in which persons or property may be transported or drawn upon a highway, as defined in the Illinois Vehicle Code, Section 1-217;
- aircraft;
- special mobile equipment (such as street sweepers, road construction and maintenance machinery); and
- implements of husbandry (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 5/3-1001 to 5/3-1006

Definition

The tax is imposed on motor vehicles purchased (or acquired by gift or transfer) from another individual or private party. (Sales of motor vehicles from registered Illinois dealers are taxed under the Retailers' Occupation Tax Act.) The tax is submitted to the Office of the Secretary of State when the purchaser applies for 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 17: Vehicle Use Tax Rates

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

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

Distribution

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

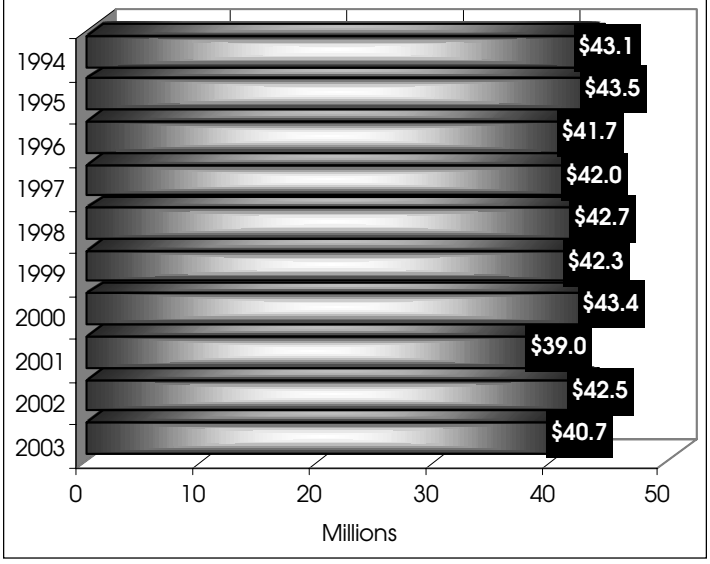
Table 18: History of Vehicle Use Tax Rates

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

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

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

Graph 16: Vehicle Use Tax Collections



Motor Fuel Taxes

Motor Fuel and Motor Fuel Use Taxes

Statutory References

- **Motor Fuel Tax** — 35 ILCS 505/1 to 505/21
- **Motor Fuel Use Tax** — 35 ILCS 505/13a

Definition

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

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

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

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

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

Table 19: Motor Fuel Tax Rate History

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

Table 20: Motor Fuel Gallonage History

Fiscal year	Gasoline	Diesel	Combustible gases	Total
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
2003	**5,233,840,475**	**1,068,762,622**	**4,494,708**	**6,307,097,805**

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 ---- IFTA	IL Interstate [3]	Total
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	675	11,153	0	11,153
2003	**$ 1,323,322,100**	**$ 13,199,134**	**776**	**11,496**	**0**	**11,496**

(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	4,704	$ 1,183,417
Construction	35	15,941
Industrial	299	4,623,258
Marine	67	27,685
Lawn	440	333,637
Distributor	148	1,083,148
Supplier	1	2,006
Manufacturing [1]	8	59,398
Research and Development [1]	3	204,597
Commercial Motor Vehicles [1]	11	19,696
Airports [1] [2]	0	0
Refrigeration Units [1]	737	1,093,513
Power Take-off Units [1]	558	1,799,896
Unintentional Mixing [1]	2	9,659
Testing [1]	7	75,073
Dual Use [1]	52	1,147,270
Total	**7,072**	**$ 11,678,194**

* Does not include reciprocal claims and common carrier refunds.
(1) Refunds for undyed diesel fuel only beginning 7/1/01
(2) Qualifying airports only

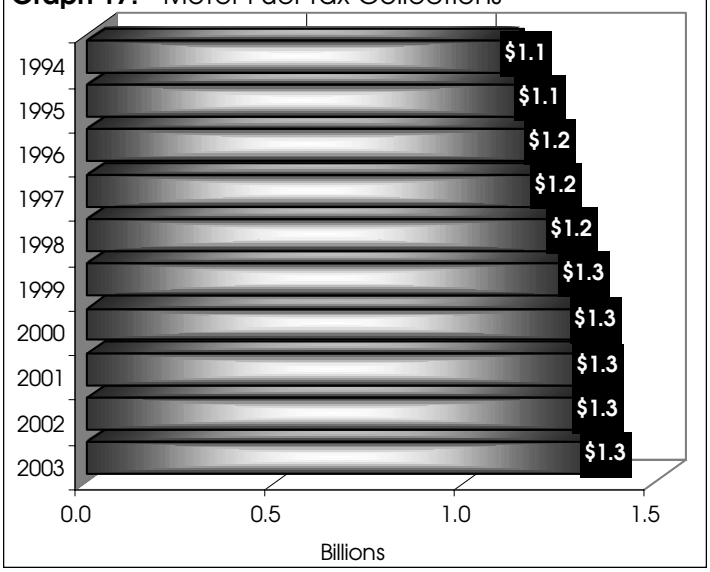
Distribution

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 $30 million annually. Department of Transportation and Department of Revenue administrative costs, along with the cost of refunds, are deducted. The remainder is distributed as follows:

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

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:

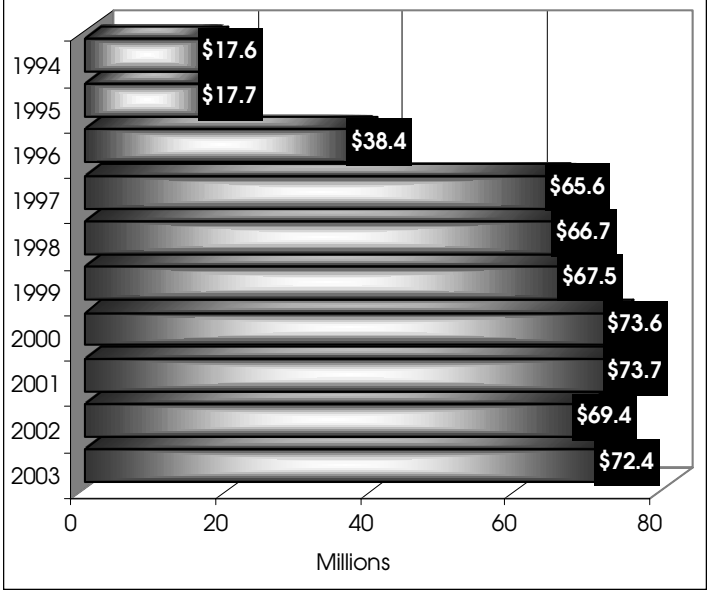
- Motor fuel
- Home heating oil
- Kerosene
- Aviation fuel (in some cases)

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.

Graph 18: UST and EIF Collections



Excise and Utility Taxes

Cigarette and Cigarette Use Taxes

Statutory References

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

Definition

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

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

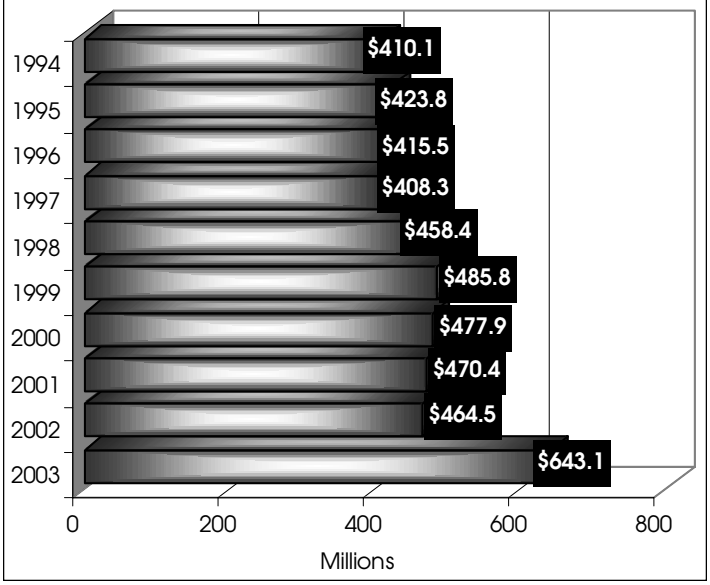
Distribution

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¢
July 1, 2002	4.90¢	98¢

Graph 19: Cigarette and Cigarette Use Tax Collections



Coin-operated Amusement Device and Redemption Machine Tax

Statutory Reference

35 ILCS 510/1 to 510/16

Definition

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

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

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

Rate and Base History

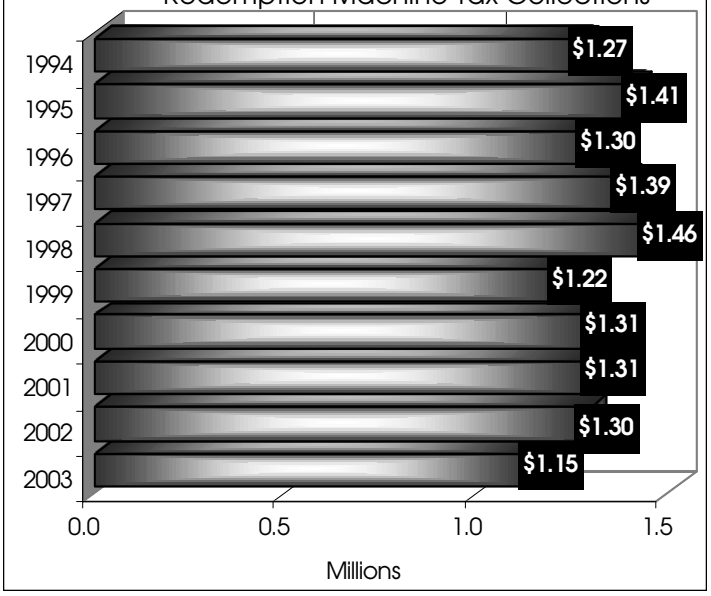
This annual tax became effective August 1, 1953, at the following rates: $50 for pinball machines, $25 for mechanical bowling and shuffleboard machines, and $10 for machines using electric light rays. In 1963, the rate became $10 per coin-receiving slot.

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

Distribution

Collections are deposited into the General Revenue Fund.

Graph 20: Coin-operated Amusement Device and Redemption Machine Tax Collections



Dry-cleaning Solvent Tax and License Fees

Statutory Reference

415 ILCS 135/60 to 135/70

Definition

The Dry-cleaning Solvent Tax is imposed on the use of dry-cleaning solvent by persons who operate dry-cleaning facilities in Illinois and has two different rates depending on the type of solvent used or purchased. The tax rate on chlorine-based solvents is $3.50 per gallon used or purchased. The tax rate on petroleum-based solvents is $0.35 per gallon used or purchased.

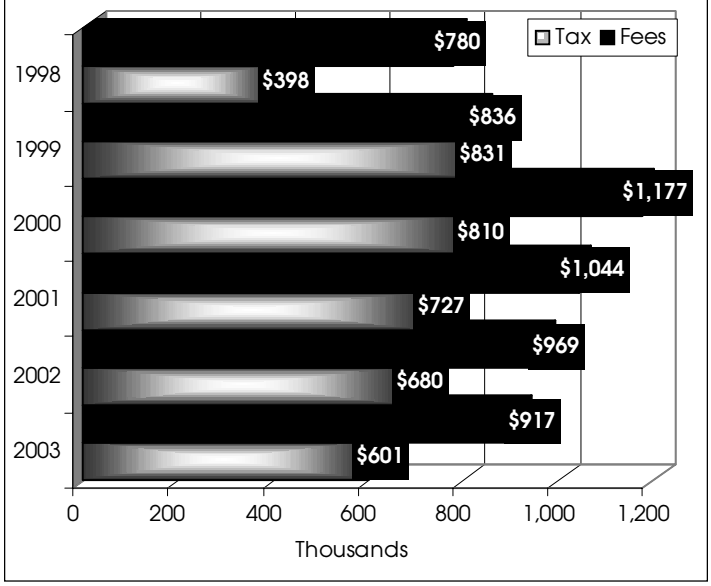
License fees are imposed on those who operate dry-cleaning facilities and are based on the amount and type of dry-cleaning solvent purchased by a dry-cleaning facility operator and are determined annually by the Dry-cleaner Environmental Response Trust Fund Council. Proof of license fee payment is required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

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

Distribution

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

Graph 21: Dry-cleaning Solvent Tax and License Fees Collections



Electricity Excise Tax

Statutory Reference

35 ILCS 640/2-1 to 99

Definition

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

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

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

History

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

Distribution

Collections are deposited into the General Revenue Fund.

Other taxes

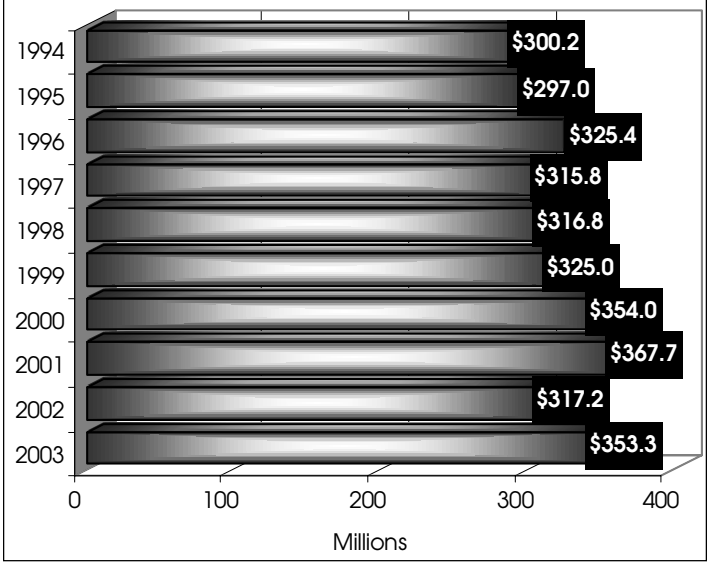
An Electricity Distribution Tax and an Invested Capital Tax is also imposed. See "Revenue-Sharing with Local Governments, Replacement Taxes, for more information."

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 $0.0032 per kwh, whichever is less
August 1, 1998 (2)	See "Definition"

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

Graph 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

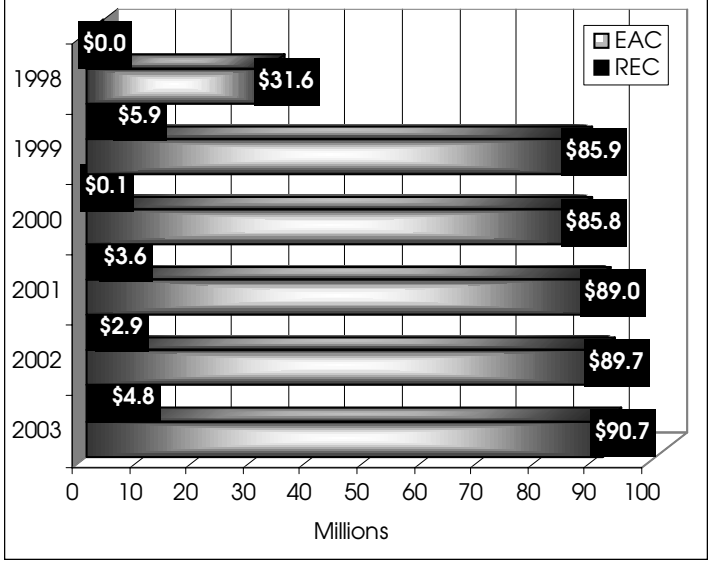
The monthly rates for the **Renewable Energy Resources and Coal Technology Development Assistance Charge** are listed below. These rates became effective January 1, 1998.

- $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.

Graph 23: Energy Charges Collections



Gas Revenue Tax

Statutory Reference

35 ILCS 615/1 to 615/15

Definition

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

Distribution

Collections are deposited into the General Revenue Fund.

Other taxes

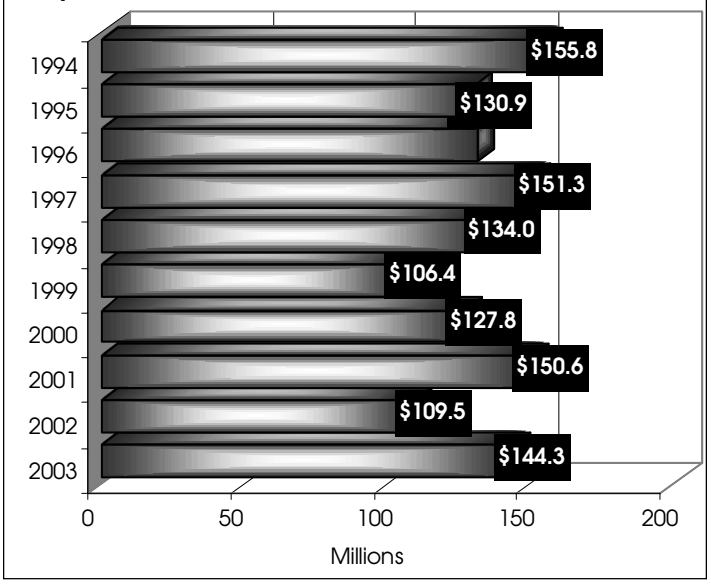
An Invested Capital Tax is also imposed. See "Revenue-Sharing with Local Governments, Replacement Taxes," for more information.

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.

Graph 24: Gas Revenue Tax Collections



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

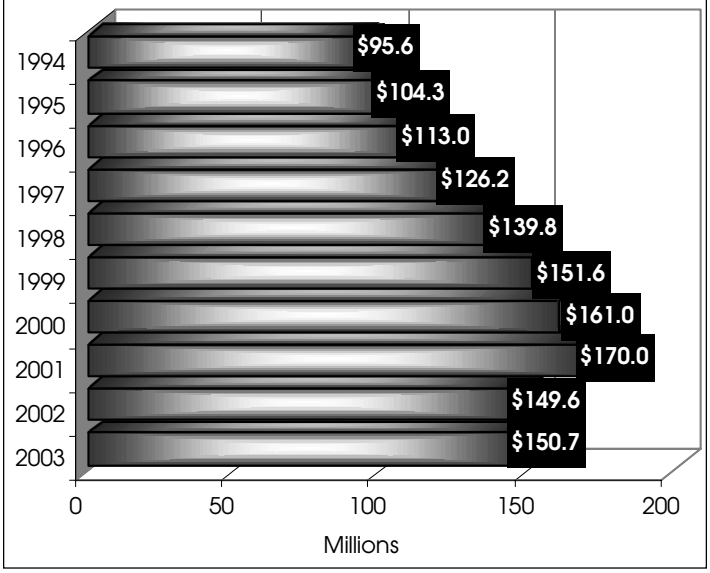


Table 27: Hotel Net Receipts by County

County	No. of Accounts	FY 2001 Receipts	No. of Accounts	FY 2002 Receipts	No. of Accounts	FY 2003 Receipts
Adams	21	$ 8,041,948	20	$ 8,771,986	21	$ 8,400,537
Alexander	12	332,660	11	318,679	12	302,282
Bond	10	1,766,542	12	1,756,555	8	1,669,074
Boone	5	121,073	5	127,690	4	110,205
Bureau	14	1,796,538	14	1,584,682	13	1,420,464
Carrol	24	1,601,169	21	1,578,157	20	1,330,352
Champaign	56	36,365,311	56	34,028,435	64	36,981,661
Christian	8	730,406	8	698,115	10	702,170
Clinton	10	700,795	11	1,009,476	13	1,120,194
Coles	19	6,535,989	18	6,343,227	21	6,527,524
Cook	638	2,027,556,238	626	1,718,417,555	637	1,800,780,593
Crawford	5	1,286,533	5	1,286,998	8	1,306,054
DeKalb	15	6,105,122	15	6,088,390	16	6,392,531
DeWitt	7	1,199,214	6	1,275,022	5	1,232,125
Douglas	20	3,448,913	18	3,377,739	15	3,530,630
DuPage	165	295,656,681	163	243,770,147	169	242,578,737
Effingham	28	12,946,869	26	13,220,678	26	12,888,722
Fayette	9	2,061,632	8	2,090,106	7	2,136,924
Franklin	15	3,395,957	17	3,726,351	16	3,583,764
Fulton	13	869,248	12	783,532	9	805,659
Grundy	9	4,326,014	8	4,461,680	8	4,151,757
Hancock	22	1,504,201	36	2,372,678	37	3,177,273
Jackson	24	6,809,400	24	6,333,353	24	7,026,848
Jefferson	19	11,448,665	18	12,042,581	19	12,642,847
Jersey	14	2,678,142	12	2,654,916	18	2,765,617
Jo Daviess	160	25,876,519	150	25,122,112	142	24,002,460
Kane	42	38,472,747	38	36,913,650	43	43,885,444
Kankakee	19	8,266,895	17	8,119,898	17	8,046,800
Kendall	11	2,305,567	10	2,122,974	11	2,127,956
Knox	23	5,982,401	21	6,106,732	21	5,824,943
Lake	130	120,455,899	135	112,514,511	138	107,545,881
LaSalle	44	14,249,527	44	13,771,411	43	14,664,745
Lee	7	2,186,201	7	1,867,445	8	2,130,700
Livingston	9	2,086,986	10	2,029,601	8	2,215,678
Logan	11	2,440,323	10	2,470,629	10	2,498,926
McDonough	13	3,611,674	11	3,929,018	13	3,654,343
McHenry	30	12,275,329	28	12,639,680	31	11,717,000
McLean	45	35,101,145	45	37,692,976	41	35,684,355
Macon	22	13,703,068	20	12,966,820	22	12,630,768
Macoupin	8	2,051,209	9	2,065,498	9	1,998,566
Madison	69	27,542,809	65	29,614,303	66	28,069,211
Marion	18	3,092,505	13	2,924,060	12	2,873,988
Mason	7	435,113	7	382,092	6	372,273
Montgomery	12	2,856,033	10	2,832,651	9	2,593,638
Morgan	11	2,729,373	11	2,476,769	15	3,544,719
Ogle	22	4,130,899	19	4,109,893	19	4,268,668
Peoria	42	32,269,132	38	33,188,507	39	31,645,715
Perry	9	740,203	9	745,474	8	702,089
Rock Island	30	18,419,965	26	18,299,612	25	17,234,489
St Clair	57	26,074,959	54	25,271,148	60	25,428,224
Sangamon	55	49,615,868	49	49,271,949	56	50,140,621
Shelby	17	3,028,811	17	2,862,930	15	2,735,234
Stephenson	11	3,366,384	11	3,213,660	15	3,529,878
Tazewell	34	16,664,976	31	17,235,301	27	18,564,870
Vermilion	23	7,221,466	20	7,075,479	21	7,815,091
Washington	8	1,127,306	8	1,137,974	8	1,127,790
White	5	969,408	4	1,080,023	5	244,701
Whiteside	13	3,365,987	13	3,343,172	14	4,126,979
Will	73	38,706,544	69	39,022,130	74	40,296,965
Williamson	20	9,712,459	20	10,269,313	23	10,842,849
Winnebago	49	35,415,166	48	32,913,989	51	32,552,322
Brown & Schuyler	7	422,549	6	461,506	6	478,611
Calhoun & Green	7	293,730	8	252,475	5	262,772
Cass & Menard	6	522,956	6	501,488	8	523,277
Clark & Edgar	10	1,813,030	9	1,950,256	11	2,111,378
Clay, Cumberland & Jasper	10	925,128	10	1,072,039	10	996,992
Edwards, Wabash & Wayne	9	494,761	9	552,691	11	1,707,149
Ford & Iroquois	13	1,753,927	11	1,692,346	12	1,685,715
Gallatin, Hardin & Hardin	11	267,117	12	272,182	12	318,335
Henderson, Mercer & Warren	9	1,135,684	9	1,136,521	12	1,175,854
Henry & Stark	18	1,875,960	17	1,851,640	20	1,994,754
Johnson & Union	18	861,609	18	1,162,510	21	1,192,694
Lawrence & Richland	7	1,029,899	7	1,034,695	9	973,068
Marshall, Putnam & Woodford	6	993,971	5	935,812	5	1,080,336
Massac & Pulaski	11	4,568,282	11	5,160,415	10	5,223,156
Monroe & Randolph	18	1,761,624	18	1,849,275	19	1,681,065
Moultrie & Piatt	10	920,055	11	915,624	10	1,013,211
Pike & Scott	12	542,054	12	632,794	13	691,352
Pope & Saline	22	1,121,196	25	1,468,631	24	1,437,935
Total	**2,545**	**$ 3,037,139,648**	**2,471**	**$ 2,668,625,012**	**2,543**	**$ 2,755,451,075**

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:	$ 8,400,537
State hotel tax (6% of 94% = 5.64%):	X .0564
Approximate state tax collections	$ 473,790

Liquor Gallonage Tax

Statutory Reference

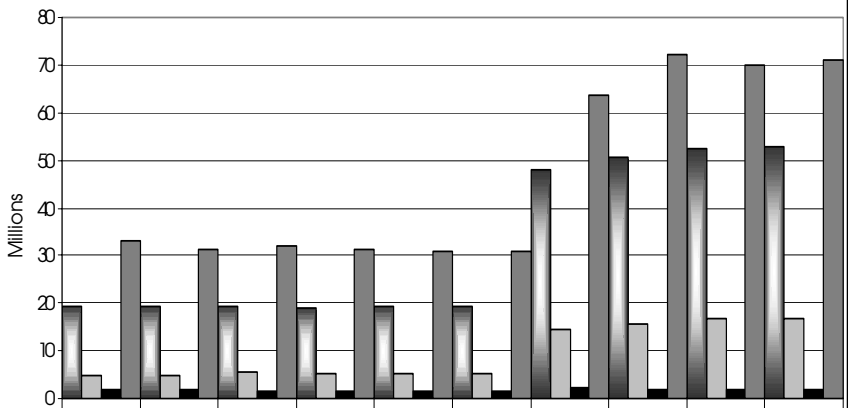
235 ILCS 5/8-1 to 5/8-14

Definition

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

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

Graph 26: Liquor Gallonage Tax Collections



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Beer/cider	$19.4	$19.2	$19.4	$18.9	$19.2	$19.4	$48.2	$50.5	$52.4	$52.9
Wine <=14%	$4.9	$5.0	$5.4	$5.3	$5.4	$5.1	$14.7	$15.8	$16.9	$16.9
Wine >14%<20%	$1.9	$1.7	$1.7	$1.6	$1.7	$1.5	$2.1	$1.7	$1.7	$1.7
Alc. =/>20%	$33.0	$31.1	$31.9	$31.3	$30.7	$30.8	$63.5	$72.1	$70.0	$71.0

Distribution

Collections are deposited into the General Revenue Fund.

Table 28: Liquor Tax Rate History

Effective date	Cider 0.5%-7% or Beer	Wine <= 14%	Wine > 14% - < 20%	Alcohol = / > 20%
July 1, 1934	$.02	$.10	$.25	$ .50
July 1, 1941	$.04	$.15	$.40	$1.00
July 1, 1957	$.04	$.15	$.40	$1.02
Aug. 1, 1959	$.06	$.23	$.60	$1.52
Aug. 1, 1969	$.07	$.23	$.60	$2.00
July 1, 1999	$.185	$.73	$.73	$4.50

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

Fiscal year	Cider 0.5%-7% & Beer	Wine < / = 14%	Wine >14% - <20%	=/> 20%	Total
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
2003	**314.0**	**23.9**	**2.4**	**15.9**	**356.1**

Oil and Gas Production Assessment

Statutory Reference

225 ILCS 728/30 to 728/99

Definition

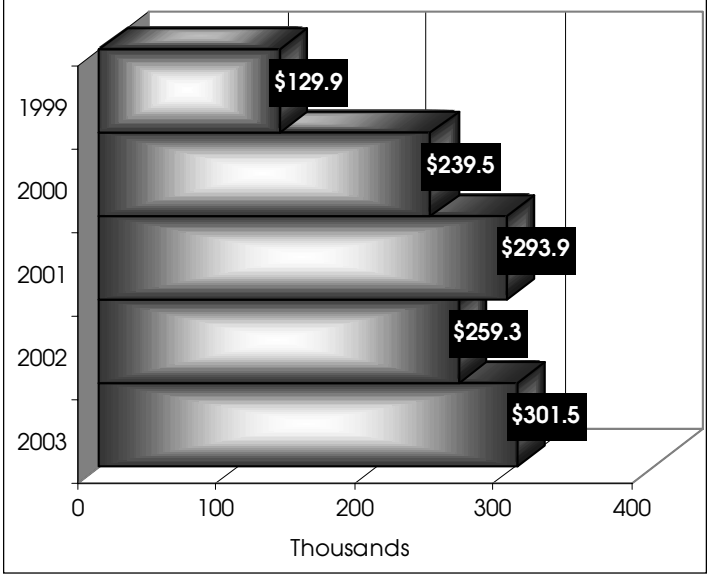
Effective July 10, 1998, the assessment is levied on gross revenues of oil and gas produced from each well in Illinois. It is imposed on Illinois oil or gas producers and is paid by the first purchaser of the oil or gas. The first purchaser pays the assessment to the department. The Illinois Petroleum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

Distribution

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

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

Graph 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 and terminate in Illinois) as well as interstate messages. The rate is 7 percent of gross charges.

In addition to this tax, a state telecommunications infrastructure maintenance fee (TIMF) is imposed on persons in the business of transmitting, supplying, or furnishing telecommunications and all associated services in Illinois for compensation (*i.e.,* telecommunications retailers).

Distribution

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

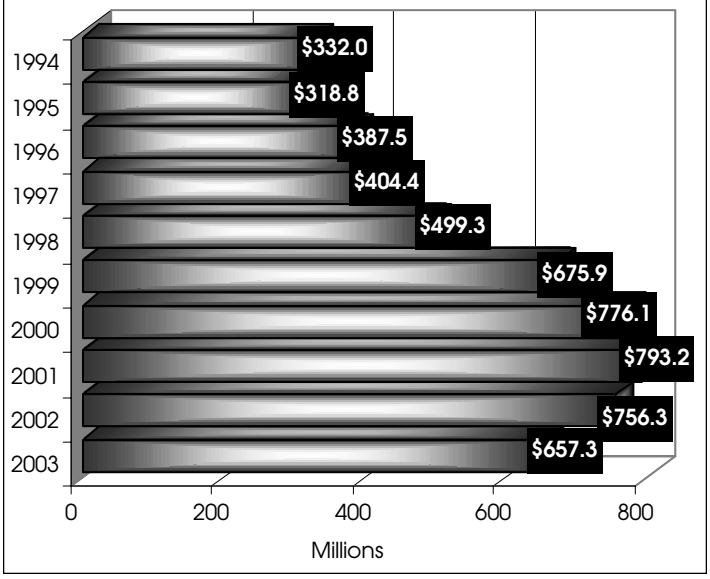
Local Taxes Collected by the Department

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

Table 30: Telecommunications Excise Tax Rate History

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

Graph 28: Telecommunications Excise Tax Collections



Tobacco Products Tax

Statutory Reference

35 ILCS 143/10-1

Definition

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

Rate History

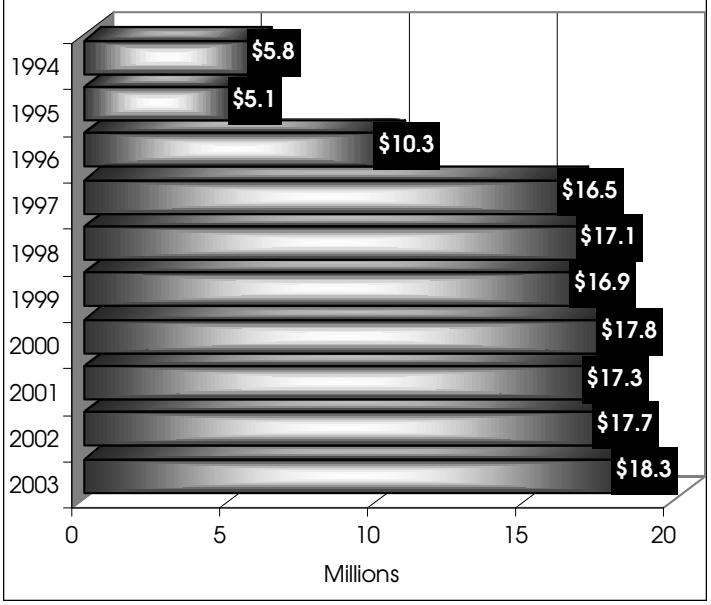
The original Tobacco Products Tax Act became effective October 1, 1993. The tax imposed under this act was at the rate of 20 percent of the wholesale price of tobacco products. The circuit court of Cook County declared the tax unconstitutional on January 12, 1995.

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

Distribution

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

Graph 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** is $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 for $50. This license entitles them to conduct a maximum of two bingo events during the year. Each event is limited to five consecutive days.
- Persons, firms, or organizations that sell, lease, or otherwise distribute bingo supplies (*e.g.,* cards or markers) must purchase a **supplier's license** for $200.
- Persons, firms, or organizations that rent or lease premises (*e.g.,* rooms, halls, or buildings) for bingo games must purchase a **provider's license** for $200.

Rate History

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

Distribution

Tax collections are divided evenly between the Common School Fund and the Mental Health Fund. **License Fees** collections are deposited into the General Revenue Fund.

Graph 30: Bingo Tax and License Fees Collections

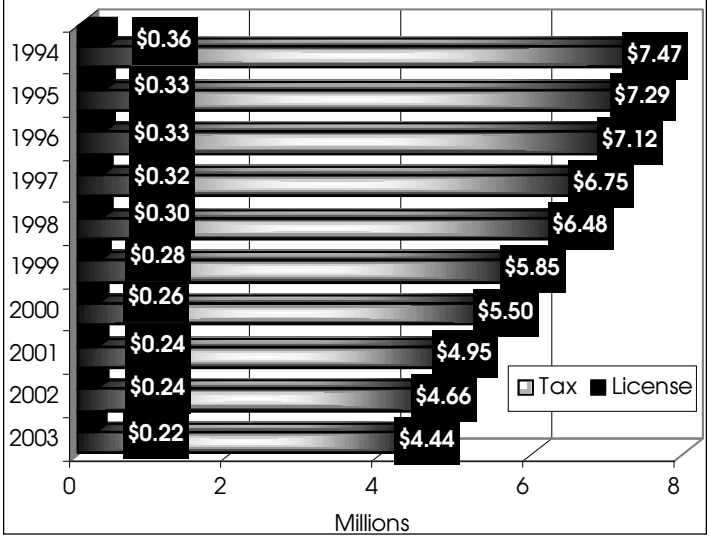


Table 31: Bingo Tax and License Fee Collections

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
2003	**$ 4,441,719**	**$ 224,150**	**811**	**281**	**94**	**96**

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

Table 32: Bingo Tax Statistics by County

County		FY 01	FY 02	FY 03
Adams	Players	37,907	30,284	26,221
	Gross	$776,585	$652,385	$568,449
	Tax	$38,153	$32,746	$28,422
Alexander	Players	1,703	1,192	576
	Gross	$28,640	$21,260	$10,455
	Tax	$1,432	$1,063	$523
Bond	Players	2,676	0	0
	Gross	$48,595	$0	$0
	Tax	$2,429	$0	$0
Boone	Players	18,038	18,090	15,722
	Gross	$369,533	$381,167	$322,611
	Tax	$18,477	$19,057	$16,131
Brown	Players	0	0	0
	Gross	$0	$0	$0
	Tax	$0	$0	$0
Bureau	Players	20,672	24,040	24,084
	Gross	$394,642	$468,003	$496,179
	Tax	$19,681	$23,400	$24,809
Calhoun	Players	3,587	4,167	3,988
	Gross	$56,834	$64,650	$54,011
	Tax	$2,842	$3,232	$2,701
Carroll	Players	10,651	9,214	9,721
	Gross	$222,018	$233,616	$214,090
	Tax	$10,927	$11,719	$10,704
Cass	Players	7,952	9,387	11,022
	Gross	$127,476	$92,901	$80,254
	Tax	$6,350	$4,674	$4,013
Champaign	Players	45,052	42,936	41,685
	Gross	$972,985	$896,002	$916,842
	Tax	$48,659	$44,800	$45,842
Christian	Players	73,381	70,740	65,915
	Gross	$1,206,592	$1,160,710	$1,051,926
	Tax	$60,404	$58,107	$52,636
Clark	Players	669	0	0
	Gross	$11,735	$0	$0
	Tax	$587	$0	$0
Clay	Players	7,140	6,545	6,540
	Gross	$93,860	$89,299	$91,322
	Tax	$4,693	$4,464	$4,566
Clinton	Players	75,161	77,216	74,598
	Gross	$1,114,699	$1,198,639	$1,150,351
	Tax	$55,735	$59,931	$58,655
Coles	Players	44,762	42,749	37,884
	Gross	$896,599	$818,304	$728,917
	Tax	$44,829	$41,066	$36,446
Cook	Players	1,266,391	1,169,531	1,140,473
	Gross	$21,695,124	$21,111,462	$19,603,251
	Tax	$1,085,176	$1,059,317	$984,222
Crawford	Players	5,493	5,790	5,338
	Gross	$39,705	$51,012	$56,205
	Tax	$1,985	$2,550	$2,810
Cumberland	Players	4,911	3,796	5,014
	Gross	$99,949	$73,027	$99,532
	Tax	$4,997	$3,651	$4,977
DeKalb	Players	23,195	26,526	22,620
	Gross	$499,215	$510,235	$472,079
	Tax	$24,960	$25,511	$23,604
DeWitt	Players	10,442	11,216	11,159
	Gross	$211,468	$185,229	$178,307
	Tax	$10,573	$9,261	$8,915
Douglas	Players	93,104	7,717	6,552
	Gross	$198,368	$159,442	$133,920
	Tax	$9,919	$7,972	$6,714
DuPage	Players	276,174	191,079	166,704
	Gross	$3,346,418	$3,158,371	$3,122,070
	Tax	$165,706	$158,343	$157,030
Edgar	Players	19,763	18,286	11,766
	Gross	$350,056	$336,575	$296,199
	Tax	$17,514	$16,876	$14,870
Edwards	Players	0	0	0
	Gross	$0	$0	$0
	Tax	$0	$0	$0
Effingham	Players	26,512	28,068	25,660
	Gross	$558,291	$542,576	$494,970
	Tax	$27,914	$27,989	$24,799
Fayette	Players	28,759	27,851	25,156
	Gross	$505,106	$510,197	$463,350
	Tax	$25,255	$25,509	$23,168
Ford	Players	6,569	6,877	5,955
	Gross	$157,279	$164,050	$164,288
	Tax	$7,863	$8,260	$8,216
Franklin	Players	47,651	42,422	38,862
	Gross	$1,036,999	$903,253	$879,651
	Tax	$51,850	$45,662	$44,053
Fulton	Players	30,078	27,337	25,217
	Gross	$597,932	$557,973	$524,638
	Tax	$29,897	$27,956	$26,232
Gallatin	Players	539	0	0
	Gross	$11,394	$0	$0
	Tax	$570	$0	$0
Greene	Players	7,133	7,290	5,838
	Gross	$99,666	$100,156	$82,500
	Tax	$4,984	$5,007	$4,125
Grundy	Players	20,086	17,793	17,987
	Gross	$435,878	$403,794	$398,438
	Tax	$21,794	$20,228	$19,922
Hamilton	Players	0	0	0
	Gross	$0	$0	$0
	Tax	$0	$0	$0
Hancock	Players	11,203	11,208	10,735
	Gross	195,933	190,675	$166,239
	Tax	$9,797	$9,612	$8,754
Hardin	Players	0	0	0
	Gross	$0	$0	$0
	Tax	$0	$0	$0
Henderson	Players	1,884	1,757	1,964
	Gross	$19,808	$20,568	$23,831
	Tax	$990	$1,028	$1,192
Henry	Players	32,516	33,595	28,328
	Gross	$579,994	$569,786	$511,673
	Tax	$29,298	$28,543	$25,649
Iroquois	Players	863	2,369	5,284
	Gross	$11,887	$47,256	$86,224
	Tax	$594	$2,389	$4,311
Jackson	Players	31,140	28,601	19,786
	Gross	$780,034	$795,232	$673,697
	Tax	$39,003	$39,806	$33,685
Jaspar	Players	127	0	0
	Gross	$1,920	$0	$0
	Tax	$96	$0	$0
Jefferson	Players	32,458	30,204	27,250
	Gross	$670,726	$609,628	$539,020
	Tax	$33,536	$30,481	$27,307
Jersey	Players	11,582	10,050	9,844
	Gross	174,828	159,394	$157,262
	Tax	$8,742	$8,030	$7,863
Jo Daviess	Players	1,599	2,442	2,423
	Gross	$33,804	$34,402	$41,202
	Tax	$1,690	$1,720	$2,060
Johnson	Players	0	0	0
	Gross	$0	$0	$0
	Tax	$0	$0	$0
Kane	Players	143,392	127,667	111,634
	Gross	$2,994,236	$2,702,571	$2,443,606
	Tax	$147,027	$135,576	$123,488
Kankakee	Players	27,062	26,508	24,177
	Gross	$661,601	$606,771	$559,337
	Tax	$33,080	$30,424	$27,967
Kendall	Players	39,603	27,799	26,742
	Gross	$554,988	$596,579	$558,389
	Tax	$27,749	$29,828	$28,025
Knox	Players	42,660	50,114	50,078
	Gross	$773,161	$850,802	$912,806
	Tax	$38,679	$42,654	$45,640
Lake	Players	163,666	156,359	150,189
	Gross	$3,511,602	$3,212,422	$2,977,411
	Tax	$175,569	$161,404	$149,233
LaSalle	Players	116,024	105,928	92,388
	Gross	$2,277,202	$2,112,022	$1,951,215
	Tax	$113,861	$106,671	$97,679
Lawrence	Players	6,228	7,066	5,825
	Gross	$225,441	$220,257	$192,516
	Tax	$11,272	$11,012	$9,626
Lee	Players	13,928	13,435	10,935
	Gross	$314,230	$304,257	$278,789
	Tax	$15,711	$15,363	$13,939

Table 32: Bingo Tax Statistics by County

County		FY 01	FY 02	FY 03
Livingston	Players	11,887	11,507	10,814
	Gross	$275,516	$282,762	$257,120
	Tax	$13,776	$14,192	$12,856
Logan	Players	19,619	22,360	23,710
	Gross	$372,755	$332,918	$319,371
	Tax	$18,760	$16,645	$15,970
McDonough	Players	23,595	20,220	18,252
	Gross	$541,798	$461,050	$438,255
	Tax	$27,103	$23,061	$21,913
McHenry	Players	58,585	57,063	53,559
	Gross	$1,259,972	$1,263,775	$1,177,674
	Tax	$63,000	$63,549	$58,947
McLean	Players	35,305	37,731	35,894
	Gross	$768,688	$791,616	$777,587
	Tax	$38,625	$39,660	$39,259
Macon	Players	174,578	151,752	125,388
	Gross	1,746,414	1,540,489	$1,481,840
	Tax	$86,971	$77,665	$74,096
Macoupin	Players	56,029	53,115	54,906
	Gross	$1,105,839	$1,065,308	$1,092,580
	Tax	$55,362	$53,366	$54,683
Madison	Players	413,654	409,402	362,316
	Gross	$8,172,750	$7,863,358	$7,423,674
	Tax	$408,640	$394,528	$374,374
Marion	Players	51,770	55,066	52,369
	Gross	$1,139,709	$1,169,627	$1,049,771
	Tax	$56,978	$58,513	$52,575
Marshall	Players	3,742	3,421	2,142
	Gross	$68,924	$62,990	$58,551
	Tax	$3,446	$3,149	$2,928
Mason	Players	2,933	2,696	2,772
	Gross	$48,793	$49,993	$50,387
	Tax	$2,439	$2,499	$2,519
Massac	Players	0	0	0
	Gross	$0	$0	$0
	Tax	$0	$0	$0
Menard	Players	2,933	2,188	1,583
	Gross	$54,738	$38,646	$26,870
	Tax	$2,737	$1,932	$1,344
Mercer	Players	2,777	4,231	5,365
	Gross	$54,086	$82,636	$110,364
	Tax	$2,704	$4,131	$5,518
Monroe	Players	19,258	20,692	18,790
	Gross	$422,066	$433,452	$407,202
	Tax	$21,103	$21,718	$20,360
Montgomery	Players	36,282	32,833	29,088
	Gross	$740,037	$708,421	$693,601
	Tax	$37,001	$35,421	$34,680
Morgan	Players	24,754	20,624	10,270
	Gross	$290,968	$243,467	$140,862
	Tax	$14,244	$12,173	$7,293
Moultrie	Players	14,109	13,838	12,399
	Gross	$227,014	$219,207	$202,482
	Tax	$11,351	$10,960	$10,124
Ogle	Players	11,070	7,383	7,029
	Gross	$140,900	$87,445	$86,557
	Tax	$7,045	$4,897	$4,328
Peoria	Players	78,441	78,076	58,086
	Gross	$923,152	$952,610	$723,790
	Tax	$47,068	$47,731	$36,357
Perry	Players	44,271	40,731	37,447
	Gross	$805,708	$781,275	$721,290
	Tax	$40,426	$39,123	$36,064
Piatt	Players	0	0	250
	Gross	$0	$0	$1,808
	Tax	$0	$0	$90
Pike	Players	7,340	6,493	4,181
	Gross	$140,568	$123,684	$79,810
	Tax	$7,028	$6,184	$3,991
Pope	Players	0	0	0
	Gross	$0	$0	$0
	Tax	$0	$0	$0
Pulaski	Players	0	0	0
	Gross	$0	$0	$0
	Tax	$0	$0	$0
Putnam	Players	0	0	0
	Gross	$0	$0	$0
	Tax	$0	$0	$0
Randolph	Players	38,403	37,744	33,943
	Gross	$776,959	$755,006	$728,245
	Tax	$38,848	$37,810	$36,412
Richland	Players	15,289	15,491	12,797
	Gross	$295,174	$303,195	$249,099
	Tax	$14,759	$15,159	$12,461
Rock Island	Players	160,101	140,882	127,843
	Gross	$2,721,884	$2,389,193	$2,384,276
	Tax	$135,178	$119,567	$119,548
St. Clair	Players	289,699	276,916	267,233
	Gross	$5,707,056	$5,657,610	$5,389,189
	Tax	$286,394	$282,883	$269,952
Saline	Players	20,442	16,851	17,479
	Gross	$327,198	$275,931	$294,168
	Tax	$16,360	$13,853	$14,708
Sangamon	Players	195,902	171,701	133,694
	Gross	$2,144,984	$2,021,281	$1,822,382
	Tax	$107,251	$101,141	$91,534
Schuyler	Players	2,170	731	200
	Gross	$42,832	$43,681	$45,451
	Tax	$2,142	$2,184	$2,273
Scott	Players	2,674	2,612	2,453
	Gross	$39,800	$34,005	$26,692
	Tax	$1,990	$1,715	$1,335
Shelby	Players	12,400	17,784	18,921
	Gross	$140,274	$179,741	$203,841
	Tax	$7,014	$9,320	$10,213
Stark	Players	0	0	0
	Gross	$0	$0	$0
	Tax	$0	$0	$0
Stephenson	Players	24,020	23,670	26,768
	Gross	$416,908	$411,220	$424,836
	Tax	$20,846	$20,693	$21,242
Tazwell	Players	95,754	77,034	68,361
	Gross	$1,349,360	$1,127,997	$1,073,689
	Tax	$67,710	$56,545	$54,222
Union	Players	8,488	6,468	6,091
	Gross	$209,633	$197,665	$198,388
	Tax	$10,481	$9,893	$9,978
Vermilion	Players	37,408	34,245	26,491
	Gross	$675,958	$645,820	$514,893
	Tax	$34,261	$32,528	$25,930
Wabash	Players	11,104	10,776	10,320
	Gross	$334,958	$329,658	$309,254
	Tax	$16,748	$16,482	$15,520
Warren	Players	21,379	16,263	15,192
	Gross	$169,760	$173,777	$156,622
	Tax	$8,487	$8,688	$7,831
Washington	Players	16,812	15,062	13,294
	Gross	$207,021	$186,572	$170,852
	Tax	$10,350	$9,328	$8,543
Wayne	Players	6,634	5,748	5,529
	Gross	$124,208	$112,331	$106,599
	Tax	$6,211	$5,616	$5,330
White	Players	11,095	10,346	10,494
	Gross	$213,526	$201,339	$212,190
	Tax	$10,876	$10,129	$10,703
Whiteside	Players	55,776	55,728	50,963
	Gross	$1,135,889	$1,185,885	$1,045,272
	Tax	$56,795	$59,334	$52,324
Will	Players	117,487	114,321	105,061
	Gross	$2,428,372	$2,330,634	$2,110,624
	Tax	$121,419	$116,859	$105,733
Williamson	Players	59,912	60,349	54,381
	Gross	$1,210,228	$1,286,875	$1,126,440
	Tax	$60,488	$64,343	$56,322
Winnebago	Players	284,010	285,666	307,708
	Gross	$4,482,351	$4,441,898	$4,628,499
	Tax	$224,141	$222,889	$233,722
Woodford	Players	28,941	38,916	41,694
	Gross	$324,581	$505,868	$490,608
	Tax	$16,229	$25,331	$24,852
Grand total	Players	5,500,918	5,049,967	4,693,359
	Gross	$94,724,345	$91,228,821	$85,761,573
	Tax	$4,733,634	$4,576,279	$4,306,481

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.

Graph 31: Charitable Games and License Fees Collections

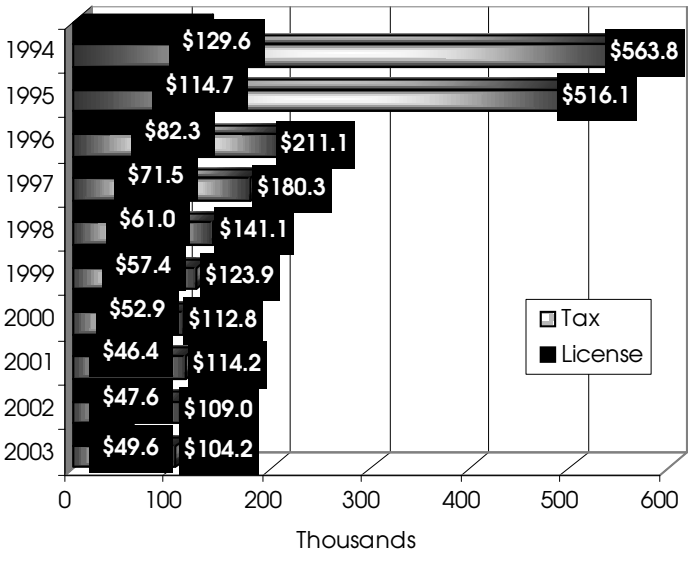


Table 33: Charitable Games Tax and License Fee Collections

Fiscal year	Tax	License fees	No. of licenses	No. of suppliers	No. of providers
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
2003	**$ 104,235**	**$ 49,600**	**170**	**10**	**140**

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

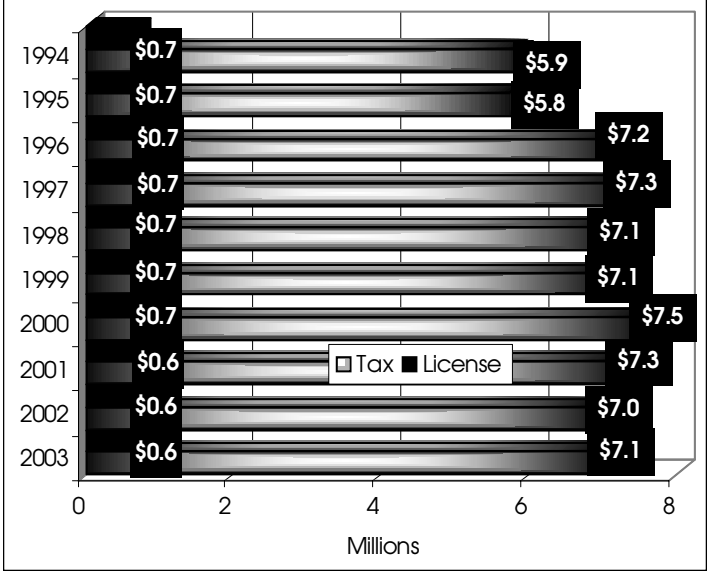


Table 34: **Pull Tabs and Jar Games Tax and License Fee Collections**

Fiscal year	Tax	License fees	No. of regular licenses	No. of limited licenses	No. of suppliers	No. of manufacturers
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
2003	**$ 7,057,695**	**$ 633,150**	**872**	**102**	**23**	**9**

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

Beginning January 1, 2001, all revenues except those from quarterhorse racing are deposited into the Horse Racing Fund.

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

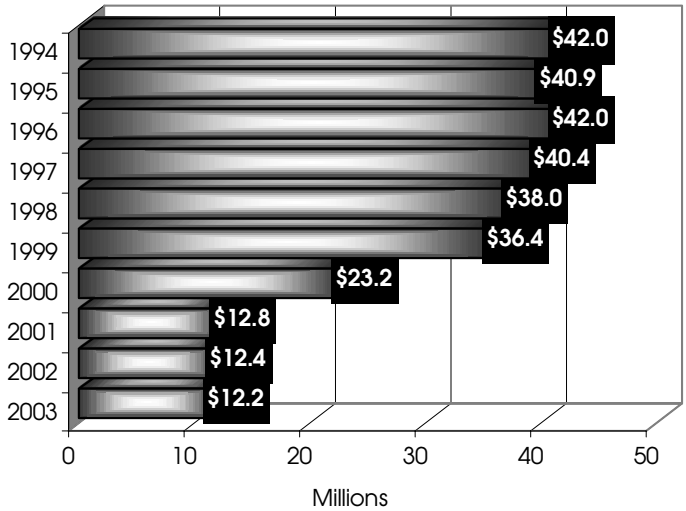


Table 35: Racing Privilege Tax Breakdown by Fund

Funds	Percentage allocated to funds	FY 00	FY 01	FY 02	FY 03
General Revenue Fund	50% total regular breakage	$ 1,460,225	$ 0	$ 0	$ 0
(Discontinued 12/31/99)	100% total charity breakage	0	0	0	0
Agricultural Premium Fund (Discontinued 12/31/99)	50% total privilege tax	6,042,161	0	0	0
Metropolitan Exposition Authority Auditorium and Office Building Fund (Discontinued 12/31/99)	34.5% total privilege tax	4,169,091	0	0	0
Fair and Exposition Fund (Discontinued 12/31/99)	7% total privilege tax	98,390	0	0	0
Build Illinois Fund (Discontinued 12/31/99)	7% total privilege tax	747,512	0	0	0
Racetrack Improvement Fund (Discontinued 12/31/99)	50% total regular breakage	1,439,125	0	0	0
Illinois Standardbred Breeders Fund (Discontinued 12/31/99)	8.5% total privilege tax	303,505	0	0	0
Illinois Thoroughbred Breeders Fund (Discontinued 12/31/99)	8.5% total privilege tax	702,561	0	0	0
Horse Racing Allocation Fund (Discontinued 12/31/99)	1% pari-mutuel handle on intertrack wagering	2,839,665	0	0	0
Illinois Racing Quarterhorse @ 1/01	100% pari-mutuel tax receipts into Quarterhorse racing	2,378	0	0	0
Horse Racing Fund @ 1/01	100% with exception of Quarterhorse racing	4,394,022	12,815,513	12,388,203	12,222,206
Protest		1,079,281	0	0	
Total		**$ 23,277,916**	**$ 12,815,513**	**$ 12,388,203**	**$ 12,222,206**

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.

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

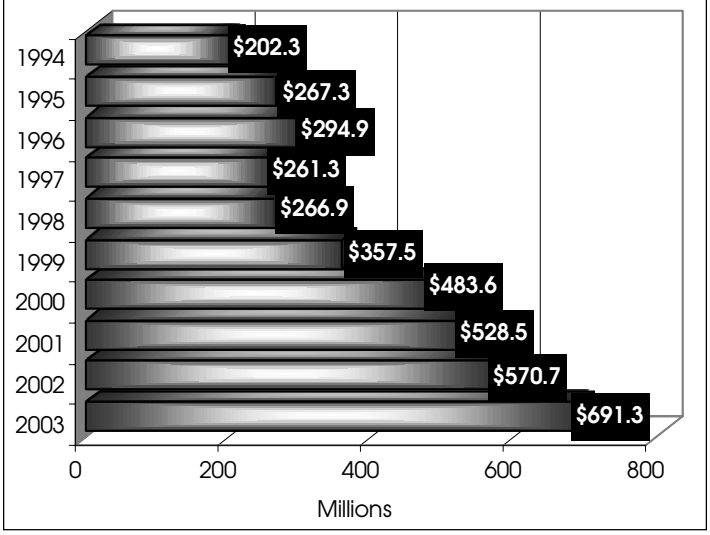


Table 36: Riverboat Gambling Collections

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
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
2003	**$ 54,930,338**	**$ 632,039,884**	**$ 50,000**	**$ 0**	**$ 20,000**	**$ 0**	**$ 4,221,413**	**$ 691,261,635**

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 2002 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, osteoporosis, and multiple sclerosis (added January 2004).

During the 2003 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 2003 was below the federal poverty level guidelines in effect at that time ($8,860 for single individuals and $11,940 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 268,189 Property Tax grants were processed during the 2003 calendar year, amounting to more than $53.4 million in grants.

Pharmaceutical Assistance Program — The total amount expended in the 2003 calendar year was $68,273,686 for 56,934 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 $33^1/_3$ percent.
4. Levy — Taxing districts determine the amount in property taxes needed.
5. Extension — County clerk apportions the levy among the properties in a taxing district according to their assessed values.
6. Collection and distribution equalized — Taxpayers pay their bills and payments are allocated to the local government taxing districts.

Most property is assessed at $33^1/_3$ percent of its market value. Cook County "classifies" property and assesses classes at various percentages of market value according to local ordinance. Farmland in Illinois is assessed on its agricultural economic value, not on its market value. A complex formula takes into account the soil productivity, commodity prices and market conditions, production costs, and interest rates. Illinois statutes provide preferential assessments for other types of property.

By law, the department must equalize any assessment discrepancies between counties to be sure that the median level of assessments in each county is $33^1/_3$ percent. To do this, the department conducts an annual 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.

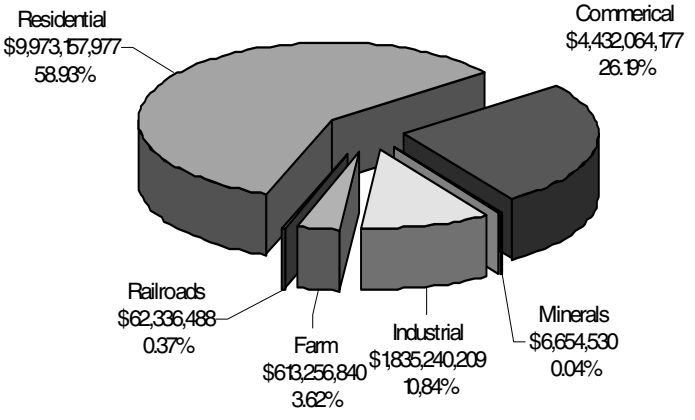
Table 38: Comparison of Equalized Assessed Values and Taxes Extended, 2000 and 2001

County	2001 Total EAV	2000 Total EAV	Amount of increase or decrease	% of increase or decrease	Total taxes extended 2001	Total taxes extended 2000	Amount of increase or decrease	% of increase or decrease
Statewide	220,330,253,329	204,178,019,641	16,152,233,688	7.91	16,922,710,220	15,967,696,133	955,014,088	5.98
Cook County	99,102,429,909	90,753,566,063	8,348,863,846	9.20	8,253,682,769	7,892,880,682	360,802,087	4.57
Collar Counties	68,796,684,846	63,311,676,137	5,485,008,709	8.66	4,737,046,490	4,342,652,726	394,393,764	9.08
Rest of State	52,431,138,574	50,112,777,441	2,318,361,133	4.63	3,931,980,962	3,732,162,725	199,818,237	5.35
Adams	698,304,176	680,113,035	18,191,141	2.67	46,440,355	44,004,386	2,435,969	5.54
Alexander	40,412,707	40,171,135	241,572	0.60	3,660,208	3,656,956	3,252	0.09
Bond	124,987,387	118,199,650	6,787,737	5.74	9,995,352	9,568,319	427,033	4.46
Boone	674,982,918	634,838,596	40,144,322	6.32	45,484,524	43,661,560	1,822,964	4.18
Brown	49,142,424	50,824,475	(1,682,051)	(3.31)	3,881,802	3,833,281	48,521	1.27
Bureau	504,790,708	484,025,959	20,764,749	4.29	39,000,024	36,669,816	2,330,207	6.35
Calhoun	45,216,669	45,909,747	(693,078)	(1.51)	3,213,379	3,117,525	95,854	3.07
Carroll	249,614,671	241,603,651	8,011,020	3.32	18,119,481	17,521,512	597,969	3.41
Cass	112,156,114	110,708,484	1,447,630	1.31	9,343,001	9,176,318	166,683	1.82
Champaign	2,304,411,757	2,198,470,000	105,941,757	4.82	172,755,359	163,664,297	9,091,062	5.55
Christian	393,205,350	388,432,576	4,772,774	1.23	27,140,241	26,465,389	674,852	2.55
Clark	154,691,635	151,976,663	2,714,972	1.79	10,312,241	10,020,230	292,010	2.91
Clay	105,922,423	102,368,500	3,553,923	3.47	8,171,965	8,120,059	51,906	0.64
Clinton	343,758,955	320,732,881	23,026,074	7.18	24,017,261	22,458,953	1,558,308	6.94
Coles	526,425,236	530,360,023	(3,934,787)	(0.74)	40,871,858	41,510,909	(639,052)	(1.54)
Cook	99,102,429,909	90,753,566,063	8,348,863,846	9.20	8,253,682,769	7,892,880,682	360,802,087	4.57
Crawford	214,936,386	216,631,101	(1,694,715)	(0.78)	15,454,298	14,854,354	599,944	4.04
Cumberland	91,835,916	89,310,738	2,525,178	2.83	6,704,487	6,448,204	256,284	3.97
DeKalb	1,356,157,372	1,291,841,788	64,315,584	4.98	109,638,180	103,859,004	5,779,176	5.56
DeWitt	463,136,079	474,657,662	(11,521,583)	(2.43)	25,681,540	26,307,444	(625,904)	(2.38)
Douglas	290,094,202	285,250,844	4,843,358	1.70	19,730,336	19,088,141	642,195	3.36
DuPage	25,715,214,817	23,850,845,257	1,864,369,560	7.82	1,625,756,019	1,514,365,993	111,390,026	7.36
Edgar	228,951,148	227,894,663	1,056,485	0.46	15,705,388	15,690,428	14,960	0.10
Edwards	49,468,577	49,629,762	(161,185)	(0.32)	3,895,228	3,914,682	(19,455)	(0.50)
Effingham	440,318,277	425,126,859	15,191,418	3.57	27,540,991	26,876,127	664,865	2.47
Fayette	150,525,188	141,782,535	8,742,653	6.17	11,614,158	11,023,982	590,176	5.35
Ford	187,294,361	187,440,221	(145,860)	(0.08)	15,707,886	15,137,572	570,314	3.77
Franklin	205,968,778	191,965,272	14,003,506	7.29	17,994,253	17,298,509	695,744	4.02
Fulton	320,712,322	309,849,244	10,863,078	3.51	26,019,949	24,828,955	1,190,994	4.80
Gallatin	47,786,427	48,967,232	(1,180,805)	(2.41)	3,650,367	3,654,383	(4,016)	(0.11)
Greene	132,730,283	134,214,336	(1,484,053)	(1.11)	9,059,623	8,910,376	149,247	1.67
Grundy	1,369,169,748	1,228,918,269	140,251,479	11.41	82,703,180	71,374,702	11,328,478	15.87
Hamilton	58,816,646	52,608,771	6,207,875	11.80	4,732,561	4,563,439	169,122	3.71
Hancock	221,167,581	217,978,266	3,189,315	1.46	15,569,563	15,238,144	331,418	2.17
Hardin	19,793,916	20,122,116	(328,200)	(1.63)	987,405	977,123	10,282	1.05
Henderson	95,706,583	96,925,097	(1,218,514)	(1.26)	7,010,203	6,892,141	118,062	1.71
Henry	620,314,950	592,585,858	27,729,092	4.68	45,249,068	42,424,058	2,825,010	6.66
Iroquois	406,635,398	408,880,647	(2,245,249)	(0.55)	31,525,254	30,823,454	701,800	2.28
Jackson	461,546,863	429,171,613	32,375,250	7.54	38,196,199	35,661,884	2,534,315	7.11
Jasper	202,004,472	187,515,555	14,488,917	7.73	11,652,270	10,543,075	1,109,195	10.52
Jefferson	324,807,857	314,426,542	10,381,315	3.30	23,915,008	23,709,269	205,739	0.87
Jersey	231,446,276	219,465,025	11,981,251	5.46	12,962,568	11,519,410	1,443,157	12.53
JoDaviess	487,583,115	462,981,904	24,601,211	5.31	31,191,801	29,523,200	1,668,601	5.65
Johnson	71,840,628	68,673,451	3,167,177	4.61	4,783,831	4,785,713	(1,882)	(0.04)
Kane	8,163,403,577	7,352,997,897	810,405,680	11.02	586,963,592	538,236,868	48,726,724	9.05
Kankakee	1,314,924,250	1,252,230,215	62,694,035	5.01	101,154,752	95,866,186	5,288,566	5.52
Kendall	1,177,397,829	1,043,009,508	134,388,321	12.88	87,852,814	77,978,189	9,874,625	12.66
Knox	617,662,482	586,808,181	30,854,301	5.26	46,020,716	43,329,047	2,691,670	6.21
Lake	18,474,399,581	17,059,530,969	1,414,868,612	8.29	1,307,613,151	1,208,307,732	99,305,419	8.22

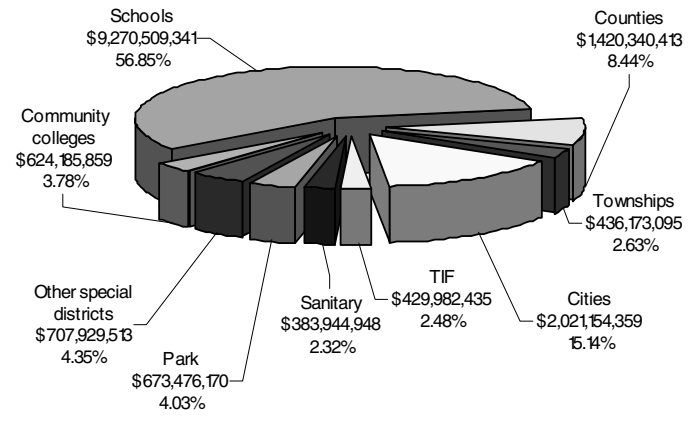
Table 38: Comparison of Equalized Assessed Values and Taxes Extended, 2000 and 2001

County	2001 Total EAV	2000 Total EAV	Amount of increase or decrease	% of increase or decrease	Total taxes extended 2001	Total taxes extended 2000	Amount of increase or decrease	% of increase or decrease
LaSalle	1,840,012,626	1,793,398,144	46,614,482	2.60	129,623,241	125,566,520	4,056,721	3.23
Lawrence	98,018,543	93,771,191	4,247,352	4.53	6,912,918	6,634,969	277,949	4.19
Lee	498,250,156	486,892,901	11,357,255	2.33	35,783,333	34,829,964	953,369	2.74
Livingston	506,865,956	505,641,259	1,224,697	0.24	41,746,438	41,835,898	(89,461)	(0.21)
Logan	381,954,250	381,690,469	263,781	0.07	28,173,541	27,684,152	489,389	1.77
McDonough	295,740,298	313,144,655	(17,404,357)	(5.56)	27,049,810	26,455,937	593,873	2.24
McHenry	5,802,973,128	5,356,477,945	446,495,183	8.34	437,235,832	396,626,610	40,609,222	10.24
McLean	2,467,640,290	2,320,289,188	147,351,102	6.35	178,036,086	168,324,856	9,711,230	5.77
Macon	1,263,557,973	1,195,222,277	68,335,696	5.72	102,387,464	96,101,374	6,286,090	6.54
Macoupin	404,573,299	395,433,544	9,139,755	2.31	27,607,928	26,600,730	1,007,198	3.79
Madison	2,897,620,041	2,696,984,998	200,635,043	7.44	215,147,068	198,412,437	16,734,632	8.43
Marion	271,117,574	256,434,885	14,682,689	5.73	22,872,441	22,154,520	717,920	3.24
Marshall	181,818,231	181,362,814	455,417	0.25	14,274,048	13,841,471	432,577	3.13
Mason	160,185,703	158,801,671	1,384,032	0.87	13,757,006	13,265,495	491,511	3.71
Massac	142,349,404	137,731,522	4,617,882	3.35	8,982,755	8,808,523	174,232	1.98
Menard	177,900,988	176,870,882	1,030,106	0.58	12,214,180	11,903,968	310,213	2.61
Mercer	186,022,582	182,214,341	3,808,241	2.09	14,138,408	13,790,116	348,292	2.53
Monroe	449,235,026	409,124,242	40,110,784	9.80	25,147,863	23,065,440	2,082,423	9.03
Montgomery	310,301,215	298,443,626	11,857,589	3.97	23,772,032	23,180,954	591,078	2.55
Morgan	418,518,220	412,509,590	6,008,630	1.46	27,891,228	26,996,412	894,816	3.31
Moultrie	186,401,657	186,816,607	(414,950)	(0.22)	13,810,834	13,726,351	84,483	0.62
Ogle	1,199,231,257	1,178,799,365	20,431,892	1.73	79,737,529	76,835,430	2,902,099	3.78
Peoria	2,279,283,056	2,139,508,945	139,774,111	6.53	173,317,514	162,669,735	10,647,779	6.55
Perry	144,123,309	136,471,725	7,651,584	5.61	10,992,383	10,325,990	666,393	6.45
Piatt	271,564,201	269,859,183	1,705,018	0.63	18,455,392	17,495,882	959,510	5.48
Pike	158,288,145	163,500,309	(5,212,164)	(3.19)	11,229,590	11,164,972	64,618	0.58
Pope	28,012,185	25,128,581	2,883,604	11.48	1,758,179	1,625,460	132,719	8.17
Pulaski	26,362,673	25,045,010	1,317,663	5.26	2,029,205	2,008,148	21,057	1.05
Putnam	104,143,831	101,441,928	2,701,903	2.66	6,510,957	6,259,145	251,812	4.02
Randolph	300,316,335	275,643,504	24,672,831	8.95	18,771,782	17,500,994	1,270,789	7.26
Richland	157,023,293	156,883,760	139,533	0.09	10,876,698	10,702,892	173,806	1.62
Rock Island	1,785,484,717	1,684,808,308	100,676,409	5.98	146,837,036	136,472,749	10,364,287	7.59
St. Clair	2,386,358,481	2,275,444,355	110,914,126	4.87	188,957,895	180,736,709	8,221,186	4.55
Saline	167,507,621	162,495,827	5,011,794	3.08	14,163,805	13,843,599	320,206	2.31
Sangamon	2,703,165,666	2,585,007,362	118,158,304	4.57	195,032,535	185,234,815	9,797,720	5.29
Schuyler	67,695,923	68,498,397	(802,474)	(1.17)	5,797,556	5,695,420	102,136	1.79
Scott	56,017,132	62,671,859	(6,654,727)	(10.62)	3,837,742	3,841,530	(3,788)	(0.10)
Shelby	253,327,349	234,363,069	18,964,280	8.09	18,568,754	17,645,980	922,774	5.23
Stark	97,425,588	99,264,446	(1,838,858)	(1.85)	7,087,037	6,711,851	375,186	5.59
Stephenson	551,752,552	537,829,791	13,922,761	2.59	47,682,704	45,770,361	1,912,343	4.18
Tazewell	1,691,752,265	1,612,265,925	79,486,340	4.93	120,946,533	114,714,002	6,232,531	5.43
Union	110,884,973	105,479,961	5,405,012	5.12	8,206,736	8,000,241	206,495	2.58
Vermillion	747,434,397	722,583,799	24,850,598	3.44	61,894,562	59,885,566	2,008,996	3.35
Wabash	103,735,401	101,463,880	2,271,521	2.24	7,043,715	6,880,856	162,859	2.37
Warren	228,299,965	227,598,101	701,864	0.31	15,981,019	15,813,369	167,650	1.06
Washington	154,192,576	146,806,601	7,385,975	5.03	12,469,348	11,904,622	564,726	4.74
Wayne	123,213,556	123,188,861	24,695	0.02	9,448,155	9,234,468	213,687	2.31
White	114,041,634	111,503,388	2,538,246	2.28	8,159,971	8,050,984	108,987	1.35
Whiteside	640,289,675	619,861,256	20,428,419	3.30	49,248,711	46,684,813	2,563,898	5.49
Will	10,640,693,743	9,691,824,069	948,869,674	9.79	779,477,896	685,115,523	94,362,373	13.77
Williamson	595,278,839	553,808,281	41,470,558	7.49	38,381,132	36,023,978	2,357,153	6.54
Winnebago	3,313,519,668	3,151,207,315	162,312,353	5.15	314,795,929	297,055,409	17,740,520	5.97
Woodford	544,571,239	515,966,893	28,604,346	5.54	38,121,309	35,641,961	2,479,349	6.96

Graph 35: Tax Year 2001 Extensions by Class



Graph 36: Tax Year 2001 Extensions by Type of District



Tax Relief Provisions

General Homestead Exemption — This annual exemption is available for residential property that is occupied as the principal dwelling place by the owner or a lessee with an equitable interest in the property and an obligation to pay the property taxes on the leased property. The amount of exemption is the increase in the current year's equalized assessed value (EAV), above the 1977 EAV, up to a maximum of $3,500 ($4,500 in Cook County).

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

Senior Citizens Assessment Freeze Homestead Exemption — This exemption allows senior citizens who have a total household income of less than $40,000, and meet certain other qualifications to elect to maintain the equalized assessed value (EAV) of their homes at the base year EAV and prevent any increase in that value due to inflation.

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

Senior Citizens Real Estate Tax Deferral Program — This program allows persons 65 years of age and older, who have a total household income of less than $40,000 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.

Table 39: Senior Citizens Real Estate Tax Deferrals for Tax Year 2001 (paid in 2002)

County	Deferral	County	Deferral
Boone	$ 16,101.22	Massac	18.00
Cass	$279.18	McHenry	199,739.13
Champaign	26,270.20	McLean	6,401.30
Christian	1,852.98	Menard	2,132.16
Clinton	5,418.30	Monroe	5,273.96
Coles	1,975.60	Montgomery	617.54
Cook	1,096,108.48	Morgan	1,148.08
DeKalb	81,609.10	Moultrie	966.70
Douglas	2,029.24	Ogle	16,302.42
DuPage	687,481.67	Peoria	23,129.46
Effingham	760.16	Perry	1,271.88
Fayette	2,023.16	Rock Island	6,021.16
Ford	773.04	Saline	1,400.38
Grundy	2,515.24	Sangamon	19,206.42
Henry	2,331.84	St. Clair	14,885.14
Iroquois	9,555.42	Stephenson	17,128.02
JoDaviess	3,215.38	Tazewell	6,582.00
Kane	220,215.60	Vermilion	353.96
Kankakee	36,736.36	Wayne	1,201.94
Kendall	41,052.92	Whiteside	9,375.52
Knox	1,415.20	Will	127,856.25
Lake	627,322.53	Williamson	2,387.44
LaSalle	25,695.94	Winnebago	194,135.89
Lee	14,463.46	**Total**	**$ 3,609,206.80**
Livingston	1,045.38		
Logan	573.06	**Special assessment deferrals**	$ 8,055.47
Macon	13,612.18		
Macoupin	5,000.04	**Total**	**$ 3,617,262.27**
Madison	24,239.17		
		Number of participants: 1,706	

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, 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.

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.

Table 40: TVA Payments

County	FY 2003
Franklin	$ 90,752
Hamilton	78,582
Jefferson	21,013
Total paid to counties	$ 190,347
State of Illinois	
General Revenue Fund	$ 81,577
Total TVA payments	**$ 271,924**

Stipends and Reimbursements

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

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

Chief County Assessment Officer (CCAO) salary reimbursements — Each month the department will reimburse a county 50 percent of the salary the county paid to its CCAO for the preceding month if the department determines that the total assessed value of property in the county is between $31^1/_3$ percent and $35^1/_3$ percent of the total fair cash value of property in the county.

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

Table 41: FY 2003 Stipends and Reimbursements

County	Assessor Training Stipend	Assessor Performance Stipends	S of A Salary Reimbursement	County Treasurer Stipends
Adams	$ 33,000.00	$ —	$ 20,942.46	$ 6,500.00
Alexander	500.00	—	14,528.82	6,500.00
Bond	500.00	3,000.00	20,500.02	6,500.00
Boone	6,500.00	9,000.00	25,140.24	6,500.00
Brown	1,500.00	6,000.00	12,836.28	6,500.00
Bureau	3,000.00	6,000.00	20,275.02	6,500.00
Calhoun	—	3,000.00	13,101.36	6,500.00
Carroll	3,500.00	9,000.00	18,750.00	6,500.00
Cass	1,500.00	3,000.00	16,882.50	6,500.00
Champaign	8,000.00	24,000.00	26,963.76	6,500.00
Christian	1,500.00	15,000.00	20,579.58	6,500.00
Clark	1,000.00	—	15,102.60	6,500.00
Clay	1,500.00	3,000.00	19,333.74	6,500.00
Clinton	2,500.00	9,000.00	21,290.16	6,500.00
Coles	2,000.00	—	22,368.72	6,500.00
Cook	35,500.00	—	—	6,500.00
Crawford	1,500.00	3,000.00	17,750.04	6,500.00
Cumberland	1,000.00	3,000.00	15,250.08	6,500.00
DeKalb	3,500.00	24,000.00	33,871.56	6,500.00
DeWitt	500.00	15,000.00	19,787.46	6,500.00
Douglas	3,000.00	3,000.00	17,250.06	6,500.00
DuPage	20,500.00	6,000.00	46,127.94	6,500.00
Edgar	1,500.00	6,000.00	20,600.04	6,500.00
Edwards	—	—	16,209.78	6,500.00
Effingham	3,000.00	6,000.00	22,000.08	6,500.00
Fayette	1,000.00	—	21,212.52	6,500.00
Ford	1,000.00	9,000.00	20,375.04	6,500.00
Franklin	1,000.00	—	20,488.62	6,500.00
Fulton	4,500.00	9,000.00	19,125.00	6,500.00
Gallatin	500.00	—	16,580.04	6,500.00
Greene	2,000.00	—	16,627.56	6,500.00
Grundy	2,000.00	3,000.00	29,775.96	6,500.00
Hamilton	500.00	6,000.00	13,374.96	6,500.00
Hancock	2,500.00	—	13,968.47	6,500.00
Hardin	500.00	—	11,198.16	6,500.00
Henderson	1,000.00	—	14,778.54	6,500.00
Henry	3,500.00	—	28,411.96	6,500.00
Iroquois	5,500.00	21,000.00	20,975.04	6,500.00
Jackson	4,000.00	3,000.00	21,812.50	6,500.00
Jasper	500.00	—	20,759.62	6,500.00
Jefferson	3,500.00	—	21,729.72	6,500.00
Jersey	1,000.00	15,000.00	19,358.76	6,500.00
Jo Daviess	1,500.00	21,000.00	21,532.80	6,500.00
Johnson	1,000.00	—	22,525.08	6,500.00
Kane	15,000.00	63,000.00	35,750.04	6,500.00
Kankakee	5,500.00	9,000.00	27,129.72	6,500.00
Kendall	1,000.00	15,000.00	35,284.80	6,500.00
Knox	4,500.00	—	21,222.42	6,500.00
Lake	21,250.00	93,000.00	58,107.54	6,500.00
LaSalle	7,500.00	3,000.00	28,586.67	6,500.00
Lawrence	500.00	—	14,799.96	6,500.00
Lee	$ 3,250.00	$ 3,000.00	$ 23,646.00	$ 6,500.00
Livingston	3,000.00	3,000.00	24,936.46	6,500.00
Logan	1,000.00	3,000.00	16,792.26	6,500.00
Macon	8,250.00	18,000.00	23,058.00	6,500.00
Macoupin	1,000.00	—	18,872.82	6,500.00
Madison	16,500.00	—	23,537.52	6,500.00
Marion	2,500.00	9,000.00	20,325.00	6,500.00
Marshall	1,500.00	—	17,505.28	6,500.00
Mason	1,500.00	6,000.00	21,750.00	6,500.00
Massac	1,000.00	3,000.00	15,798.96	6,500.00
McDonough	4,500.00	6,000.00	15,316.08	6,500.00
McHenry	8,500.00	42,000.00	39,526.50	6,500.00
McLean	13,000.00	33,000.00	26,784.35	5,958.33
Menard	500.00	3,000.00	18,321.24	6,500.00
Mercer	2,000.00	9,000.00	18,050.04	6,500.00
Monroe	2,000.00	3,000.00	24,284.52	6,500.00
Montgomery	4,000.00	—	19,054.02	6,500.00
Morgan	2,000.00	3,000.00	19,369.77	6,500.00
Moultrie	2,500.00	12,000.00	19,062.48	6,500.00
Ogle	4,500.00	15,000.00	25,473.24	6,500.00
Peoria	9,500.00	9,000.00	35,400.96	6,500.00
Perry	—	3,000.00	19,459.92	6,500.00
Piatt	3,000.00	18,000.00	19,843.26	6,500.00
Pike	2,500.00	—	16,231.80	6,500.00
Pope	—	—	18,097.05	6,500.00
Pulaski	1,000.00	—	15,773.28	6,500.00
Putnam	1,000.00	3,000.00	14,604.72	6,500.00
Randolph	3,000.00	3,000.00	20,846.61	6,500.00
Richland	500.00	3,000.00	18,178.98	6,500.00
Rock Island	10,000.00	3,000.00	22,971.04	6,500.00
Saline	1,500.00	9,000.00	24,509.04	6,500.00
Sangamon	9,500.00	12,000.00	26,810.22	6,500.00
Schuyler	1,000.00	3,000.00	17,040.00	6,500.00
Scott	1,000.00	—	14,761.26	6,500.00
Shelby	1,500.00	—	—	6,500.00
St. Clair	3,500.00	—	—	6,500.00
Stark	1,500.00	3,000.00	15,000.00	6,500.00
Stephenson	4,000.00	15,000.00	24,748.26	6,500.00
Tazewell	3,500.00	6,000.00	25,615.20	6,500.00
Union	—	3,000.00	21,854.52	6,500.00
Vermillion	3,750.00	3,000.00	21,750.00	6,500.00
Wabash	500.00	—	16,475.04	6,500.00
Warren	500.00	—	14,750.04	6,500.00
Washington	2,000.00	3,000.00	17,833.34	6,500.00
Wayne	1,500.00	—	15,989.28	6,500.00
White	500.00	—	19,911.66	6,500.00
Whiteside	3,000.00	3,000.00	27,370.40	6,500.00
Will	15,500.00	54,000.00	41,148.96	6,445.90
Williamson	2,000.00	—	22,326.00	6,500.00
Winnebago	15,500.00	30,000.00	29,585.52	6,500.00
Woodford	2,500.00	12,000.00	20,137.54	6,500.00
Total	**$386,500.00**	**$795,000.00**	**$2,143,422.24**	**$662,404.23**

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.

Table 42: 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

Graph 37: Real Estate Transfer Tax Collections

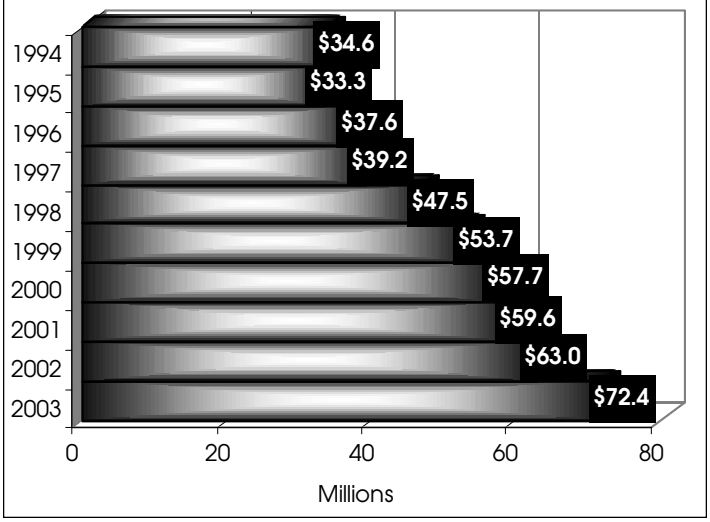


Table 43: Real Estate Stamp Sales by County

County	FY 2000	FY 2001	FY 2002	FY 2003	County	FY 2000	FY 2001	FY 2002	FY 2003
Adams	$ 154,000	$ 99,000	$ 149,000	$ 139,000	Lee	$ 76,975	$ 145,300	$ 45,150	$ 117,450
Alexander	4,530	7,830	8,125	4,851	Livingston	80,001	105,138	80,000	105,000
Bond	26,095	28,580	32,420	38,270	Logan	35,000	70,000	57,000	65,000
Boone	135,548	180,196	200,000	200,000	Macon	265,000	275,000	250,000	250,000
Brown	6,434	6,430	13,920	12,380	Macoupin	78,950	70,725	60,798	114,650
Bureau	88,000	72,000	88,000	96,000	Madison	806,707	700,002	720,000	800,000
Calhoun	6,060	9,025	10,881	9,898	Marion	49,000	52,000	48,613	55,000
Carroll	53,938	51,727	48,344	55,552	Marshall	32,680	43,122	38,933	37,535
Cass	20,909	24,190	20,435	18,853	Mason	38,200	36,250	32,800	23,550
Champaign	450,000	520,000	619,000	600,000	Massac	16,586	12,580	19,912	22,425
Christian	60,000	60,000	84,000	60,000	McDonough	55,000	55,000	55,000	60,000
Clark	27,620	24,236	30,081	31,179	McHenry	1,920,000	1,760,000	2,340,000	2,600,000
Clay	18,350	20,164	19,992	24,325	McLean	568,000	565,001	765,000	750,000
Clinton	61,105	65,235	59,245	67,058	Menard	26,641	29,640	44,200	33,685
Coles	120,000	60,000	140,000	90,000	Mercer	31,915	35,000	40,000	45,000
Cook	25,760,893	27,381,085	29,266,258	34,130,047	Monroe	90,005	105,000	120,000	135,000
Crawford	32,931	26,093	33,050	23,123	Montgomery	150,737	39,979	59,980	50,000
Cumberland	18,220	17,150	15,895	18,990	Morgan	95,000	80,000	80,000	75,000
DeKalb	315,000	360,000	400,000	450,000	Moultrie	37,288	28,889	24,805	38,337
DeWitt	51,800	40,000	34,832	49,979	Ogle	157,964	305,725	203,475	201,075
Douglas	42,105	38,270	53,443	48,895	Peoria	473,850	463,350	532,000	568,400
Du Page	6,860,000	6,800,000	6,720,000	7,600,000	Perry	23,090	26,373	21,960	21,155
Edgar	43,721	38,873	30,349	46,523	Piatt	50,091	53,210	59,948	55,000
Edwards	7,663	7,508	7,213	7,345	Pike	40,605	51,073	33,485	25,933
Effingham	67,218	66,178	76,835	62,488	Pope	8,876	4,190	7,650	7,118
Fayette	33,270	31,340	36,235	38,410	Pulaski	7,626	4,003	4,395	5,123
Ford	34,380	33,045	36,266	39,138	Putnam	24,460	17,525	27,425	18,560
Franklin	50,001	40,001	40,000	45,000	Randolph	139,189	83,301	52,261	37,283
Fulton	80,001	80,000	50,000	75,000	Richland	22,784	21,892	24,482	26,118
Gallatin	8,124	18,973	8,100	6,000	Rock Island	263,761	329,824	299,878	359,747
Greene	22,000	22,535	22,680	27,000	St. Clair	607,136	555,752	695,101	757,994
Grundy	213,756	154,099	191,929	286,544	Saline	34,875	27,258	34,810	28,588
Hamilton	9,465	8,483	11,888	13,875	Sangamon	534,177	510,732	559,918	683,968
Hancock	38,730	31,453	38,358	40,880	Schuyler	16,038	19,058	14,133	17,510
Hardin	7,636	4,341	4,991	3,951	Scott	8,194	8,233	13,170	12,348
Henderson	9,275	14,525	20,360	17,993	Shelby	40,526	43,223	44,115	42,558
Henry	104,190	103,465	110,360	107,865	Stark	15,797	16,197	11,665	16,640
Iroquois	75,000	85,000	85,000	95,000	Stephenson	117,796	104,791	113,009	118,704
Jackson	98,542	73,710	77,000	116,800	Tazewell	390,000	345,000	345,000	390,000
Jasper	218,298	17,055	17,180	19,225	Union	18,176	21,071	21,113	21,301
Jefferson	60,002	40,000	90,000	55,000	Vermilion	157,805	130,000	148,000	121,000
Jersey	36,000	46,000	45,000	50,000	Wabash	17,215	17,454	17,720	18,060
Jo Daviess	255,613	109,300	68,125	290,479	Warren	38,522	35,300	41,000	35,700
Johnson	13,104	18,365	15,889	15,950	Washington	27,275	25,825	32,900	19,850
Kane	2,741,424	3,023,722	3,330,687	3,354,109	Wayne	23,823	18,249	17,155	34,438
Kankakee	280,000	260,000	280,000	339,058	White	19,065	21,694	20,400	17,566
Kendall	447,478	528,387	652,496	925,186	Whiteside	130,000	80,000	126,150	116,500
Knox	90,000	90,000	110,000	100,000	Will	3,999,072	4,264,741	4,266,667	5,333,159
Lake	4,848,122	5,440,000	5,660,000	6,230,000	Williamson	106,280	108,540	144,557	168,668
LaSalle	376,000	349,961	400,000	300,039	Winnebago	800,000	800,000	800,000	1,000,000
Lawrence	20,273	19,108	14,840	16,948	Woodford	82,665	106,333	87,985	122,967
					Total	**$ 57,453,233**	**$ 59,475,171**	**$ 63,282,413**	**$ 72,274,858**

Disbursements to Local Governments

Table 44: Taxes Disbursed to Local Governments

Section 1: Taxes Collected for Local Governments [1]	FY 2001	FY 2002	FY 2003
Automobile Renting Taxes			
1 County Automobile Renting Tax	78,203	64,509	48,041
2 MPEA Automobile Renting Tax	26,945,368	24,050,677	21,335,614
3 Municipal Automobile Renting Tax	5,715,746	5,154,968	4,804,136
A. Total Automobile Renting Taxes	**$ 32,739,317**	**$ 29,270,154**	**$ 26,187,792**
B. Chicago Soft Drink Tax	**$ 7,953,705**	**$ 7,323,659**	**$ 7,517,094**
C. County Motor Fuel Tax	**$ 26,983,326**	**$ 26,247,323**	**$ 27,781,966**
D. County Water Commission Tax [2]	**$ 33,615,413**	**$ 32,848,682**	**$ 31,373,768**
Home Rule and Non-home Rule Taxes [3]			
1 Chicago Home Rule Vehicle Use Tax	24,786,163	26,203,321	23,633,356
2 County Home Rule	279,511,401	273,592,150	274,366,964
3 Municipal Home Rule	379,927,819	389,231,803	430,982,894
4 Municipal Non-home Rule	2,638,254	4,446,818	8,127,457
E. Total Home Rule and Non-home Rule Taxes	**$ 686,863,637**	**$ 693,474,092**	**$ 737,110,671**
Hotel Taxes			
1 Illinois Sport Facilities Tax [4]	27,222,223	23,474,429	24,395,848
2 MPEA Hotel Tax	31,736,059	27,366,872	28,441,076
3 Municipal Hotel Tax	13,750,046	11,856,981	12,322,392
F. Total Hotel Taxes	**$ 72,708,328**	**$ 62,698,282**	**$ 65,159,316**
Mass Transit District Sales and Use Taxes			
1 RTA	519,184,837	524,339,320	520,020,352
2 MED	22,737,679	23,372,482	23,775,009
G. Total Mass Transit District Sales and Use Taxes	**$ 541,922,516**	**$ 547,711,802**	**$ 543,795,360**
H. Metro-east Park and Recreation District Tax [5]	**$ 0**	**$ 3,096,778**	**$ 3,558,619**
I. MPEA Food and Beverage Tax	**$ 23,106,600**	**$ 21,852,319**	**$ 22,986,895**
J. Municipal Simplified Telecommunication Tax [6]	**$ 0**	**$ 0**	**$ 98,306,436**
Replacement Vehicle Taxes			
1 County Replacement Vehicle	258	149	444
2 Municipal Replacement Vehicle	45,458	51,838	59,455
K. Total Replacement Vehicle Taxes	**$ 45,716**	**$ 51,987**	**$ 59,899**
L. Tennessee Valley Authority (TVA)	**$ 159,760**	**$ 180,877**	**$ 190,347**
M. Special County ROT for Public Safety	**$ 18,275,098**	**$ 22,591,932**	**$ 25,768,593**
Total Section 1: Taxes Collected for Local Governments (A+B+C+D+E+F+G+H+I+J+K+L+M)	**$ 1,444,373,416**	**$ 1,425,314,691**	**$ 1,589,796,755**

Table 44: Taxes Disbursed to Local Governments (continued)

Section 2: Revenue-sharing with Local Governments

	FY 2001	FY 2002	FY 2003
Gaming Taxes			
1 Charitable Games	49,160	48,775	46,240
2 Pull Tabs and Jar Games	1,320,204	1,271,011	1,273,434
A. Total Gaming Taxes	**$ 1,369,364**	**$ 1,319,786**	**$ 1,319,674**
Fund Transfers to Local Governments			
1 Income Tax (LGDF)	903,539,363	827,497,057	792,571,051
2 Photoprocessing (LGDF) (7)	25,267,839	24,927,618	0
3 Local Share of Use Tax (State and Local Sales Tax Reform Fund)			
Build Illinois	37,800,000	37,800,000	37,800,000
City of Chicago (Chicago Use Tax)	41,935,443	36,538,588	35,060,281
Metro-East Public Transportation Fund	1,258,063	1,096,203	1,051,808
Local Use Tax (subsequently deposited into the LGDF)	107,715,967	88,994,187	83,681,931
RTA Occupation and Use Tax Replacement Fund	21,089,120	18,269,295	17,530,140
Total Local Share of Use Tax	209,798,593	182,698,274	175,124,160
4 Sales Tax Transfers for Local Transportation			
Public Transportation Fund	164,329,470	165,571,042	164,505,018
Downstate Public Transportation Fund	37,798,346	41,706,544	45,574,000
Metro-East Public Transportation Fund	14,954,917	15,220,123	15,278,358
Total Sales Tax Transfers for Local Transportation	217,082,733	222,497,709	225,357,376
B. Total Fund Transfers to Local Governments	**$ 1,355,688,528**	**$ 1,257,620,658**	**$ 1,193,052,587**
Local Share of Sales and Use Taxes			
1 County Share of State Taxes (2)	51,112,504	48,664,169	47,804,895
2 Countywide Share of State Taxes (2)	168,836,788	174,486,192	176,106,913
3 Municipal Share of State Taxes (2)	1,276,961,158	1,313,681,619	1,318,972,677
4 RTA Share of State Taxes (2)	112,233,903	112,410,493	111,136,272
C. Total Local Share of Sales and Use Taxes	**$ 1,609,144,353**	**$ 1,649,242,472**	**$ 1,654,020,754**
Motor Fuel Taxes (Collected by IDOR and Distributed by IDOT)			
1 Counties	212,317,355	213,309,872	215,370,368
2 Municipalities	297,726,491	299,001,555	302,202,955
3 Townships	96,320,159	96,815,021	97,825,091
D. Total Motor Fuel Taxes	**$ 606,364,005**	**$ 609,126,448**	**$ 615,398,413**
E. Replacement Taxes	**$ 1,006,863,634**	**$ 878,330,216**	**$ 753,224,347**
F. Tax Increment Financing Districts	**$ 16,781,564**	**$ 16,947,385**	**$ 16,848,629**
Total Section 2: Revenue-sharing with Local Governments (A+B+C+D+E+F)	**$ 4,596,211,448**	**$ 4,412,586,965**	**$ 4,233,864,404**
Disbursements Grand Total (Section 1 + Section 2)	**$ 6,040,584,864**	**$ 5,837,901,656**	**$ 5,823,661,159**

(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.
(6) Imposed July 1, 2001.
(6) First collections were January 1, 2003.
(7) Discontinued July 1, 2003.

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 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.)

Table 45: FY 2003 Home Rule, Non-home Rule, and Special County ROT for Public Safety Sales Tax Disbursements

Municipality	Net Collected	Interest	Advanced Payment	Total
Addison	2,645,963.03	1,747.63	0	2,647,710.66
Alsip	918,371.43	515.97	0	918,887.40
Alton	1,656,003.46	1,181.16	272.18	1,657,456.80
Arlington Heights	3,744,605.52	2,830.57	0	3,747,436.09
Aurora	12,196,789.29	8,729.98	32,504.15	12,238,023.42
Bedford Park	2,241,571.50	1,158.93	0	2,242,730.43
Belleville	848,859.50	611.69	1,223.44	850,694.63
Berkeley	123,660.16	90.24	0	123,750.40
Berwyn	1,807,858.32	1,319.61	0	1,809,177.93
Bloomingdale	3,168,842.30	1,957.13	0	3,170,799.43
Bloomington	11,144,975.63	7,716.54	128,404.04	11,281,096.21
Bolingbrook	5,824,593.86	4,164.38	27,771.36	5,856,529.60
Bridgeview	2,799,041.85	1,443.87	0	2,800,485.72
Buffalo Grove	1,902,144.35	1,393.11	3,346.22	1,906,883.68
Burbank	1,834,679.23	1,291.35	0	1,835,970.58
Burnham	45,108.94	33.22	0	45,142.16
Cahokia	423,887.00	273.53	0	424,160.53
Calumet City	4,508,826.06	2,785.75	0	4,511,611.81
Carbondale	3,645,429.46	2,591.56	9,836.11	3,657,857.13
Carpentersville	1,679,592.17	1,163.57	15,153.92	1,695,909.66
Champaign	9,998,239.32	7,060.73	0	10,005,300.05
Channahon	2,305,483.16	1,512.62	35,936.44	2,342,932.22
Chicago	138,462,676.32	100,391.10	0	138,563,067.42
Chicago Ridge	2,462,555.11	1,718.13	5,474.44	2,469,747.68
Cicero	3,323,776.63	2,443.37	2,593.38	3,328,813.38
Danville	3,488,649.54	2,478.50	0	3,491,128.04
Decatur	8,099,646.22	5,660.58	0	8,105,306.80
DeKalb	2,330,524.65	1,643.10	2,822.01	2,334,989.76
Des Plaines	3,792,637.49	2,740.31	0	3,795,377.80
Dolton	456,919.69	333.40	0	457,253.09
East Hazelcrest	26,287.68	19.78	0	26,307.46
East St. Louis	569,319.42	407.81	0	569,727.23
Elgin	4,495,917.53	3,283.22	0	4,499,200.75
Elk Grove Village	3,373,468.62	2,282.21	0	3,375,750.83
Elmhurst	1,358,654.30	951.43	0	1,359,605.73
Elmwood Park	807,936.81	586.24	0	808,523.05
Elwood	360,060.78	241.70	0	360,302.48
Evanston	5,476,611.02	3,960.83	79,755.53	5,560,327.38
Evergreen Park	1,137,500.82	818.65	0	1,138,319.47
Fairview Heights	1,840,593.65	1,284.57	3,069.25	1,844,947.47
Galesburg	2,199,938.77	1,575.73	0	2,201,514.50
Glendale Heights	748,430.87	533.72	0	748,964.59
Granite City	2,168,309.45	1,442.57	0	2,169,752.02
Gurnee	4,235,493.05	3,059.96	308,757.67	4,547,310.68
Hanover Park	850,418.16	616.65	0	851,034.81
Harwood Heights	734,223.12	519.05	0	734,742.17
Highland Park	2,729,815.80	1,664.26	1,250.20	2,732,730.26
Hillside	436,789.16	132.06	0	436,921.22
Hoffman Estates	2,030,200.44	1,638.02	0	2,031,838.46
Joliet	13,772,437.15	9,704.63	35,544.06	13,817,685.84
Lansing	2,036,758.11	1,437.43	0	2,038,195.54
Lincolnwood	1,211,531.07	872.44	0	1,212,403.51
Marion	3,312,271.08	2,310.13	15,790.25	3,330,371.46
Moline	4,559,009.16	3,226.78	0	4,562,235.94
Monee	340,606.31	226.25	0	340,832.56
Monmouth	534,132.24	390.39	1,629.33	536,151.96
Morton Grove	1,787,784.28	1,534.67	15,621.22	1,804,940.17
Mount Prospect	2,333,055.45	1,695.20	0	2,334,750.65
Mount Vernon	3,061,043.59	2,187.71	1,087.79	3,064,319.09
Mundelein	2,098,946.85	1,548.17	0	2,100,495.02
Murphysboro	287,638.64	210.48	0	287,849.12
Niles	6,412,151.63	4,571.31	0	6,416,722.94
Normal	4,761,014.78	3,420.18	54,588.77	4,819,023.73
Norridge	3,151,567.70	2,145.40	0	3,153,713.10
Northbrook	2,862,102.57	2,029.62	174,735.04	3,038,867.23
Northlake	1,859,347.73	1,345.79	7,599.78	1,868,293.30
Oak Lawn	1,399,499.13	842.34	0	1,400,341.47
Oak Park	1,950,471.80	1,411.53	544.93	1,952,428.26
Orland Park	9,330,722.34	6,433.61	582,140.30	9,919,296.25
Palatine	1,973,321.64	1,447.12	0	1,974,768.76
Park Ridge	786,918.51	591.93	0	787,510.44
Pekin	2,523,730.82	1,799.92	0	2,525,530.74
Peoria	18,421,573.07	11,917.48	0	18,433,490.55
Peoria Heights	364,806.44	262.45	0	365,068.89
Quincy	6,418,521.55	3,924.94	1,468.17	6,423,914.66
Rock Island	1,152,243.69	774.00	0	1,153,017.69
Rolling Meadows	1,059,243.40	789.55	0	1,060,032.95
Rosemont	2,578,334.32	1,844.60	0	2,580,178.92
Round Lake Beach	992,753.10	708.29	0	993,461.39
Sauget	47,969.59	34.11	0	48,003.70
Schaumburg	9,407,723.29	6,668.72	0	9,414,392.01
Schiller Park	238,861.95	172.80	0	239,034.75
Sesser	74,444.67	53.45	0	74,498.12
Sherman	67,976.70	34.85	0	68,011.55
Skokie	7,036,310.34	5,065.06	0	7,041,375.40
South Barrington	218,299.79	162.26	0	218,462.05
South Holland	513,117.16	270.71	0	513,387.87
Springfield	14,656,132.60	10,517.38	0	14,666,649.98
St Charles	2,572,273.05	1,834.41	3,039.48	2,577,146.94
Stone Park	217,906.32	147.43	0	218,053.75
Streamwood	970,179.84	723.12	1,772.81	972,675.77
Sycamore	2,831,006.34	2,016.70	64,901.68	2,897,924.72
Urbana	1,855,888.55	1,333.27	0	1,857,221.82
Washington	860,827.61	620.30`	0	861,447.91
Watseka	1,241,310.23	868.92	10,834.96	1,253,014.11
Waukegan	3,937,258.14	2,033.21	0	3,939,291.35
West Dundee	2,936,249.43	2,078.90	0	2,938,328.33
Wheeling	2,556,835.62	1,889.24	15,305.48	2,574,030.34
Total	429,035,990.01	302,129.27	1,644,774.39	430,982,893.67
County Home Rule				
Cook	274,119,249.85	247,714.00	0	274,366,963.85
Municipal Non-home Rule				
Arcola	74,961.75	48.69	0	75,010.44
Clinton	92,920.48	23.83	0	92,944.31
East Peoria	3,215,756.10	2,078.83	0	3,217,834.93
Forest View	225,709.81	144.58	0	225,854.39
Forsyth	338,149.25	87.09	0	338,236.34
Galena	82,246.54	20.25	0	82,266.79
Jerseyville	545,585.14	352.46	0	545,937.60
Litchfield	657,626.82	422.45	0	658,049.27
Merrionette Park	142,937.88	91.62	0	143,029.50
Mokena	746,181.85	457.74	0	746,639.59
Ofallon	1,316,255.63	860.87	0	1,317,116.50
Sparta	354,086.83	233.72	0	354,320.55
Streator	190,669.74	49.21	0	190,718.95
Swansea	139,462.22	35.66	0	139,497.88
Total	**8,122,550.04**	**4,907.00**	**0**	**8,127,457.04**
Chicago Home Rule Vehicle Use Tax				
Chicago	23,616,233.49	17,122.73	0	23,633,356.22
County Public Safety				
Boone	967,007.52	0	2,957.32	969,964.84
Brown	53,196.01	0	0	53,196.01
Carroll	205,352.57	0	0	205,352.57
Champaign	3,630,654.01	0	8,226.04	3,638,880.05
Kendall	2,408,895.57	0	115,254.88	2,524,150.45
Knox	864,329.62	0	0	864,329.62
LaSalle	2,447,093.86	0	0	2,447,093.86
McDonough	903,100.07	0	0	903,100.07
Marion	461,084.85	0	0	461,084.85
Peoria	3,815,342.11	0	0	3,815,342.11
Perry	467,116.22	0	0	467,116.22
Pike	180,394.72	0	0	180,394.72
Richland	499,640.55	0	0	499,640.55
Stephenson	1,343,342.51	0	0	1,343,342.51
Tazewell	4,555,375.98	0	329,789.74	4,885,165.72
Vermilion	1,228,963.68	0	0	1,228,963.68
Winnebago	0	0	0	0
Woodford	1,281,475.18	0	0	1,281,475.18
Total	**25,312,365.03**	**0**	**456,227.98**	**25,768,593.01**

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 an amount equal to 4 percent of the total general merchandise sold anywhere in Cook County and 4 percent on out-of-state purchases of titled or registered general merchandise for which the title or registration address of record is within Cook County.

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

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

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 46: FY 2003 Regional Transportation Authority Payments

RTA Sales Tax			
County		**Payment**	**Percent of total**
Cook	$	423,470,271.79	67.09%
DuPage		39,589,477.88	6.27%
Kane		12,113,179.39	1.92%
Lake		24,169,376.88	3.83%
McHenry		7,217,392.22	1.14%
Will		12,774,356.35	2.02%
Total	$	519,334,054.51	82.28%
Share of State Taxes *(revenue-sharing)*	$	111,136,271.92	17.61%
Advanced Payment	$	686,297.29	0.11%
Total	**$**	**631,156,623.72**	**100.0%**

Table 47: FY 2003 Metro-East Mass Transit District Payments

County		Payment	Percent of total
Madison	$	6,615,013.75	27.82%
St .Clair		17,159,994.84	72.18%
Total	**$**	**23,775,008.59**	**100.00%**

Metro-East Park and Recreation District Tax

Statutory reference

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

Definition

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

Distribution

Funds are distributed monthly.

Metropolitan Pier and Exposition Authority Food and Beverage Tax

Statutory Reference

70 ILCS 210/13(b)

Definition

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

Distribution

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

Municipal Simplified Telecommunications Tax

Statutory Reference

35 ILCS 635/1 to 635/920

Definition

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

Distribution

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

Replacement Vehicle Taxes

(County Replacement Vehicle Tax, Municipal Replacement Vehicle Tax)

Definition

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

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

Distribution

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

Special County Retailers' Occupation Tax for Public Safety

Statutory Reference

55 ILCS 5/5-1006.5

Definition

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

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

Distribution

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

Revenue-sharing with Local Governments

Gaming Taxes

(Charitable Games Tax and license fees, Pull Tabs and Jar Games Tax and license fees)

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

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

Table 48: Charitable Games Distributions to Municipalities and Counties

Treasurer	Number of licenses	Allocation
County		
Cook County Treasurer	1	215.07
DuPage County Treasurer	2	430.14
Kankakee County Treasurer	1	215.07
Lake County Treasurer	3	645.21
McHenry County Treasurer	1	215.07
Winnebago County Treasurer	1	215.07
Total County	**5**	**$ 1,935.63**
Municipality		
Addison Village Treasurer	2	430.14
Antioch Village Treasurer	2	430.14
Arlington Heights Treasurer	3	645.21
Aurora City Treasurer	1	215.07
Aviston Village Treasurer	1	215.07
Belleville City Treasurer	7	1,505.49
Bloomingdale Village Treasurer	1	215.07
Blue Island City Treasurer	2	430.14
Bradley Village Treasurer	1	215.07
Breese City Treasurer	1	215.07
Brookfield Village Treasurer	1	215.07
Burbank City Treasurer	2	430.14
Cahokia Village Treasurer	2	430.14
Carbondale City Treasurer	1	215.07
Carol Stream Village Treasurer	1	215.07
Chicago City Treasurer	41	8,817.87
Collinsville City Treasurer	1	215.07
Columbia City Treasurer	1	215.07
Crestwood Village Treasurer	1	215.07
Danville City Treasurer	2	430.14
Decatur City Treasurer	1	215.07
Deerfield Village Treasurer	2	430.14
Des Plaines City Treasurer	3	645.21
Downers Grove Vlg Treasurer	1	215.07
Edwardsville City Treasurer	1	215.07
Effingham City Treasurer	2	430.14
Elk Grove Village Treasurer	1	215.07
Evanston Finance Director	2	430.14
Evergreen Park Vlg Treasurer	1	215.07
Flossmoor Village Treasurer	1	215.07
Forest Park Village Treasurer	1	215.07
Fox Lake Village Treasurer	1	215.07
Freeburg Village Treasurer	1	215.07
Galesburg City Treasurer	1	215.07
Geneva City Treasurer	1	215.07
Glen Ellyn Village Treasurer	1	215.07
Glendale Heights Vlg Treasurer	1	215.07
Glenview Village Treasurer	1	215.07
Granite City Treasurer	2	430.14
Herrin City Treasurer	1	215.07
Hoffman Estates Vlg Treasurer	3	645.21
Homewood Village Treasurer	1	215.07
Itasca Village Treasurer	1	215.07
Joliet City Treasurer	1	215.07
Kankakee City Treasurer	3	645.21
Kaskaskia Village Treasurer	1	215.07
Lake Villa Village Treasurer	1	215.07
Lemont Village Treasurer	2	430.14
Lexington City Treasurer	1	215.07
Libertyville Village Treasurer	1	215.07
Lincolnshire Village Treasurer	6	1,290.42
Lisle Village Treasurer	2	430.14
Lockport City Treasurer	2	430.14
Lombard Village Treasurer	1	215.07
Long Grove Village Treasurer	1	215.07
Manhattan Village Treasurer	1	215.07
Marseilles City Treasurer	1	215.07
Maryville Village Treasurer	1	215.07
Matteson Village Treasurer	1	215.07
McHenry City Treasurer	1	215.07
Monroe County Treasurer	1	215.07
Mount Prospect Vlg Treasurer	1	215.07
Mount Zion Village Treasurer	1	215.07
Mundelein Village Treasurer	3	645.21
Murphysboro City Treasurer	1	215.07
Naperville City Treasurer	2	430.14
New Baden Village Treasurer	1	215.07
North Aurora Village Treasurer	1	215.07
Northbrook Village Treasurer	3	645.21
Northfield Village Treasurer	1	215.07
Oak Brook Village Treasurer	4	860.28
Oak Lawn Village Treasurer	1	215.07
Oakbrook Terrace City Treas	2	430.14
Ofallon City Treasurer	1	215.07
Orland Park Village Treasurer	1	215.07
Ottawa City Treasurer	1	215.07
Palatine Village Treasurer	1	215.07
Park Ridge City Treasurer	1	215.07
Pawnee Village Treasurer	1	215.07
Peoria City Treasurer	1	215.07
Radom Village Treasurer	1	215.07
River Forest Village Treasurer	1	215.07
Rockford City Comptroller	11	2,365.77
Rolling Meadows City Treasurer	2	430.14
Roscoe Village Treasurer	1	215.07
Rosemont Village Treasurer	6	1,290.42
Salem City Treasurer	1	215.07
Schaumburg Village Treasurer	1	215.07
Skokie Village Treasurer	1	215.07
South Beloit City Treasurer	1	215.07
Spring Bay Village Treasurer	1	215.07
Spring Grove Village Treasurer	1	215.07
Springfield City Treasurer	1	215.07
St Charles City Treasurer	4	860.28
Tinley Park Village Treasurer	2	430.14
Vernon Hills Village Treasurer	1	215.07
Waterloo City Treasurer	1	215.07
Waukegan City Treasurer	1	215.07
West Chicago City Treasurer	1	215.07
Willow Springs Vlg Treasurer	1	215.07
Wilmette Village Treasurer	1	215.07
Winnetka Village Treasurer	1	215.07
Wood Dale City Treasurer	1	215.07
Woodridge Village Treasurer	1	215.07
Woodstock City Treasurer	1	215.07
Total Municipal	**206**	**$ 44,304.42**
Grand Total	**215**	**$ 46,240.05**

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

Treasurer	Number of licenses	Allocation
County		
Adams County Treasurer	1	1,268.36
Cass County Treasurer	1	1,268.36
Champaign County Treasurer	1	1,268.36
Cook County Treasurer	19	24,098.84
Cumberland County Treasurer	1	1,268.36
DuPage County Treasurer	5	6,341.80
Franklin County Treasurer	1	1,268.36
Grundy County Treasurer	1	1,268.36
Jackson County Treasurer	1	1,268.36
Jefferson County Treasurer	1	1,268.36
Kane County Treasurer	5	6,341.80
Kendall County Treasurer	1	1,268.36
Lake County Treasurer	4	5,073.44
LaSalle County Treasurer	3	3,805.08
Lee County Treasurer	2	2,536.72
Livingston County Treasurer	2	2,536.72
Macon County Treasurer	1	1,268.36
Macoupin County Treasurer	2	2,536.72
Madison County Treasurer	3	3,805.08
Mason County Treasurer	1	1,268.36
McHenry County Treasurer	3	3,805.08
McDonough County Treasurer	1	1,268.36
Monroe County Treasurer	1	1,268.36
Perry County Treasurer	3	3,805.08
Randolph County Treasurer	3	3,805.08
Tazewell County Treasurer	3	3,805.08
Union County Treasurer	1	1,268.36
Vermilion County Treasurer	1	1,268.36
Will County Treasurer	7	8,878.52
Williamson County Treasurer	1	1,268.36
Winnebago County Treasurer	4	5,073.44
Woodford County Treasurer	4	5,073.44
Total County	**88**	**$ 111,615.68**
Municipality		
Abingdon City Treasurer	1	1,268.36
Albion City Treasurer	2	2,536.72
Aledo City Treasurer	1	1,268.36
Algonquin Village Treasurer	1	1,268.36
Alsip Village Treasurer	1	1,268.36
Altamont City Treasurer	1	1,268.36
Alton City Treasurer	4	5,073.44
Antioch Village Treasurer	2	2,536.72
Arlington Heights Treasurer	3	3,805.08
Aurora City Treasurer	13	16,488.68
Bartlett Village Treasurer	1	1,268.36
Bartonville Village Treasurer	1	1,268.36
Batavia City Treasurer	2	2,536.72
Beckemeyer Village Treasurer	2	2,536.72
Beecher Village Treasurer	1	1,268.36
Belleville City Treasurer	4	5,073.44
Bellwood Village Treasurer	2	2,536.72
Belvidere City Treasurer	5	6,341.80
Bensenville Village Treasurer	1	1,268.36
Benton City Treasurer	3	3,805.08
Berwyn City Treasurer	6	7,610.16
Bethalto Village Treasurer	1	1,268.36
Bloomingdale Village Treasurer	1	1,268.36
Bloomington City Treasurer	5	6,341.80
Blue Island City Treasurer	2	2,536.72
Bolingbrook Village Treasurer	7	8,878.52
Bradley Village Treasurer	2	2,536.72
Braidwood City Treasurer	1	1,268.36
Bridgeview Village Treasurer	5	6,341.80
Brocton Village Treasurer	1	1,268.36
Brookfield Village Treasurer	2	2,536.72
Burbank City Treasurer	2	2,536.72
Cahokia Village Treasurer	3	3,805.08
Cairo City Treasurer	1	1,268.36
Calumet City Treasurer	1	1,268.36
Canton City Treasurer	4	5,073.44
Carbondale City Treasurer	2	2,536.72
Carlinville City Treasurer	3	3,805.08
Carlyle City Treasurer	2	2,536.72
Carmi City Treasurer	2	2,536.72
Carol Stream Village Treasurer	1	1,268.36
Carpentersville Vlg Treasurer	2	2,536.72
Carrier Mills Vlg Treasurer	1	1,268.36
Carthage City Treasurer	1	1,268.36

Treasurer	Number of licenses	Allocation
Municipality		
Casey City Treasurer	2	2,536.72
Caseyville Village Treasurer	3	3,805.08
Cedar Point Village Treasurer	1	1,268.36
Cedarville Village Treasurer	1	1,268.36
Centralia City Treasurer	5	6,341.80
Champaign City Treasurer	4	5,073.44
Charleston City Treasurer	4	5,073.44
Chenoa City Treasurer	1	1,268.36
Cherry Valley Treasurer	1	1,268.36
Chester City Treasurer	5	6,341.80
Chicago City Treasurer	98	124,299.28
Chicago Heights City Treasurer	6	7,610.16
Chicago Ridge Vlg Treasurer	3	3,805.08
Chillicothe City Treasurer	2	2,536.72
Christopher City Treasurer	1	1,268.36
Cicero Town Treasurer	8	10,146.88
Clinton City Treasurer	3	3,805.08
Clinton County Treasurer	1	1,268.36
Coal City Village Treasurer	1	1,268.36
Collinsville City Treasurer	5	6,341.80
Colona City Treasurer	1	1,268.36
Columbia City Treasurer	2	2,536.72
Crestwood Village Treasurer	5	6,341.80
Creve Coeur Village Treasurer	4	5,073.44
Cuba City Treasurer	1	1,268.36
Cullom Village Treasurer	1	1,268.36
Danville City Treasurer	1	1,268.36
Darien City Treasurer	1	1,268.36
Decatur City Treasurer	8	10,146.88
DeKalb City Treasurer	3	3,805.08
Des Plaines City Treasurer	4	5,073.44
Dixon City Treasurer	1	1,268.36
Dolton Village Treasurer	11	13,951.96
Downers Grove Vlg Treasurer	3	3,805.08
Dubois Village Treasurer	1	1,268.36
Dupo Village Treasurer	1	1,268.36
Duquoin City Treasurer	3	3,805.08
Dwight Village Treasurer	1	1,268.36
East Alton Village Treasurer	1	1,268.36
East Dundee Village Treasurer	2	2,536.72
East Gillespie Vlg Treasurer	1	1,268.36
East Moline City Treasurer	2	2,536.72
East Peoria City Treasurer	1	1,268.36
Edgewood Village Treasurer	1	1,268.36
Edwardsville City Treasurer	2	2,536.72
Effingham City Treasurer	7	8,878.52
El Paso City Treasurer	1	1,268.36
Eldorado City Treasurer	1	1,268.36
Elgin City Treasurer	9	11,415.24
Elk Grove Village Treasurer	1	1,268.36
Elmhurst City Treasurer	2	2,536.72
Eureka City Treasurer	1	1,268.36
Evergreen Park Vlg Treasurer	2	2,536.72
Fairbury City Treasurer	1	1,268.36
Fairfield City Treasurer	3	3,805.08
Fairmont City Vlg Treasurer	1	1,268.36
Fairview Hts City Treasurer	3	3,805.08
Farina Village Treasurer	1	1,268.36
Farmer City Treasurer	1	1,268.36
Farmington City Treasurer	1	1,268.36
Fayetteville Village Treasurer	1	1,268.36
Flora City Treasurer	5	6,341.80
Flossmoor Village Treasurer	1	1,268.36
Forest Park Village Treasurer	2	2,536.72
Fox Lake Village Treasurer	2	2,536.72
Franklin Park Vlg Treasurer	1	1,268.36
Freeburg Village Treasurer	1	1,268.36
Freeport City Treasurer	3	3,805.08
Galesburg City Treasurer	5	6,341.80
Gardner Village Treasurer	1	1,268.36
Geneseo City Treasurer	1	1,268.36
Geneva City Treasurer	1	1,268.36
Genoa City Treasurer	1	1,268.36
Germantown Village Treasurer	3	3,805.08
Glendale Heights Vlg Treasurer	3	3,805.08
Glenview Village Treasurer	1	1,268.36
Godfrey Village Treasurer	1	1,268.36
Granite City Treasurer	12	15,220.32

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

Treasurer Municipality	Number of licenses	Allocation
Grayslake Village Treasurer	1	1,268.36
Grayville City Treasurer	2	2,536.72
Greenup Village Treasurer	2	2,536.72
Gurnee Village Treasurer	1	1,268.36
Hamilton City Treasurer	1	1,268.36
Hanna City Village Treasurer	1	1,268.36
Harrisburg City Treasurer	3	3,805.08
Harvard City Treasurer	1	1,268.36
Harvey City Treasurer	2	2,536.72
Harwood Heights Vlg Treasurer	1	1,268.36
Havana City Treasurer	1	1,268.36
Hecker Village Treasurer	1	1,268.36
Henderson County Treasurer	1	1,268.36
Henry City Treasurer	1	1,268.36
Herrin City Treasurer	4	5,073.44
Heyworth City Treasurer	1	1,268.36
Hickory Hills Vlg Treasurer	3	3,805.08
Highland City Treasurer	1	1,268.36
Hillsboro City Treasurer	2	2,536.72
Hillside Village Treasurer	1	1,268.36
Hinsdale Village Treasurer	1	1,268.36
Hometown City Treasurer	1	1,268.36
Hoopeston City Treasurer	1	1,268.36
Huntley Village Treasurer	2	2,536.72
Itasca Village Treasurer	1	1,268.36
Jacksonville City Treasurer	6	7,610.16
Jerseyville City Treasurer	3	3,805.08
Joliet City Treasurer	17	21,562.12
Kankakee City Treasurer	2	2,536.72
Kewanee City Treasurer	4	5,073.44
Kincaid Village Treasurer	3	3,805.08
Lacon City Treasurer	1	1,268.36
Lagrange Park Vlg Treasurer	2	2,536.72
Lake In The Hills Vlg Treas	1	1,268.36
Lake Zurich Village Treasurer	1	1,268.36
LaSalle City Treasurer	5	6,341.80
Lawrence County Treasurer	2	2,536.72
Lawrenceville City Treasurer	3	3,805.08
Lemont Village Treasurer	2	2,536.72
Libertyville Village Treasurer	2	2,536.72
Lincoln City Treasurer	4	5,073.44
Lindenhurst Village Treasurer	1	1,268.36
Litchfield City Treasurer	3	3,805.08
Lockport City Treasurer	5	6,341.80
Lombard Village Treasurer	4	5,073.44
Loves Park City Treasurer	7	8,878.52
Macomb City Treasurer	3	3,805.08
Macon City Treasurer	1	1,268.36
Madison City Treasurer	1	1,268.36
Manteno Village Treasurer	1	1,268.36
Marion City Treasurer	3	3,805.08
Marseilles City Treasurer	2	2,536.72
Marshall City Treasurer	2	2,536.72
Maryville Village Treasurer	1	1,268.36
Mascoutah City Treasurer	2	2,536.72
Matteson Village Treasurer	1	1,268.36
Mattoon City Treasurer	4	5,073.44
Mazon Village Treasurer	1	1,268.36
McHenry City Treasurer	1	1,268.36
Melrose Park Vlg Comptroller	3	3,805.08
Mendota City Treasurer	2	2,536.72
Metropolis City Treasurer	2	2,536.72
Midlothian Village Treasurer	4	5,073.44
Milan Village Treasurer	2	2,536.72
Millstadt Village Treasurer	4	5,073.44
Moline City Treasurer	6	7,610.16
Monee Village Treasurer	1	1,268.36
Monmouth City Treasurer	4	5,073.44
Montgomery Village Treasurer	1	1,268.36
Morris City Treasurer	3	3,805.08
Morrisonville Vlg Treasurer	1	1,268.36
Morton Grove Village Treasurer	1	1,268.36
Mount Carmel City Treasurer	6	7,610.16
Mount Morris Village Treasurer	1	1,268.36
Mount Olive City Treasurer	1	1,268.36
Mount Prospect Vlg Treasurer	1	1,268.36
Mount Vernon City Treasurer	3	3,805.08
Mount Zion Village Treasurer	9	11,415.24
Murphysboro City Treasurer	4	5,073.44
Naperville City Treasurer	1	1,268.36
Neoga City Treasurer	1	1,268.36
New Baden Village Treasurer	1	1,268.36
New Lenox Village Treasurer	1	1,268.36
Newark Village Treasurer	1	1,268.36
Niles Village Treasurer	2	2,536.72
Norridge Village Treasurer	1	1,268.36
North Aurora Village Treasurer	1	1,268.36
North Riverside Vlg Treasurer	2	2,536.72
Northbrook Village Treasurer	1	1,268.36
Northlake City Treasurer	1	1,268.36
Oak Forest Village Treasurer	1	1,268.36
Oak Lawn Village Treasurer	6	7,610.16
Ofallon City Treasurer	2	2,536.72
Oglesby City Treasurer	1	1,268.36
Okawville Village Treasurer	1	1,268.36
Olney City Treasurer	4	5,073.44
Oregon City Treasurer	1	1,268.36
Orient Village Treasurer	2	2,536.72
Orland Park Village Treasurer	3	3,805.08
Oswego Village Treasurer	1	1,268.36
Ottawa City Treasurer	4	5,073.44
Palatine Village Treasurer	1	1,268.36
Palestine City Treasurer	2	2,536.72
Palos Hills City Treasurer	1	1,268.36
Pana City Treasurer	5	6,341.80
Paris City Treasurer	4	5,073.44
Pekin City Treasurer	5	6,341.80
Peoria City Treasurer	13	16,488.68
Peoria Heights Vlg Treasurer	2	2,536.72
Peotone Village Treasurer	1	1,268.36
Peru City Treasurer	5	6,341.80
Pinckneyville City Treasurer	1	1,268.36
Pittsfield City Treasurer	1	1,268.36
Plainfield Village Treasurer	1	1,268.36
Plano City Treasurer	2	2,536.72
Polo City Treasurer	1	1,268.36
Pontiac City Treasurer	1	1,268.36
Pontoon Beach Vlg Treasurer	1	1,268.36
Princeton City Treasurer	2	2,536.72
Quincy City Treasurer	3	3,805.08
Rantoul Village Treasurer	2	2,536.72
Red Bud City Treasurer	2	2,536.72
Reynolds Village Treasurer	1	1,268.36
Ridgway Village Treasurer	1	1,268.36
River Grove Village Treasurer	3	3,805.08
Riverton Village Treasurer	1	1,268.36
Robinson City Treasurer	3	3,805.08
Rochelle City Treasurer	2	2,536.72
Rock Falls City Treasurer	4	5,073.44
Rock Island City Treasurer	9	11,415.24
Rockdale Village Treasurer	3	3,805.08
Rockford City Comptroller	36	45,660.96
Rockton Village Treasurer	1	1,268.36
Rolling Meadows City Treasurer	3	3,805.08
Romeoville Village Treasurer	1	1,268.36
Roscoe Village Treasurer	1	1,268.36
Roselle Village Treasurer	1	1,268.36
Round Lake Park Vlg Treasurer	1	1,268.36
Round Lake Village Treasurer	2	2,536.72
Salem City Treasurer	2	2,536.72
Sandwich City Treasurer	1	1,268.36
Savanna City Treasurer	2	2,536.72
Savoy Village Treasurer	1	1,268.36
Schaumburg Village Treasurer	1	1,268.36
Schiller Park Vlg Treasurer	1	1,268.36
Shelbyville City Treasurer	3	3,805.08
Shiloh Village Treasurer	1	1,268.36
Shorewood Village Treasurer	1	1,268.36
Sims Village Treasurer	1	1,268.36
Skokie Village Treasurer	1	1,268.36
Smithton Village Treasurer	1	1,268.36
South Beloit City Treasurer	2	2,536.72
South Chicago Hts Vlg Treas	1	1,268.36
South Elgin Village Treasurer	2	2,536.72
South Roxana Village Treasurer	1	1,268.36
Sparta City Treasurer	2	2,536.72

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

Treasurer	Number of licenses	Allocation
Municipality		
Springfield City Treasurer	11	13,951.96
St Charles City Treasurer	2	2,536.72
St Clair County Treasurer	5	6,341.80
St Jacob Village Treasurer	1	1,268.36
Staunton City Treasurer	2	2,536.72
Steeleville Village Treasurer	1	1,268.36
Steger Village Treasurer	2	2,536.72
Sterling City Treasurer	3	3,805.08
Stickney Village Treasurer	1	1,268.36
Streamwood Village Treasurer	4	5,073.44
Streator City Treasurer	6	7,610.16
Sugar Grove Village Treasurer	1	1,268.36
Sullivan City Treasurer	1	1,268.36
Summit Village Treasurer	3	3,805.08
Swansea Village Treasurer	3	3,805.08
Sycamore City Treasurer	3	3,805.08
Taylor Springs Vlg Treasurer	2	2,536.72
Taylorville City Treasurer	3	3,805.08
Teutopolis Village Treasurer	1	1,268.36
Tilton Village Treasurer	1	1,268.36
Tinley Park Village Treasurer	4	5,073.44
Toledo Village Treasurer	1	1,268.36
Troy City Treasurer	1	1,268.36
Tuscola City Treasurer	1	1,268.36
Union Village Treasurer	1	1,268.36
Urbana City Treasurer	2	2,536.72
Vandalia City Treasurer	4	5,073.44
Villa Grove City Treasurer	1	1,268.36
Villa Park Village Treasurer	8	10,146.88
Virden City Treasurer	1	1,268.36
Warrenville City Treasurer	1	1,268.36
Washington City Treasurer	1	1,268.36
Waterloo City Treasurer	1	1,268.36
Wauconda Village Treasurer	1	1,268.36
Waukegan City Treasurer	1	1,268.36
West Chicago City Treasurer	1	1,268.36
West Dundee Village Treasurer	1	1,268.36
West Frankfort City Treasurer	4	5,073.44
Westchester Village Treasurer	4	5,073.44
Westville Village Treasurer	2	2,536.72
Wheeling Village Treasurer	1	1,268.36
White Hall City Treasurer	1	1,268.36
Willow Springs Vlg Treasurer	1	1,268.36
Wilmette Village Treasurer	1	1,268.36
Wilmington City Treasurer	1	1,268.36
Winthrop Harbor Vlg Treasurer	1	1,268.36
Wood Dale City Treasurer	2	2,536.72
Wood River City Treasurer	3	3,805.08
Woodridge Village Treasurer	1	1,268.36
Woodstock City Treasurer	4	5,073.44
Worth Village Treasurer	1	1,268.36
Wyanet Village Treasurer	1	1,268.36
Yorkville City Treasurer	1	1,268.36
Zeigler City Treasurer	3	3,805.08
Zion City Treasurer	2	2,536.72
Total Municipalities	**916**	**$ 1,161,817.76**
Total	**1,004**	**$ 1,273,433.44**

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.

Table 50: Income Tax Revenue-sharing History

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

Local Use Tax

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

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

Distribution

Distributions from 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.

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

Distribution	FY 2003	Percent of total
Income Tax		
Counties	110,053,920.71	12.56%
Municipalities	682,517,130.66	77.89%
Subtotal	792,571,051.37	90.45%
Local Use Tax		
Counties	15,205,168.52	1.74%
Municipalities*	68,476,762.39	7.81%
Subtotal	83,681,930.91	9.55%
Total	**$876,252,982.28**	**100.00%**

The total amount distributed is $73.99 per capita.

* Figure does not include the 20 percent distribution to Chicago of $35,060,281.

Sales Tax Transfers for Local Transportation

(Public Transportation Fund, Downstate Public Transportation Fund, Metro-East Public Transportation Fund)

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

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

Distribution

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

Table 52: FY 2003 Sales Tax Transfers for Local Transportation

Fund	Payment	Percent
Public Transportation Fund	$ 164,505,018.09	72.7%
Downstate Public Transportation Fund	45,574,000.00	20.1%
Metro-East Public Transportation Fund	16,329,319.36	7.2%
Total	**$ 226,408,337.45**	**100.0%**

* Total of two separate fund transfers as follows:
- $15,278,357.80 (2/32 of all state sales taxes)
- $1,050,961.56 (0.6% transfer from State and Local Sales Tax Reform Fund)

Table 53: FY 2003 Population-based Distributions of Tax Revenues Shared With Local Governments

County	Unincorporated Income Tax	Unincorporated Local Use Tax	Unincorporated Total	Incorporated Income Tax	Incorporated Local Use Tax	Incorporated Total	Total for county
Adams	$ 1,336,666.61	$ 184,046.97	$ 1,520,713.58	$ 3,029,384.80	$ 417,118.42	$ 3,446,503.22	$ 4,967,216.80
Alexander	246,256.62	33,907.28	280,163.90	366,986.80	50,530.58	417,517.38	697,681.28
Bond	469,684.54	64,671.31	534,355.85	657,877.56	90,583.39	748,460.95	1,282,816.80
Boone	1,127,690.56	155,272.84	1,282,963.40	1,544,363.54	212,644.72	1,757,008.26	3,039,971.66
Brown	261,092.13	35,950.00	297,042.13	183,333.42	25,243.20	208,576.62	505,618.75
Bureau	599,047.62	82,483.43	681,531.05	1,671,231.54	230,112.42	1,901,343.96	2,582,875.01
Calhoun	213,452.23	29,390.42	242,842.65	111,649.69	15,372.94	127,022.63	369,865.28
Carroll	433,682.85	59,714.20	493,397.05	632,555.03	87,096.83	719,651.86	1,213,048.91
Cass	237,687.83	32,727.45	270,415.28	638,054.51	87,854.17	725,908.68	996,323.96
Champaign	2,276,675.25	313,477.75	2,590,153.00	9,212,466.85	1,268,473.07	10,480,939.92	13,071,092.92
Christian	673,353.06	92,714.65	766,067.71	1,588,549.69	218,728.32	1,807,278.01	2,573,345.72
Clark	536,764.06	73,907.56	610,671.62	550,832.05	75,844.46	626,676.51	1,237,348.13
Clay	417,312.62	57,460.15	474,772.77	513,743.14	70,737.54	584,480.68	1,059,253.45
Clinton	857,656.60	118,093.10	975,749.70	1,415,801.49	194,931.31	1,610,732.80	2,586,482.50
Coles	716,317.65	98,639.44	814,957.09	2,685,362.13	369,741.07	3,055,103.20	3,870,060.29
Cook	7,047,216.31	970,193.87	8,017,410.18	336,774,741.69	20,872,139.40	357,646,881.09	365,664,291.27
Crawford	608,703.49	83,812.97	692,516.46	699,123.07	96,262.64	795,385.71	1,487,902.17
Cumberland	413,539.80	56,940.67	470,480.47	306,046.06	42,139.54	348,185.60	818,666.07
DeKalb	1,056,454.53	145,464.27	1,201,918.80	4,632,770.93	637,890.42	5,270,661.35	6,472,580.15
DeWitt	329,514.52	45,371.15	374,885.67	744,652.64	102,531.67	847,184.31	1,222,069.98
Douglas	397,489.31	54,730.66	452,219.97	876,445.57	120,678.23	997,123.80	1,449,343.77
DuPage	6,655,197.04	916,361.00	7,571,558.04	51,162,429.02	7,044,588.97	58,207,017.99	65,778,576.03
Edgar	454,785.06	62,619.78	517,404.84	805,209.69	110,869.76	916,079.45	1,433,484.29
Edwards	185,571.71	25,551.50	211,123.21	260,196.66	35,826.50	296,023.16	507,146.37
Effingham	948,193.67	130,557.73	1,078,751.40	1,242,857.05	171,129.81	1,413,986.86	2,492,738.26
Fayette	674,568.04	92,881.93	767,449.97	719,585.78	99,080.10	818,665.88	1,586,115.85
Ford	232,636.08	32,031.85	264,667.93	678,020.66	93,356.93	771,377.59	1,036,045.52
Franklin	783,890.64	107,945.92	891,836.56	1,711,590.47	235,655.47	1,947,245.94	2,839,082.50
Fulton	618,167.53	85,116.07	703,283.60	1,827,772.04	251,666.82	2,079,438.86	2,782,722.46
Gallatin	142,535.95	19,625.86	162,161.81	269,596.55	37,120.69	306,717.24	468,879.05
Greene	318,196.05	43,812.71	362,008.76	625,712.73	86,154.60	711,867.33	1,073,876.09
Grundy	772,149.89	106,318.08	878,467.97	1,628,068.43	224,169.73	1,852,238.16	2,730,706.13
Hamilton	311,034.10	42,826.56	353,860.66	240,245.43	33,079.43	273,324.86	627,185.52
Hancock	427,645.24	58,884.61	486,529.85	859,105.11	118,286.86	977,391.97	1,463,921.82
Hardin	184,996.19	25,472.26	210,468.45	121,945.15	16,790.59	138,735.74	349,204.19
Henderson	255,081.17	35,122.36	290,203.53	270,108.01	37,190.92	307,298.93	597,502.46
Henry	967,697.24	133,243.20	1,100,940.44	2,294,835.17	315,977.45	2,610,812.62	3,711,753.06
Iroquois	748,170.05	103,016.28	851,186.33	1,255,517.77	172,872.44	1,428,390.21	2,279,576.54
Jackson	1,261,294.06	173,662.39	1,434,956.45	2,553,358.88	351,529.37	2,904,888.25	4,339,844.70
Jasper	391,286.52	53,876.59	445,163.11	255,656.36	35,201.16	290,857.52	736,020.63
Jefferson	1,148,025.45	158,072.78	1,306,098.23	1,412,698.07	194,515.34	1,607,213.41	2,913,311.64
Jersey	747,338.78	102,901.80	850,240.58	638,246.29	87,880.44	726,126.73	1,576,367.31
Jo Daviess	687,996.72	94,730.94	782,727.66	737,298.65	101,518.88	838,817.53	1,621,545.19
Johnson	627,951.28	86,463.22	714,414.50	195,546.94	26,924.75	222,471.69	936,886.19
Kane	4,129,579.30	568,606.05	4,698,185.35	21,712,800.05	2,989,646.90	24,702,446.95	29,400,632.30
Kankakee	1,958,159.41	269,620.97	2,227,780.38	4,681,561.53	644,608.16	5,326,169.69	7,553,950.07
Kendall	1,590,654.39	218,972.12	1,809,626.51	1,933,798.97	265,618.33	2,199,417.30	4,009,043.81
Knox	614,842.34	84,658.23	699,500.57	2,955,654.76	406,966.48	3,362,621.24	4,062,121.81
Lake	5,366,170.25	738,873.56	6,105,043.81	35,838,283.90	4,934,601.27	40,772,885.17	46,877,928.98
LaSalle	2,010,787.08	276,867.34	2,287,654.42	5,119,784.26	704,947.18	5,824,731.44	8,112,385.86
Lawrence	421,277.28	58,006.07	479,283.35	566,818.46	78,045.54	644,864.00	1,124,147.35
Lee	815,057.77	112,226.12	927,283.89	1,490,968.09	205,292.25	1,696,260.34	2,623,544.23

Table 53: FY 2003 Population-based Distributions of Tax Revenues Shared With Local Governments

County	Unincorporated Income Tax	Unincorporated Local Use Tax	Unincorporated Total	Incorporated Income Tax	Incorporated Local Use Tax	Incorporated Total	Total for county
Livingston	$ 800,286.18	$ 110,192.20	$ 910,478.38	$ 1,736,968.77	$ 239,164.21	$ 1,976,132.98	$ 2,886,611.36
Logan	615,481.76	84,746.30	700,228.06	1,378,550.73	189,813.54	1,568,364.27	2,268,592.33
Macon	961,046.86	132,327.50	1,093,374.36	6,373,961.11	877,636.80	7,251,597.91	8,344,972.27
Macoupin	1,037,398.58	142,840.45	1,180,239.03	2,097,176.80	288,761.04	2,385,937.84	3,566,176.87
Madison	3,496,704.13	481,464.80	3,978,168.93	13,061,867.57	1,798,501.36	14,860,368.93	18,838,537.86
Marion	903,303.45	124,376.76	1,027,680.21	1,762,675.16	242,703.85	2,005,379.01	3,033,059.22
Marshall	300,227.19	41,338.56	341,565.75	542,582.70	74,708.32	617,291.02	958,856.77
Mason	400,942.40	55,206.13	456,148.53	624,625.61	86,004.92	710,630.53	1,166,779.06
Massac	461,435.47	63,535.49	524,970.96	508,052.10	69,954.09	578,006.19	1,102,977.15
McDonough	447,175.47	61,572.01	508,747.48	1,657,483.99	228,220.19	1,885,704.18	2,394,451.66
McHenry	4,356,268.47	599,819.11	4,956,087.58	12,274,656.37	1,690,108.67	13,964,765.04	18,920,852.62
MclLean	1,297,723.40	178,684.85	1,476,408.25	8,321,888.62	1,145,848.50	9,467,737.12	10,944,145.37
Menard	425,369.82	58,569.56	483,939.38	373,061.65	51,366.96	424,428.61	908,367.99
Mercer	489,827.57	67,444.81	557,272.38	594,506.75	81,857.64	676,364.39	1,233,636.77
Monroe	693,751.91	95,523.36	789,275.27	1,072,376.83	147,656.35	1,220,033.18	2,009,308.45
Montgomery	644,897.01	88,796.48	733,693.49	1,315,403.74	181,114.09	1,496,517.83	2,230,211.32
Morgan	519,306.75	71,503.84	590,810.59	1,822,145.37	250,892.56	2,073,037.93	2,663,848.52
Moultrie	364,109.40	50,134.55	414,243.95	549,488.99	75,659.32	625,148.31	1,039,392.26
Ogle	1,517,954.00	209,008.63	1,726,962.63	1,745,345.90	240,317.86	1,985,663.76	3,712,626.39
Peoria	2,336,337.00	321,692.64	2,658,029.64	9,393,498.92	1,293,399.94	10,686,898.86	13,344,928.50
Perry	574,684.12	79,128.81	653,812.93	902,088.20	124,209.10	1,026,297.30	1,680,110.23
Piatt	328,160.00	45,186.11	373,346.11	718,448.92	98,921.82	817,370.74	1,190,716.85
Pike	380,861.96	52,446.34	433,308.30	730,581.28	100,589.83	831,171.11	1,264,479.41
Pope	225,985.67	31,116.15	257,101.82	56,208.59	7,739.34	63,947.93	321,049.75
Pulaski	213,260.40	29,364.00	242,624.40	256,615.53	35,333.29	291,948.82	534,573.22
Putnam	168,114.41	23,147.81	191,262.22	221,061.50	30,437.87	251,499.37	442,761.59
Randolph	637,798.99	87,819.15	725,618.14	1,529,527.46	210,601.55	1,740,129.01	2,465,747.15
Richland	390,327.33	53,744.52	444,071.85	642,338.94	88,444.05	730,782.99	1,174,854.84
Rock Island	1,253,786.89	172,629.86	1,426,416.75	8,322,233.57	1,145,701.87	9,467,935.44	10,894,352.19
Saline	569,632.39	78,433.22	648,065.61	1,139,839.99	156,945.38	1,296,785.37	1,944,850.98
Sangamon	2,388,350.61	328,855.54	2,717,206.15	9,694,518.71	1,334,845.38	11,029,364.09	13,746,570.24
Schuyler	227,200.67	31,283.44	258,484.11	232,507.99	32,014.06	264,522.05	523,006.16
Scott	138,443.39	19,062.37	157,505.76	215,626.05	29,689.38	245,315.43	402,821.19
Shelby	669,708.13	92,212.77	761,920.90	794,210.67	109,355.10	903,565.77	1,665,486.67
St Clair	3,715,860.28	511,656.31	4,227,516.59	12,661,910.36	1,743,497.35	14,405,407.71	18,632,924.30
Stark	159,481.68	21,959.15	181,440.83	245,425.16	33,792.64	279,217.80	460,658.63
Stephenson	955,355.65	131,543.86	1,086,899.51	2,176,662.87	299,706.42	2,476,369.29	3,563,268.80
Tazewell	1,595,073.07	219,627.23	1,814,700.30	6,621,048.87	911,658.30	7,532,707.17	9,347,407.47
Union	570,271.82	78,521.28	648,793.10	599,494.91	82,544.74	682,039.65	1,330,832.75
Vermilion	1,487,579.58	204,826.33	1,692,405.91	3,878,717.24	534,063.54	4,412,780.78	6,105,186.69
Wabash	222,650.91	31,446.41	254,097.32	579,288.08	79,762.55	659,050.63	913,147.95
Warren	358,779.18	50,672.70	409,451.88	798,431.52	109,936.63	908,368.15	1,317,820.03
Washington	395,925.95	55,919.18	451,845.13	527,682.97	72,656.48	600,339.45	1,052,184.58
Wayne	514,083.69	72,607.38	586,691.07	524,166.15	72,172.47	596,338.62	1,183,029.69
White	334,033.79	47,177.75	381,211.54	610,877.12	84,111.78	694,988.90	1,076,200.44
Whiteside	1,215,019.75	171,634.17	1,386,653.92	2,525,602.92	347,711.04	2,873,313.96	4,259,967.88
Will	6,096,146.63	860,998.86	6,957,145.49	25,328,242.53	3,487,470.63	28,815,713.16	35,772,858.65
Williamson	1,086,614.75	153,469.70	1,240,084.45	2,709,398.06	373,059.04	3,082,457.10	4,322,541.55
Winnebago	3,550,990.02	501,529.64	4,052,519.66	13,848,756.26	1,906,849.19	15,755,605.45	19,808,125.11
Woodford	852,997.71	120,474.43	973,472.14	1,318,057.43	181,483.90	1,499,541.33	2,473,013.47
Total	**$110,053,920.71**	**$15,205,168.52**	**$125,259,089.23**	**$682,517,130.66**	**$68,476,762.39**	**$750,993,893.05**	**$876,252,982.28**

Local Share of State Sales and Use Taxes

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

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

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

  Distribution — Collections are distributed monthly based on sales occurring in each municipality. Prior to Illinois Sales Tax Reform, municipalities could impose local sales taxes of up to 1 percent. The department collected these taxes and deducted a 1.6 percent administrative fee. After Sales Tax Reform in 1990, a uniform state tax rate and base were imposed, and the department's administrative fee was eliminated.
- **County share of state taxes** — Counties receive the equivalent of 16 percent of the total general merchandise collections and 100 percent of the tax collected on qualifying food, drugs, and medical appliances sold within their unincorporated areas.

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

  Distribution — Collections are distributed monthly based on sales occurring in the unincorporated areas of each county. Prior to Illinois Sales Tax Reform, counties could impose a local sales tax of up to 1 percent. The department collected these taxes and deducted a 2 percent administrative fee. After Sales Tax Reform in 1990, a uniform state tax rate and base were imposed, and the department's administrative fee was eliminated.
- **Countywide share of state sales tax** — All counties but Cook County receive the equivalent of 4 percent of the total general merchandise collections on general merchandise sold anywhere in the county.

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

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

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

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.

Table 54: Fiscal Year 2003 Municipal and County Share of State Sales and Use Taxes

County	Unincorporated	Incorporated	Total
Adams	$ 462,911.94	$ 7,125,466.55	$ 7,588,378.49
Alexander	72,101.39	224,698.74	296,800.13
Bond	106,248.36	916,950.50	1,023,198.86
Boone	606,881.34	2,738,211.48	3,345,092.82
Brown	64,083.96	236,270.02	300,353.98
Bureau	332,816.67	2,315,977.33	2,648,794.00
Calhoun	74,896.92	171,453.54	246,350.46
Carroll	291,610.96	902,302.38	1,193,913.34
Cass	36,712.84	977,315.07	1,014,027.91
Champaign	820,438.37	19,892,070.07	20,712,508.44
Christian	261,905.48	2,900,774.20	3,162,679.68
Clark	159,640.84	950,247.01	1,109,887.85
Clay	91,716.41	778,556.19	870,272.60
Clinton	287,991.03	3,085,053.18	3,373,044.21
Coles	237,490.84	5,543,307.69	5,780,798.53
Cook	4,177,139.71	529,438,482.67	533,615,622.38
Crawford	203,323.07	1,211,676.88	1,414,999.95
Cumberland	44,820.36	330,909.14	375,729.50
DeKalb	347,903.42	10,730,530.30	11,078,433.72
DeWitt	126,884.57	1,210,666.84	1,337,551.41
Douglas	279,555.53	1,639,817.36	1,919,372.89
DuPage	3,831,740.51	154,441,562.11	158,273,302.62
Edgar	152,189.87	1,297,566.91	1,449,756.78
Edwards	62,759.62	361,504.47	424,264.09
Effingham	302,144.21	5,510,557.04	5,812,701.25
Fayette	118,990.97	1,469,569.75	1,588,560.72
Ford	23,892.40	1,069,721.87	1,093,614.27
Franklin	297,804.36	2,711,516.57	3,009,320.93
Fulton	128,122.34	2,383,918.90	2,512,041.24
Gallatin	34,185.23	179,846.41	214,031.64
Greene	59,300.97	615,402.67	674,703.64
Grundy	316,317.43	6,998,404.72	7,314,722.15
Hamilton	60,039.49	290,249.61	350,289.10
Hancock	125,910.94	866,710.47	992,621.41
Hardin	47,173.18	87,945.03	135,118.21
Henderson	69,257.84	226,127.31	295,385.15
Henry	168,372.59	4,031,764.37	4,200,136.96
Iroquois	143,163.88	2,931,482.51	3,074,646.39
Jackson	400,549.93	6,209,865.83	6,610,415.76
Jasper	92,842.80	522,092.24	614,935.04
Jefferson	530,695.92	4,610,542.84	5,141,238.76
Jersey	118,023.00	1,963,234.16	2,081,257.16
Jo Daviess	329,106.79	1,697,782.30	2,026,889.09
Johnson	87,919.45	434,854.35	522,773.80
Kane	1,827,262.54	46,594,927.71	48,422,190.25
Kankakee	668,242.35	18,846,182.64	19,514,424.99
Kendall	708,041.23	6,683,862.69	7,391,903.92
Knox	239,276.90	4,947,594.55	5,186,871.45
Lake	4,240,896.40	92,433,197.75	96,674,094.15
LaSalle	730,701.30	13,400,911.22	14,131,612.52
Lawrence	224,120.11	687,214.64	911,334.75
Lee	$ 473,676.00	$ 1,948,212.27	$ 2,421,888.27
Livingston	461,672.24	3,312,917.22	3,774,589.46
Logan	102,093.11	2,238,409.70	2,340,502.81
Macon	286,631.80	12,872,588.19	13,159,219.99
Macoupin	1,144,476.20	2,841,466.84	3,985,943.04
Madison	759,167.95	26,268,362.64	27,027,530.59
Marion	199,252.71	2,589,395.15	2,788,647.86
Marshall	59,172.33	625,068.55	684,240.88
Mason	44,039.00	858,041.99	902,080.99
Massac	64,246.88	729,911.99	794,158.87
McDonough	92,670.40	2,616,330.86	2,709,001.26
McHenry	2,016,814.24	26,835,998.40	28,852,812.64
McLean	576,398.85	19,259,176.95	19,835,575.80
Menard	90,629.25	325,660.93	416,290.18
Mercer	109,920.69	706,129.39	816,050.08
Monroe	158,843.37	2,922,949.03	3,081,792.40
Montgomery	104,410.37	2,936,891.62	3,041,301.99
Morgan	123,226.32	3,317,602.68	3,440,829.00
Moultrie	250,257.73	693,033.15	943,290.88
Ogle	312,804.38	3,133,129.39	3,445,933.77
Peoria	1,059,081.48	20,877,317.80	21,936,399.28
Perry	109,473.12	1,414,455.96	1,523,929.08
Piatt	51,023.59	823,708.06	874,731.65
Pike	77,233.55	1,026,636.13	1,103,869.68
Pope	40,027.03	76,348.95	116,375.98
Pulaski	37,904.42	167,174.80	205,079.22
Putnam	45,499.99	227,740.73	273,240.72
Randolph	1,140,485.43	2,669,522.50	3,810,007.93
Richland	126,641.90	1,435,426.31	1,562,068.21
Rock Island	361,568.97	15,210,652.83	15,572,221.80
Saline	141,967.64	2,127,463.27	2,269,430.91
Sangamon	2,180,651.34	23,677,422.60	25,858,073.94
Schuyler	56,308.69	311,514.93	367,823.62
Scott	35,610.04	200,307.48	235,917.52
Shelby	136,630.11	956,523.67	1,093,153.78
St Clair	933,434.06	26,206,116.93	27,139,550.99
Stark	51,779.39	236,757.81	288,537.20
Stephenson	242,804.61	4,058,791.50	4,301,596.11
Tazewell	390,906.27	14,634,828.77	15,025,735.04
Union	97,375.95	1,292,308.68	1,389,684.63
Vermilion	471,154.03	6,952,963.14	7,424,117.17
Wabash	121,411.04	873,400.80	994,811.84
Warren	96,337.67	973,043.85	1,069,381.52
Washington	96,076.96	1,236,832.85	1,332,909.81
Wayne	172,789.75	956,017.89	1,128,807.64
White	127,708.70	1,037,111.24	1,164,819.94
Whiteside	375,659.93	5,208,695.50	5,584,355.43
Will	4,387,400.65	46,660,801.57	51,048,202.22
Williamson	630,167.69	7,009,432.13	7,639,599.82
Winnebago	1,050,818.20	33,295,325.83	34,346,144.03
Woodford	302,440.61	2,279,901.78	2,582,342.39
Total	$47,804,895.19	$1,318,972,674.01	$1,366,777,569.20

Table 55: Fiscal Year 2003 Countywide Share of State Sales Taxes

County	Amount	County	Amount	County	Amount
Adams	$ 1,600,252.95	Hardin	$ 26,320.93	Morgan	$ 703,742.47
Alexander	64,263.70	Henderson	66,820.10	Moultrie	196,520.69
Bond	217,930.75	Henry	867,775.35	Ogle	711,739.25
Boone	715,794.61	Iroquois	685,098.60	Peoria	4,581,599.53
Brown	58,357.91	Jackson	1,366,838.19	Perry	297,032.71
Bureau	556,845.84	Jasper	130,231.06	Piatt	191,546.16
Calhoun	55,502.97	Jefferson	1,088,535.91	Pike	222,944.65
Carroll	264,091.62	Jersey	418,812.15	Pope	23,962.38
Cass	194,075.76	Jo Daviess	447,344.93	Pulaski	44,296.92
Champaign	4,316,764.43	Johnson	114,121.44	Putnam	61,012.59
Christian	641,141.40	Kane	10,167,377.48	Randolph	819,107.14
Clark	233,438.49	Kankakee	4,367,352.36	Richland	316,916.13
Clay	172,962.06	Kendall	1,483,275.81	Rock Island	3,193,663.77
Clinton	698,673.88	Knox	1,059,672.62	Saline	443,563.35
Coles	1,198,411.01	Lake	20,521,060.16	Sangamon	5,468,426.64
Cook*	0.00	LaSalle	3,010,930.86	Schuyler	77,211.12
Crawford	288,643.70	Lawrence	188,185.69	Scott	54,126.25
Cumberland	79,994.81	Lee	502,896.78	Shelby	232,530.22
DeKalb	2,416,866.02	Livingston	806,676.11	St Clair	5,835,867.93
DeWitt	277,788.48	Logan	459,167.20	Stark	66,543.31
Douglas	420,985.54	Macon	2,750,951.66	Stephenson	864,758.23
DuPage	34,349,721.95	Macoupin	885,364.60	Tazewell	3,081,498.33
Edgar	289,278.57	Madison	5,563,694.54	Union	252,536.32
Edwards	87,461.73	Marion	589,717.52	Vermilion	1,519,620.03
Effingham	1,246,276.29	Marshall	135,072.20	Wabash	212,261.81
Fayette	332,112.52	Mason	185,247.19	Warren	217,371.45
Ford	223,495.03	Massac	160,857.35	Washington	301,287.40
Franklin	599,393.17	McDonough	540,265.81	Wayne	225,262.76
Fulton	487,277.65	McHenry	5,914,950.65	White	237,854.94
Gallatin	47,995.24	McLean	4,252,103.29	Whiteside	1,143,303.19
Greene	133,003.28	Menard	85,902.47	Will	10,660,740.38
Grundy	1,620,889.52	Mercer	173,248.33	Williamson	1,574,111.62
Hamilton	74,122.91	Monroe	637,850.95	Winnebago	7,248,632.94
Hancock	216,168.04	Montgomery	626,995.13	Woodford	564,623.24
				Total	**$ 176,106,913.10**

* In Cook County, this portion of tax collections is allocated to the Regional Transportation Authority (RTA), rather than to the county. See Table 46.

Replacement Taxes

Statutory References

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

Definition

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

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

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

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

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

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

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

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

Invested Capital Taxes are imposed on

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

The tax rate is 0.8 percent of invested capital.

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

Distribution

Net collections from these taxes are deposited into the Personal Property Tax Replacement Fund 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 2003, the department collected $970,447,790, of which $761,126,499 came from income taxes, $177,285,109 from the Invested Capital Tax and the Electricity Distribution Tax, and $32,036,182 from the Telecommunications Infrastructure Maintenance Fee.

The Refund Fund percentage for replacement tax collections was 27.0 percent for FY 2003. Distributions to local governments (reflecting collections from May 2002 through April 2003) totaled $753,224,347. Another $205,997,705 was allocated to refunds.

Table 56: Replacement Tax Payments by Type of District

District type	Statewide Total	Statewide Percent	Cook County Total	Cook County Percent	Collar counties Total	Collar counties Percent	Rest of state Total	Rest of state Percent
County	$ 65,079,131.29	8.64%	$ 28,969,103.50	7.46%	$ 7,344,781.45	7.82%	$ 28,765,246.34	10.61%
Municipality	152,731,885.26	20.28%	102,813,398.37	26.48%	11,129,793.11	11.85%	38,788,693.78	14.31%
Township	13,588,546.44	1.80%	3,323,722.04	0.86%	2,372,788.29	2.53%	7,892,036.11	2.91%
Park	40,205,129.83	5.34%	29,696,958.93	7.65%	4,012,864.99	4.27%	6,495,305.91	2.40%
Sanitary	28,445,808.98	3.78%	22,437,370.92	5.78%	2,096,582.84	2.23%	3,911,855.22	1.44%
Fire Protection	5,384,905.68	0.71%	976,259.58	0.25%	1,902,886.36	2.03%	2,505,759.74	0.92%
Public Health	325,670.95	0.04%	168,107.85	0.04%	0	0.00%	157,563.10	0.06%
Hospital	819,996.25	0.11%	0	0.00%	0	0.00%	819,996.25	0.30%
T. B. Sanitarium	364,183.84	0.05%	361,191.70	0.09%	0	0.00%	2,992.14	0.00%
Mosquito Abatement	334,218.19	0.04%	278,856.36	0.07%	23,339.14	0.02%	32,022.69	0.01%
Airport Authority	1,715,268.60	0.23%	0	0.00%	32,488.49	0.03%	1,682,780.11	0.62%
Public Library	1,843,779.64	0.24%	820,434.25	0.21%	592,793.96	0.63%	430,551.43	0.16%
Water Authority	9,785.99	0.00%	0	0.00%	0	0.00%	9,785.99	0.00%
Cemetery	15,019.33	0.00%	0	0.00%	312.47	0.00%	14,706.86	0.01%
Forest Preserve	6,933,194.14	0.92%	4,454,619.24	1.15%	1,870,805.03	1.99%	607,769.87	0.22%
Street Lighting	2,911.00	0.00%	503.81	0.00%	608.59	0.00%	1,798.60	0.00%
Mass Transit	440,019.81	0.06%	0	0.00%	0	0.00%	440,019.81	0.16%
River Conservation	137,275.58	0.02%	15,138.73	0.00%	0	0.00%	122,136.85	0.05%
Soil And Water Cons	856.12	0.00%	0	0.00%	0	0.00%	856.12	0.00%
Conservation	391,402.34	0.05%	0	0.00%	104,701.43	0.11%	286,700.91	0.11%
Junior College	27,306,307.95	3.63%	11,811,037.41	3.04%	3,637,045.14	3.87%	11,858,225.40	4.37%
Road District	13,369,922.31	1.78%	1,283,755.03	0.33%	2,273,774.62	2.42%	9,812,392.66	3.62%
School (K-12)	393,779,127.48	52.28%	180,835,409.71	46.58%	56,505,242.33	60.18%	156,438,475.44	57.71%
Total	$ 753,224,347.00		$ 388,245,867.43		$ 93,900,808.24		$ 271,077,671.33	
Percent of state total		100.00		51.54		12.47		35.99

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

Table 57: Replacement Tax Payments by County

County	Amount	County	Amount	County	Amount
Adams	$ 6,257,887.20	Hardin	$ 264,098.18	Morgan	$ 2,423,986.29
Alexander	440,656.45	Henderson	197,109.08	Moultrie	319,253.83
Bond	466,309.08	Henry	1,949,776.55	Ogle	2,610,347.35
Boone	2,351,060.65	Iroquois	1,045,677.00	Peoria	20,559,973.45
Brown	141,797.86	Jackson	2,629,916.71	Perry	1,016,040.50
Bureau	1,421,719.23	Jasper	796,311.89	Piatt	6,266,885.45
Calhoun	61,740.43	Jefferson	1,916,941.32	Pike	502,785.48
Carroll	679,435.03	Jersey	489,547.82	Pope	55,282.69
Cass	513,049.67	Jo Daviess	831,694.92	Pulaski	461,262.64
Champaign	7,025,047.96	Johnson	561,632.23	Putnam	1,948,303.76
Christian	1,446,697.16	Kane	14,800,498.98	Randolph	2,478,512.23
Clark	523,541.33	Kankakee	5,276,103.49	Richland	928,461.94
Clay	610,174.94	Kendall	2,774,325.15	Rock Island	15,716,429.27
Clinton	928,184.09	Knox	2,629,694.50	Saline	755,424.17
Coles	2,309,986.41	Lake	22,620,036.23	Sangamon	9,513,420.13
Cook	388,245,867.43	LaSalle	9,438,024.16	Schuyler	115,978.69
Crawford	1,278,716.22	Lawrence	327,666.90	Scott	193,093.66
Cumberland	276,548.57	Lee	2,672,518.61	Shelby	633,625.74
DeKalb	3,076,584.15	Livingston	2,320,658.46	St Clair	11,725,033.97
DeWitt	1,197,624.46	Logan	1,518,379.43	Stark	252,652.95
Douglas	1,682,237.10	Macon	5,012,107.01	Stephenson	2,212,372.52
DuPage	24,890,717.05	Macoupin	1,043,566.31	Tazewell	12,897,862.39
Edgar	744,081.71	Madison	22,065,139.70	Union	657,048.71
Edwards	188,643.27	Marion	2,887,252.74	Vermilion	6,324,137.66
Effingham	1,069,147.95	Marshall	553,663.05	Wabash	682,401.37
Fayette	723,864.06	Mason	1,568,270.85	Warren	742,514.34
Ford	768,543.93	Massac	1,177,368.53	Washington	617,964.72
Franklin	1,176,047.66	McDonough	809,418.47	Wayne	498,646.56
Fulton	5,297,846.63	McHenry	5,847,815.35	White	504,176.88
Gallatin	311,175.12	McLean	7,634,638.25	Whiteside	5,570,087.38
Greene	318,417.02	Menard	302,205.27	Will	25,741,740.63
Grundy	2,601,162.52	Mercer	967,226.68	Williamson	1,734,494.39
Hamilton	271,621.55	Monroe	721,498.02	Winnebago	28,338,556.20
Hancock	446,635.12	Montgomery	1,635,284.36	Woodford	1,196,753.85
				Total	$ 753,224,347.00

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 58: Tax Increment Financing Allocations

Sales Tax TIF district	Amount	Sales Tax TIF district	Amount
Aledo	42,947.15	Libertyville	75,431.31
Antioch	57,251.64	Le Roy	65,777.05
Arlington Heights #1	232,679.57	La Grange	82,642.52
Arlington Heights #2	28,558.43	Manteno	32,787.43
Aurora	45,036.38	Mendota	158,949.97
Bartlett	23,486.99	Moline	230,556.63
Belleville #1	6,503.57	Morris	373,601.49
Belleville #3	161,173.98	Mt. Zion	7,093.27
Bellevue	26,957.80	Niles Lawrencewood	750,286.28
Belvidere	13,141.93	North Pekin	308,885.91
Bloomington Market Square	230,068.02	Oak Park	332,642.47
Bourbonnais	561,008.78	Oglesby	146,347.20
Breese	132,447.07	Palos Heights	67.39
Buffalo Grove	182,285.31	Pekin #1	149,211.46
Carbon Cliff	4,902.96	Pekin #2	118,142.58
Charleston	28,389.94	Peoria Campustown	136,271.72
Chicago Chatham Ridge	874,140.55	Peoria Southtown	54,269.43
Chicago Edgewater	44,581.47	Pontiac #1	15,568.14
Chicago Ridge #2	15,871.41	Pontiac #2	175,764.90
Chicago Ryan/Garfield	183,380.48	River Forest	282,467.26
Chicago W.Ridge/Peterson	79,879.35	Rock Island	90,426.59
Cicero	1,472,502.74	Rosemont #1	323,257.79
Collinsville	505,105.04	Rosemont #2	182,672.84
Creve Coeur	97,924.23	Rosemont #3	403,221.37
East Peoria #1	10,917.91	Round Lake Beach	558,447.80
East Peoria #2	212,427.52	Silvis	177,955.21
East St. Louis	22,459.22	Springfield	200,431.29
Effingham	819,011.84	Sterling	32,837.97
Elgin #1	171,249.46	Sullivan	172,260.38
Elgin #2	11,305.43	Summit	144,106.31
Elmhurst	91,622.84	Tuscola	187,407.29
Elmwood Park	178,090.00	University Park	2,257.72
Galena	108,471.47	Urbana #2	308,818.52
Galesburg #1	78,245.03	Warrenville	189,850.34
Galesburg #2	45,322.82	Watseka	519,325.28
Galva	3,555.05	Wood River	526,418.56
Gardner	149,245.15	**Total Sales Tax TIFs**	**$ 16,835,587.75**
Geneva	38,212.68		
Granite City	59,694.69	**Utility Tax TIF District**	**Total**
Harvey	2,358.82	Canton Utility TIF 4a	2,662.08
Havana	61,413.25	Canton Utility TIF 4b	471.76
Heyworth	12,299.50	Colona Utility TIF	252.74
Hodgkins	2,189,681.44	East St. Louis Utility TIF	1,735.41
Hoffman Estates	1,785.94	University Park Utility TIF	7,918.86
Justice	1,533.23	**Total Utility Tax TIFs**	**$ 13,040.85**
		Total for all TIF Districts	**$ 16,848,628.60**

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 278,044 accounts totaling $393,131,656 were due and payable to the State of Illinois. The enforcement programs used to collect these debts are identified in Table 59.

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 59: FY 2003 Major Enforcement Program Totals

Program Area	Number of cases	Amount collected
Audits*	38,196	$ 182,350,585
Attorney General Referrals	16	1,230,386
Bureau of Criminal Investigations **, ***	847	1,149,939
Certificate of Registration Revocation	5,731	37,429,815
Chicago City License Revocation	7,412	13,946,813
Comptroller Offsets	5,441	8,331,341
Corporate Officer 100 Percent Penalty	52	3,486,463
Delinquent Child Support	38,995	16,454,071
Levies (Asset and Wage)	30,284	23,339,291
Liens	14,874	3,536,507
Liquor License Programs	5,240	23,861,561
Outside Collection Agencies	44,724	16,097,195
Payment Agreements	2,599	13,107,214
Professional License Referrals	287	733,579
Publication of Delinquent Taxpayer Names	3,714	7,127,512
Seizure	127	782,452
Service and Call Unit	79,505	40,166,932
Total	**278,044**	**$ 393,131,656**

* Represents amount collected when audits were closed. Total audit amount established was $391,747,334.
** Prosecution referrals totaled 91; conviction rate was 99 percent.
*** Total estimated liability is $6,983,917.

Legislation Recap for Calendar Year 2003

Miscellaneous / Tax Administration

Public Act 93-0025

Public Act 93-0025 provides that, when a tax liability is referred to a collection agency, the collection agency's fee is added to the liability and collected from the taxpayer.

Public Act 93-0026

Public Act 93-0026 created a tax amnesty program which ran from October 1 through November 15, 2003. Amnesty was available for taxable periods ending after June 30, 1983 and prior to July 1, 2002. Upon payment of all taxes due in compliance with the amnesty program, all related interest and penalties were abated. Failure to pay all taxes due for a taxable period invalidated any amnesty granted. A taxpayer who failed to pay the tax liability during the amnesty period will be subject to interest imposed at 200% of the rate otherwise imposed. Payments must have been made by cash, check, guaranteed remittance, or ACH debit. All money collected under the Act that would have otherwise been deposited into GRF was instead deposited in the General Revenue Fund and into the Common School Fund (half in each fund). Two percent of all money collected was deposited into the Tax Compliance and Administration Fund to pay for costs associated with the Act.

Public Act 93-0027

Public Act 93-0027 amends the Riverboat Gambling Act by increasing the admission tax to $4 per person admitted by a licensee that admitted 2,300,000 or fewer persons in the previous calendar year and $5 per person admitted by a licensee that admitted more than 2,300,000 persons in the previous calendar year. It also permits an increase in the wagering tax from July 1, 2003 until the earlier of (1) July 1, 2005; (2) the first date after the effective date of this amendatory Act that riverboat gambling operations are conducted pursuant to a dormant license, or (3) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially authorized under the Act. The additional wagering tax revenues shall be paid into the Common School Fund.

Public Act 93-0028

Public Act 93-0028 amends the Riverboat Gambling Act to authorize all owners licensees that operate from home docks on the Mississippi River to relocate to new home dock locations that meet specified requirements. If an owners license terminates or expires without renewal or the Board revokes or determines not to renew an owners license, it may re-issue the owners license pursuant to a competitive bidding process. If the Gaming Board determines that the highest prospective total revenue to the State would be derived from State conduct of the gambling operation in lieu of reissuing the license, it shall so inform each applicant and commence a competitive bidding process for issuance of a managers license. If the Board elects to conduct riverboat gambling operations previously authorized by a terminated, expired, nonrenewed, or revoked owners license, it may do so without an owners license and the number of owners licenses that the Board may issue shall be reduced by one. The Gaming Board shall have jurisdiction over and shall supervise all State gambling operations. Qualified persons are allowed to apply for a managers license to operate and manage any gambling operation conducted by the State. Making a false statement on a managers license application is a Class A misdemeanor. Issuance of a managers license shall be subject to a competitive bidding process. Specific procedures are outlined for the bidding for owners licenses and managers licenses. The admission tax rate is changed to a graduated rate based on admissions in the previous year. The Gaming Board may not re-issue an owners license unless the Board's revocation or determination not to renew the license is final. Amends Public Act 91-40 to replace that Public Act's inseverability clause with a severability clause.

Public Act 93-0030

Public Act 93-0030 amends the Illinois Estate and Generation-Skipping Transfer Tax Act to define "State tax credit" to be the amount calculable under the Internal Revenue Code as that credit that would have been computed and allowed on December 31, 2001 for persons dying on or before December 31, 2009 and the credit allowable under Section 2011 or Section 2604 of the Internal Revenue Code for persons dying thereafter. The applicable exclusion amount, however, is equal to the current amount in the Internal Revenue Code for persons dying on or after January 1, 2003 and through December 31, 2005, and $2,000,000 for persons dying thereafter and through December 31, 2009. Persons dying after December 31, 2005 who do not have to file a federal return but who do have to file an Illinois return shall file with the Attorney General schedules of assets as required by the Attorney General.

Public Act 93-0032

Public Act 93-0032 makes various fund transfers including $80 million from GRF into the Tobacco Settlement Recovery Fund and authorizes the re-transfer back into GRF from that fund.

Transfers $5 million from GRF into the Military Family Relief Fund.

Allows the Director of the Governor's Office of Management and Budget (GOMB) to transfer from any fund into GRF to help defray the State's operating costs for the fiscal year. The transfer amount from any fund may not exceed the lesser of 8% or 25% of the beginning balance in the fund. Provides that transfers from the Road Fund may not exceed 5% of revenues deposited in the fund for that year.

Additional revenue generated by the new and increased fees in this Act shall be allocated between the designated fund and the General Revenue Fund. Allows the Director of GOMB to determine those amounts.

From the amount of revenue allocated to the Local Government Distributive Fund (LGDF) from the income tax, deducts $6.66 million per month for FY 04. Sets the Income Tax Refund Fund individual income tax percentage at 11.7% and the corporate income percentage at 32%.

Increases the amount of sales tax required to be pre-paid on motor fuel and gasohol from $0.04 to $0.06 and from $0.03 to $0.05 per gallon, respectively. Decreases the record-keeping discount allowed for filing motor fuel tax returns from 2% to 1.75%.

Changes the underpayment and overpayment interest rate amounts to piggyback federal rates. The late payment penalty is increased. The amount of penalty imposed if payment is made up to 30 days after the due date is 2% of amount due; if payment is made 30 to 90 days after the due date, the penalty is 10% of the amount due; if payment is made between 90 and 180 days after the due date, the penalty is 15% of the amount due; and if the payment is made 180 days or more after the due date, the penalty is 20% of the amount due.

Penalties are also increased for failure to file a tax return or to show on a timely return, the full amount of any tax due. If the return is filed before the Department initiates an audit or investigation of the taxpayer, the penalty is 5% of the tax due; if the return is filed after the Department has initiated an audit or investigation of the taxpayer, but prior to any notice of deficiency or final assessment issued by the Department, then the penalty is 10% of the tax due; if the taxpayer has not filed and/or paid the amount still due before any notice of deficiency or final assessment is issued by the Department, then the penalty is 20% of the amount of tax due.

Imposes a new collection penalty. The collection penalty is imposed if any liability shown on a demand for payment, (related to any return due after July 1, 2003), is not paid in full before the specified due date. The penalty shall be considered additional tax imposed under the law which the tax being collected was imposed. If the unpaid amount is less than $1,000, then the penalty is $30. If the unpaid amount is $1,000 or more, then the penalty is $100.

Increases the Used Tire Fee by $1.50 (new fee is $2.50) and directs $0.50 of that increase to be deposited into the Emergency Public Health Fund. The additional $0.50 shall no longer be collected after December 31, 2007.

Doubles the Coin-Operated Amusement Device privilege tax from $15 to $30

Public Act 93-0117

Public Act 93-0117 creates the State Agency Web Site Act to provide that State agency Web sites may not use permanent cookies or any other invasive tracking programs that monitor and track Web site viewing habits for cases in which the use of permanent cookies "adds value to the user otherwise not available" and the permanent cookies "are not used to monitor and track web site viewing habits unless all types of information collected and the State's use of that information add user value and are disclosed through a comprehensive online privacy statement". A State agency Web site may use transactional cookies that facilitate business transactions.

Public Act 93-0117 also creates the Internet Privacy Task Force and specifies its membership. The Task Force shall explore the technical and procedural changes that are needed in the State's computing environment to ensure that visits to State Web sites remain private, identify the threats to privacy from browsers, search engines, Web servers, Internet service providers, and State agencies and make recommendations as needed, and, if needed, devise procedures for creating or installing computer programs on State host computers that will disable cookies and other invasive programs. The Internet Privacy Task Force shall "define the exemption and limitations . . . in practice" and shall submit reports to the Governor and the General Assembly by December 31 of each year.

Public Act 93-0586

Public Act 93-0586 amends the Executive Reorganization Implementation Act to supersede certain provisions of Executive Orders Nos. 2003-9, 2003-10, 2003-11, and 2003-12 relating to the transfer of certain legal and auditing functions and the status of transferred personnel who are under the Personnel Code. Any legal personnel who have been transferred under a superseded provision of Executive Order 2003-10 (and their associated records and property) shall be immediately transferred back to the relevant agency from the Department of Central Management Services.

Public Act 93-0552

Public Act 93-0552 creates the Corporate Accountability for Tax Expenditures Act to provide that for each state fiscal year ending on and after June 30, 2005, the Department of Revenue shall submit a "Unified Economic Development Budget" to the General Assembly, which shall contain all types of development assistance granted during the prior fiscal year. This is to include the following:

The aggregate amount of uncollected or diverted State tax revenues resulting from each type of development assistance, as reported to the Department, all State development assistance, all information contained in the report will be subject to FOIA, and standardized applications for State development assistance.

Beginning February 1, 2005, every State granting body must submit copies of all development assistance agreements to DCEO that it approved in the prior calendar year. All grant recipients must submit progress reports to DCEO.

All development assistance agreements are required to contain certain recapture provisions. If a grant recipient fails to create or retain the requisite number of jobs the recipient shall be deemed to no longer qualify for the State economic development assistance. Those recipients shall be required to pay back the amount of received State tax exemptions.

Public Act 93-0570

Public Act 93-0570 provides that the Department of Revenue's Debt Collection Bureau is to serve as the primary debt collecting entity for the State and shall collect debts on behalf of agencies of the State. The Department has the sole authority to let contracts with persons specializing in debt collection for the collection of debt referred to and accepted by the Department. Any contract with the debt collector shall specify that the collector's fee is on a contingency basis and the debt collectors are not entitled to collect a fee for any debt collected through the efforts of any State offset system.

Public Act 93-0570 also allows the agencies to <u>certify</u> their debt to the Department, instead of the Department owning the debt (which creates much more work and would require a tremendous amount of resources).

The Department of Public Aid and the Illinois Department of Employment Security shall refer their debt to the Department to be certified by July 1, 2004. All other agencies shall refer their debt, provided that debt satisfies the requirements for referral of delinquent debt established by rule, by July 1, 2005.

Authorizes the Department to collect debt using all legal means available to the Department as well as those collection tools available to the referring agency to collect debt.

Creates the Debt Collection Fund. Twenty percent of all amounts collected by the Department, excluding amounts collected on behalf of the Departments of Public Aid and Revenue, shall be deposited into the Debt Collection Fund. All remaining amounts collected are to be deposited into the General Revenue Fund or to any state fund that the money would have otherwise been deposited into. Moneys in the fund are to be appropriated only for the administrative costs of the Collection Bureau. On the last day of each fiscal year, unappropriated moneys and moneys otherwise deemed unneeded for the next fiscal year remaining in the Fund may be transferred into the General Revenue Fund at the Governor's reasonable discretion.

This legislation is subject to appropriation by the General Assembly.

Public Act 93-0600

Public Act 93-0600 amends the Illinois Procurement Code to create a 5-year prohibition against bids from and contracts with businesses with personnel convicted of a felony under (i) the Sarbanes-Oxley Act of 2002 or (ii) the Illinois Securities Law of 1953. The bids and contracts certify that the business is not barred by the prohibition and permits a State agency to void a contract if the certification is false.

Managerial agents are the agents whose convictions are considered for purposes of the prohibition. which include that (i) the business has been convicted of one of the specified felonies or (ii) the business has been ordered to pay punitive damages as a result of the felony conviction of its officer, director, partner, or managerial agent. The conditions under which the prohibition applies to businesses that are not natural persons. Businesses that are natural persons remain subject to the Code's other prohibitions against State contracts with felons.

The Illinois Procurement Code requires, rather than permits, that a State contract be declared void if the certifications concerning certain felony convictions of the contractor and the contractor's officers, directors, partners, and managerial agents are false.

Circuit Breaker / Pharmaceutical Assistance

Public Act 93-0018

Public Act 93-0018 creates the Senior Citizen Prescription Drug Discount Program Act to provide that the Program shall be administered by the Department of Central Management Services to enable eligible senior citizens and disabled persons to purchase prescription drugs at discounted prices and that the Department shall (i) enroll eligible seniors and disabled into the Program, (ii) enter into rebate agreements with drug manufacturers, either itself or through an agent, and (iii) reimburse pharmacies for the cost of providing discounts using the proceeds from the manufacturer rebate agreements. Eligible seniors are persons who are Illinois residents and who are disabled or 65 years of age or older. Public Act 93-0018 establishes a prescription pricing formula, sets guidelines for the rebate agreements, and establishes application requirements for seniors and eligibility requirements for pharmacies. The Department is required to adopt rules.

Public Act 93-0130

Public Act 93-0130 allows the Department of Revenue to adopt rules specifying participation requirements for the pharmaceutical assistance program, including copayment amounts, identification card fees, expenditure limits, and the benefit threshold to be in effect July 1, 2004. IDOR may not increase the enrollment fee. Specifies that, to the extent practicable, these requirements are to be commensurate with the requirements for SeniorCare.

Public Act 93-0528

Public Act 93-0528 amends the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act to provide that beginning on January 1, 2004, the pharmaceutical assistance program covers prescription drugs used in the treatment of multiple sclerosis.

Income Tax

Public Act 93-0029

Public Act 93-0029 eliminates the credit for Personal Property Tax Replacement Income Tax for tax years ending on and after December 31, 2003; the Training Expense Credit is eliminated for tax years ending on and after December 31, 2003, and the Research and Development tax credit for tax years ending on and after December 31, 2003. This act also eliminates the he corporate standard exemption for tax years ending on and after December 31, 2003, This act also eliminates the two year carryback on net operating losses and limits the carryforward to 12 years for losses incurred in tax years ending on and after December 31, 2003, and Life and Health Insurance Guarantee offset as well as the Health Maintenance Organization offset.

Public Act 93-0029 increases the "floor" of the Rate Reduction for Certain Foreign Insurers from 1.25% of premiums to 1.75% of premiums.

Public Act 93-0036

Public Act 93-0036 amends the Illinois Income Tax Act to create the Lou Gehrig's Disease (ALS) Research Fund checkoff. Beginning with the taxable year ending on December 31, 2003, the Department of Revenue shall print on its standard individual income tax form a provision indicating that if taxpayers wish to contribute to the Lou Gehrig's Disease Research Fund they may do so by stating the amount of the contribution on the return. The contribution will reduce the taxpayer's refund or increase the amount of payment to accompany the return.

Public Act 93-0036 amends the Department of Public Aid shall make grants from the Lou Gehrig's Disease (ALS) Research Fund to the Les Turner ALS Foundation for research on Amyotrophic Lateral Sclerosis (ALS).

Public Act 93-0131

Public Act 93-0131 creates the WWII Illinois Veterans Memorial income tax checkoff. It also directs the Department of Revenue to include on the standard individual income tax return, a space for taxpayers to make a donation to the WWII Illinois Veterans Memorial Fund. The contribution will reduce the taxpayer's refund or increase the amount of payment to accompany the return.

Public Act 93-0292

Public Act 93-0292 provides that the Department of Revenue must print on its standard individual income tax form a provision indicating that if a taxpayer wishes to contribute to the Asthma and Lung Research Fund, he or she may do so by stating the amount of the contribution (not less than $1) on the return. The contribution will reduce the taxpayer's refund or increase the amount of payment to accompany the return. The Department of Public Health must make grants from the Fund to the Asthma Clinical Research program administered by the American Lung Association.

Public Act 93-0324

Public Act 93-0324 amends the Illinois Income Tax Act by creating a tax checkoff for the Leukemia Treatment and Education Fund. The Department of Revenue shall print on its standard individual income tax form a provision indicating that if taxpayers wish to contribute to the Leukemia Treatment and Education Fund they may do so by stating the amount of the contribution on the return. The contribution will reduce the taxpayer's refund or increase the amount of payment to accompany the return.

Public Act 93-0324 also amends the Department of Human Services Act to provide that the Department may provide grants to public or private hospitals, medical centers, medical schools, and other organizations for education on and treatment of leukemia from appropriations to the Department from the Leukemia Treatment and Education Fund.

Public Act 93-0534

Public Act 93-0534 amends the Illinois Income Tax Act by removing language that terminates the earned income tax credit with taxable years ending on or before December 31, 2002 and exempts the credit from the sunset requirements.

Beginning in 2003, the excess credit to be refunded to the taxpayer, but such refunds are not counted in determining eligibility for means-tested benefits. The refunds authorized by this amendatory Act are subject to the availability of funds from the federal Temporary Assistance for Needy Families Block Grant and the State's ability to meet its required Maintenance of Effort.

Public Act 93-0543

Public Act 93-0543 creates the Film Production Services Tax Credit Act to provide for a credit of 25% of the Illinois labor expenditures made by an entity for film or television production to foster job creation and retention in Illinois. The Department of Commerce and Community Affairs is authorized to award a tax credit to taxpayer-employers who apply for the credit and meet the Illinois labor expenditure requirements for the credit. Minimum requirements for eligibility for the credit and procedures for the award of the credit under the Act are established. The Illinois Income Tax Act is amended to establish the film production services tax credit.

Property Tax / Local Government

Public Act 93-0019

Public Act 93-0019 amends the State Property Control Act to provide that, notwithstanding any other provision of the Act or any other law to the contrary, the Director of Central Management Services is authorized to dispose of the James R. Thompson Center and the Elgin Mental Health Center and the Toll Highway Authority is authorized to convey the Illinois State Toll Highway Authority headquarters building and surrounding land in certain named ways. The exception to the Toll Highway Authority's power to sell the land is limited to land located at 2700 Ogden Avenue in Downers Grove to the extent that the property is subject to the State Property Control Act at the time of the proposed sale. Amends the State Finance Act, the Illinois Procurement Code, the Property Tax Code, and the Toll Highway Act concerning the conveyance of these properties.

All property owned by a municipality with a population of over 500,000 inhabitants, or a unit of local government whose jurisdiction includes territory located in whole or in part within a municipality with a population of over 500,000 inhabitants, shall remain exempt from taxation and any leasehold interest in that property shall not be subject to taxation if, for the purpose of obtaining financing, the property is directly or indirectly leased, sold, or otherwise transferred to another entity whose property is not exempt and immediately thereafter is the subject of a leaseback or other agreement that directly or indirectly gives the municipality or unit of local government certain rights with respect to the property.

The State Mandates Act is amended to require implementation without reimbursement.

Public Act 93-0146

Public Act 93-0146 amends the Mobile Home Local Services Tax Act to provide that beginning on January 1, 2004 a mobile home owned and used exclusively by a disabled veteran or the spouse or unmarried surviving spouse of the veteran as a home is exempt from the tax imposed by the Act. It also requires annual reestablishment of eligibility for the exemption by certification from the Illinois Department of Veterans' Affairs to the county clerk of the county in which the exempt mobile home is located.

Public Act 93-0146 defines a "disabled veteran" as a person who has served in the armed forces of the United States and whose disability is of such a nature that the federal government has authorized payment for purchase or construction of specially adapted housing as set forth in federal law.

Public Act 93-0146 also amends the State Mandates Act to require implementation without reimbursement from the State.

Public Act 93-0188

Public Act 93-0188 provides that any person who has served as a township or multi-township assessor for 12 years or more is eligible to hold such offices if he or she possesses a Certified Illinois Assessing Official certificate from the Illinois Property Assessment Institute with a minimum of 360 additional hours of successfully completed courses approved by the Department of Revenue, provided at least 180 of the course hours required a written examination.

Public Act 93-0193

Public Act 93-0193 provides that if an unincorporated area of a county under township organization in subdivisions initially platted before January 1, 1995 contains at least one mile of streets or roadways situated entirely within a township and not owed by the county or any other unit of government, the highway commissioner may propose a special service area for the purpose of repairing, reconstructing, or maintaining those streets and roadways. The corporate authorities of the county may levy or impose additional taxes upon property within the area for the provision of special services and for the payment of debt incurred in order to provide those services. Requires 51% or more of the property owners to agree to the establishment of the special service area.

Public Act 93-0196

Public Act 93-0196 amends the Special Assessment Supplemental Bond and Procedure Act to provide changes concerning the following: an additional amount for bond discount that may be provided in a special assessment ordinance; issuance of Supplemental Act Assessment Bonds in lieu of vouchers after the date of a judicial order and before expiration of the appeal period; billing of special assessments by the municipality or by the county clerk; and rebates of any surplus.

Public Act 93-0196 amends the Illinois Municipal Code to provide that a proposed local improvement to be paid for by special assessment or special tax may consist of the acquisition of the necessary interests in real property and the construction of any public improvements or any combination of public water mains, sanitary sewer improvements, sidewalks, walkways, bicycle paths, landscaping, lighting, lighting improvements, signage improvements, vehicular parking improvements, any additional improvements necessary to provide access to the public improvements, and all necessary appurtenances.

Public Act 93-0203

Public Act 93-0203 changes the language required to be placed on the ballot for a proposition to increase property tax for the purpose of establishing and maintaining a Children's Advocacy Center. The proposition must state what the approximate annual increase in property tax will be per $100,000 of assessed value as a result of the increase. Also requires the purpose of a Children's Advocacy Center (to coordinate the investigation, prosecution and treatment referral of child sexual abuse) be printed on the ballot as well.

Public Act 93-0248

Public Act 93-0248 amends the Property Tax Code to provide that the Property Tax Appeal Board shall provide annually, no later than February 1, to the Governor and the General Assembly a report that contains for each county (1) the total number of cases for commercial and industrial property requesting a reduction in assessed value of $100,000 or more for each of the last 5 years, (2) the total number of cases for commercial and industrial property decided by the Board for each of the last 5 years, and (3) the total change in assessed value based on the Property Tax Appeal Board decisions for commercial property and industrial property for each of the last 5 years. In counties with 3,000,000 or more inhabitants, the Board shall electronically distribute every 30 days to the chief county assessment officer, free of charge, certain information about appeals to the Board. Each appeal to the Property Tax Appeal Board shall be limited to the grounds listed in the petition filed with the Board.

Public Act 93-0270

Public Act 93-0270 allows a taxing district to abate taxes on property of certain historical societies through assessment year 2008.

Public Act 93-0298

Public Act 93-0298 amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code to provide that the redevelopment project in the TIF District created by an ordinance adopted on (1) September 14, 1994 by the City of Alton, (2) November 11, 1996 by the City of Lexington (3) November 5, 1984 by the City of LeRoy (4) December 29, 1986 by the City of Collinsville (5) April 3, 1991 or June 3, 1992 by the City of Markham must be completed by December 31 of the 35th year after the year in which the ordinance was adopted.

Public Act 93-0298 also requires contracts entered into on or after the effective date of this amendatory Act to terminate no later than the estimated dates of completion of the redevelopment project and retirement of the obligations issued to finance redevelopment project costs, with some exceptions. Proceeds of contracts entered into prior to the effective date of this amendatory Act that are received by the municipality after the redevelopment project area has been terminated shall be deposited into a special fund of the municipality to be used for other community redevelopment needs within the redevelopment project area. With respect to a municipality adopting an ordinance or resolution providing for a feasibility study on the designation of an area as a redevelopment project area, provides that "feasibility study" means a preliminary report to assist a municipality to determine whether or not tax increment allocation financing is appropriate for effective redevelopment of a proposed redevelopment project area. Prior to terminating a redevelopment project area, a municipality must close the books and records of the redevelopment project area. All real or personal property and public improvements acquired by or for the municipality as a result of the redevelopment project and plan shall vest in the municipality when acquired and shall continue to be held by the municipality after the redevelopment project area has been terminated. Revenues received by the municipality from repayments of loans may be used to pay redevelopment project costs.

Public Act 93-0298 defines "blighted area" to also mean any area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if vacant, the sound growth of the redevelopment project area is impaired by the fact that the area, prior to its designation as a redevelopment project area, is subject to surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.

Public Act 93-0316

Public Act 93-0316 amends the Property Tax Code to provide for a housing opportunity tax abatement program for the purpose of promoting access to housing near work and to alleviate the concentration of low-income households in areas of high poverty. The applicant for a housing

opportunity area tax abatement must, under oath, self-certify as to the total number of dwelling units on the property and that the property is in substantial compliance with local building codes. The housing authority may charge an application fee. In Chicago, inhabitants may annually petition the county clerk to be excluded from a housing opportunity area. Properties located in an excluded municipality shall not be eligible for the housing opportunity area abatement for the tax year in which the petition is made.

Public Act 93-0346

Public Act 93-0346 amends the Property Tax Code to provide that, notwithstanding any other provision of the Code, if a school district adopts, in a fiscal year, an additional or supplemental budget as a result of the voters in the school district having voted in favor of an increase in the annual tax rate for educational or operations and maintenance purposes or both at an election held after the adoption of the annual school budget adopted in that fiscal year, the county clerk shall include, in the extension of taxes made during that fiscal year, the extension of taxes for the supplemental or additional budget adopted by the school district.

Public Act 93-0366

Public Act 93-0366 amends language to make it permissive for a county collector to receive taxes on part of a parcel of property, instead of mandatory, when a particular specification of the part is furnished by the taxpayer.

Public Act 93-0369

Public Act 93-0369 changes the definition of "affordable housing project" and "sponsor" and defines "project" and "tax credit". A sponsor must apply to an administrative housing agency for approval of a project. The agency must reserve a specific amount of tax credits for each approved project now. Tax credits for general operating support can only be reserved as part of a reservation of tax credits for the project. It also limits tax credits for general operating support to 10% of the total tax credit reservation for the related project. An administrative housing agency is authorized to reserve tax credits for any approved projects if the agency is unable to reserve the tax credits set-aside for employer-assisted housing projects and general operating support.

Public Act 93-0369 also amends the IITA to provide that persons or entities not subject to the tax and who make a donation under the Illinois Housing Development Act are entitled to receive and to transfer a tax credit for affordable housing donations.

Public Act 93-0378

Public Act 93-0378 amends the Property Tax Code to provide that in Cook County a tax objection complaint must be filed within 165 days after the first penalty date of the final tax installment. In all other counties, a tax objection complaint must be filed within 75 days after the first penalty date of the final tax installment. Public Act 93-0378 also amends the State Mandates Act to require implementation without reimbursement.

Public Act 93-0415

Public Act 93-0415 amends the Property Tax Code to allow county boards (except in Cook County), with the approval of the county treasurer, to use monies in the Tax Sale Automation Fund to defray the cost of providing electronic access to collection and delinquent tax sale records.

Public Act 93-0421

Public Act 93-0421 amends the Property Tax Code to provide that all property owned by the Joliet Arsenal Development Authority (JADA) is exempt from property taxes. Property leased to an entity that is not exempt is to remain exempt.

Public Act 93-0490

Public Act 93-0490 provides that in any proceeding in which the tax purchaser is a county acting as a trustee for taxing districts, reimbursement before issuance of a tax deed is not necessary.

Public Act 93-0511

Public Act 93-0511 amends the Senior Citizens Homestead Exemption provisions in the Property Tax Code to provide that beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the senior citizens homestead exemption must be granted a pro-rata exemption for the assessment year. The amount of the pro-rata exemption is the senior citizens homestead exemption allowed in the county divided by 365 and multiplied by the number of days during the year the property is occupied as a residence by a person eligible for the exemption. The chief county assessment officer must adopt reasonable procedures to establish eligibility for the pro-rata exemption. Amends the State Mandates Act to restate that the senior citizens homestead exemption is exempt from the requirements of the State Mandates Act and further amends the Property Tax Code to state that the senior citizens homestead exemption is exempt from the requirements of the State Mandates Act.

Public Act 93-0533

Public Act 93-0533 provides that low-income housing projects under Section 515 of the federal Housing Act are no longer assessed at 33 1/3% of the fair market value of their economic productivity to the owners of the projects. Instead, low-income housing projects that qualify for the low-income housing tax credit under Section 42 of the Internal Revenue Code will be assessed at 33 1/3% of the fair market value of their economic productivity to the owners of the projects. A qualified low-income housing project under this section includes any residential rental property, which meets either the 20-50 test or the 40-60 test as elected by the taxpayer.

The 20-50 test is met if 20% or more of the units in the project are both rent-restricted and occupied by individuals whose income is 50% or less of area median gross income. The 40-60 test is met if 40% or more units in the project are both rent-restricted and occupied by individuals whose income is 60% or less of area median gross income.

Public Act 93-0556

Public Act 93-0556 amends the Counties Code by adding "transportation", which includes passenger rail, to the purposes and uses of the revenue from the special county retailers' occupation tax for public safety. If a tax is imposed for transportation for public highways, as authorized under the Illinois Highway Code or for passenger rail transportation, the county board must publish notice of the existence of its long-range highway transportation or passenger rail transportation plan and must make the plan publicly available prior to approval of the ordinance or resolution imposing the tax. The form of a referendum proposition for imposing the

tax for transportation purposes and also requires that the moneys collected be deposited into a special fund.

Public Act 93-0560

Public Act 93-0560 amends the Property Tax Code to provide that if a taxpayer receives a tax bill for any property or portion of property that was omitted for 2 or more years from assessment, the tax bill for the omitted property must be paid within 16 months after the date the taxpayer receives the tax bill. No interest may be imposed during that 16-month period. Thereafter, interest shall be charged as with all other delinquent tax bills (1.5% per month).

Public Act 93-0601

Public Act 93-0601 restores bonding ability to the 1991 level for the Forest Preserve District of Cook County and 16 other park districts. Amends the Property Tax Extension Limitation Law (PTELL) to define "debt service extension base" for park districts as an amount equal to that portion of the extension for the 1991 levy year constituting an extension for payment of principal and interest on non-referendum park district bonds – but only if these park districts were first subject to PTELL in 1991 or 1995 and the extension for the 1994 levy year for the payment of principal and interest on non-referendum park district bonds was less than 51% of the amount for the 1991 levy year constituting an extension for payment of principal and interest on non-referendum park district bonds.

"Excluded non-referendum bonds" is defined as (i) bonds authorized for certain aquarium and museum projects, (ii) double-barreled bonds (Local Government Debt Reform Act bonds), and (iii) refunding obligations issued to refund or to continue to refund obligations initially issued pursuant to referendum.

Exempt from the definition of "aggregate extension" special levies: (1) made for payments of principal and interest on bonds authorized by this amendatory Act and issued under the Cook County Forest Preserve District Act and (2) issued under Section 44.1 of the Cook County Forest Preserve District Act for botanical gardens projects.

Public Act 93-0606

Public Act 93-0606 amends the Property Tax Extension Limitation Law in the Property Tax Code to provide that "new property" means, for real property in Cook County classified as property eligible for property tax incentives in Classes 6 through 9 or that was so classified in the immediately preceding levy year, in addition to its other meanings, an incentive property's additional assessed value resulting from a scheduled increase in the level of assessment as applied to the first year final board of review market value.

Public Act 93-0612

Public Act 93-0612 excludes special purpose extensions that are made by the Chicago Park District for recreational programs for the handicapped under subsection (c) of Section 7.06 of the Chicago Park District Act from the definition of "aggregate extension" for taxing districts subject to PTELL in Cook County.

The Chicago Park District is authorized to establish, maintain and manage recreational programs for mentally and physically handicapped individuals. The Chicago Park District is authorized to levy and collect an annual tax at a rate not to exceed .04% of the equalized assessed value of the taxable property in the district for purposes of funding recreational programs for the handicapped.

Public Act 93-0643

Public Act 93-0643 provides that the definition of "coefficient of dispersion" means the average deviation of all assessments from the median level and that the number of inhabitants shall be determined by the latest federal decennial or special census of the county. When the most recent census shows an increase in inhabitants to over 50,000, then the assessment year used to compute the coefficient of dispersion and median levels of assessment is the year that determines the qualification for additional compensation.

Sales and Excise Tax

Public Act 93-0022

Public Act 93-0022 ends the crediting of any balance in the Dram Shop Fund over $5 million to liquor license fees. Also increases the Liquor License Fee from $175 to $500, effective July 1, 2003 and apportions that money to the Dram Shop Fund and the General Revenue Fund.

Beginning October 1, 2003 requires alcoholic beverage distributors in Illinois to report their sales made to individual liquor retailers on a monthly basis. This report must be filed with the Department electronically and must identify gross receipts by individual retailer and include the purchaser's tax registration number. A copy of the retailer's monthly sales must also be sent to the retailer. To help offset the cost of gathering and distributing this information, the bill also raises the cap on the record-keeping discount allowed to distributors for their liquor tax returns. The cap is increased from 1.75% or $1,250 per return to 2% or $3,000 per return for one year, and then 2% or $2,000 per return for each year thereafter.

Also beginning October 1, 2003, retailers selling alcoholic liquor must file a statement with the Department of Revenue indicating the amount paid for alcoholic liquor for the preceding month and any other information reasonably required by the Department, on a monthly basis. Failure to comply can result in a retailer's liquor license being revoked.

Effective July 1, 2003, the bill ends the practice of allowing a cigarette tax distributor a 30-day "float" on payment for cigarette tax stamps.

Public Act 93-0023

Public Act 93-0023 tightens the Rolling Stock Exemption by amending the test for motor vehicles to qualify as rolling stock. Provides that on and after July 1, 2003 "use as rolling stock moving in interstate commerce" occurs when a motor vehicle, during a 12-month period, has carried persons or property for hire in interstate commerce for 51% of its total trips. Those trips must cross the Illinois State Border.

Creates the Commercial Distribution Fee (CDF) administered by the Office of the Secretary of State. The CDF is imposed upon vehicles of the second division with a gross vehicle weight exceeding 8,000 lbs. and that incur any tax or fee under Section 3-815(a) or Section 3-818(a) of the Illinois Vehicle Code in an amount equal to 36% of the fees and taxes incurred under those Sections. The CDF is also imposed upon vehicles of the second division with a gross vehicle weight 8,000 lbs. or less that incur any tax or fee under Section 3-815(a) or Section 3-818(a) of the Illinois Vehicle

Code and that are eligible for and have claimed the rolling stock exemption. Fees paid under this Section are to be deposited in the General Revenue Fund. Vehicles subject to the Commercial Distribution Fee are exempt from the Acts that comprise the State "sales tax".

A new Transportation Employee Credit created under the Illinois Income Tax Act for tax years beginning on or after January 1, 2004. This credit provides that a qualified employer is allowed a credit against its income tax liability in the amount of $50 for each eligible employee (full-time employee who is an Illinois resident).

Public Act 93-0024

Public Act 93-0024 imposes a Use Tax on the sale of airplanes. The tax is modeled after the Private Vehicle Use Tax that individuals pay when they purchase a car from another individual.

Public Act 93-0024 eliminates the following exemptions: pollution control facilities, vehicle replacement tax, graphic arts machinery and equipment, oil field exploration, coal exploration, distillation machinery, vending machines, aggregate mining, and Manufacturers' Purchase Credit.

Public Act 93-0025

Public Act 93-0025 creates the FY2004 Budget Implementation (State Finance-Administration) Act and amends the Executive Reorganization Implementation Act, the Civil Administrative Code of Illinois, the Illinois Procurement Code, the Illinois Income Tax Act, the Retailers' Occupation Tax Act, the Counties Code, the Illinois Municipal Code, the School Code, the Department of Central Management Services Law, the Department of Commerce and Community Affairs Law, and the Department of Revenue Law of the Civil Administrative Code of Illinois, the Bureau of the Budget Act, the State Finance Act, the Pretrial Services Act, the Probation and Probation Officers Act, and the Code of Civil Procedure to implement the FY2004 State finance-administration budget.

Public Act 93-0031

Public Act 93-0031 states that beginning October 1, 2003, a use tax is imposed on out-of-state gas purchases. The tax is imposed at a rate of 2.4 cents per therm or 5% of the purchase price, whichever is less.

A delivering supplier who maintains a place of business in this State must collect the tax from purchasers who have elected the alternate tax rate (2.4 cents per therm) under Section 5-10. Delivering suppliers are relieved of the responsibility of collecting the tax if that supplier receives a copy of a certificate of registration issued to a self-assessing purchaser. Any purchaser who does not elect the alternate tax rate must register with the Department as a self-assessing purchaser.

Provides for the following exemptions from the Gas Use Tax:

- Gas used by businesses located within enterprise zones
- Gas used by governmental bodies, or a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or education purposes.
- Gas used in the production of electric energy
- Gas used in petroleum refinery operation
- Gas purchased by persons for use in liquefaction and fractionation processes that produce value added natural gas byproducts for resale
- Gas used in the production of anhydrous ammonia and downstream nitrogen fertilizer products for resale

Public Act 93-0052

Public Act 93-0052 increases the Used Tire Fee by $0.50 per new or used tire purchased beginning July 1, 2003. The additional 50 cents will be allocated to the Department of Public Health for grants to county health departments for expenses related to the West Nile Virus and other vector-borne diseases. The increased fee sunsets January 1, 2008.

Public Act 93-0286

Public Act 93-0286 amends the Telecommunications Excise Tax Act and the Telecommunications Infrastructure Maintenance Fee Act.

The date for using any reasonable method for apportioning the telecom taxes is pushed back to January 1, 2004 because the original bill was passed and signed too late, so the effective date would have been June 1, 2003. The separate language listed as part (iii) allowing the use of any reasonable method for any period is stricken because all parties involved expected that the methods listed under (i) and (ii) would be the only way that the private lines would be proportionately taxed after the effective date.

The specific language added to the Simplified Municipal Telecommunications Act apportions the municipal telecommunications tax between the municipalities in the same manner as state telecom taxes are apportioned between the states.

The amendment also adds language that allows a credit for tax paid to the wrong municipality. This is similar to a credit given to state telecom taxes. Contains language that changes the date a municipality's ordinance imposing or eliminating the local telecommunications tax is due to the Department. Also changes the amount of time the Department has to certify the ordinance and notify the providers.

Public Act 93-0303

Public Act 93-0303 provides that the Department of Revenue must coordinate with the Fire Marshal to create an awareness program to inform fire protection districts that purchases made by fire protection districts are not subject to sales tax and how to get the exemption.

Court Cases

Zebra Technologies Corp. v. Topinka, et al., 1-01-2861 & 1-03-0386 Consolidated (1st District Appellate Court 10/27/03)
Taxpayer organized two offshore companies, ZDI and ZII, to hold intellectual property, which the companies leased back to the taxpayer. The taxpayer sought to exclude ZDI and ZII from the unitary group claiming that greater than 80% of their property and payroll was outside of the U.S. The Court determined that the taxpayer failed to support its position and included the entities in the unitary group. Taxpayer also purported to create a wholly owned Investment Company in Delaware, ZIH, and sought to exclude its income under § 1501(a)(8) of the IITA. The Court concluded that ZIH was not a regulated investment company and thus its business income could be apportioned to Illinois. The Court went on to find however, that much of ZIH's income was investment income and the Department could only tax that income earned from funds used by the taxpayer to acquire another business as business income.

Envirodyne Industries, Inc. et al. v. Illinois Department of Revenue, 02-1632 (U.S. Court of Appeals 7th Circuit 01/06/04)
Taxpayer sought to include a subsidiary, Wisconsin Steel Company, in its unitary group to reduce its apportionable income by the steel company's losses. The Department objected, claiming that the entities while under common ownership were not unitary. The Bankruptcy Court and District Court concluded that the entities were unitary and allowed the losses to offset the income. The Circuit Court concluded that the taxpayer needed to do more than participate in management of the steel company to include it in the unitary group. It went on to find that there was no connection between the steel company and the food-packing subsidiary and held that the entities were not unitary.

Hollinger International, Inc. v. Bower, et al., 02 L 51514 (Cook County Circuit Court 01/06/04)
Taxpayer retained the services of a licensed certified public accountant to compute the first and second installment amounts of its Illinois taxes. The accountant used the safe harbor delineated in 35 ILCS 5/804(c), which allowed a taxpayer to base its quarterly tax installments on either 90% of the current year's estimated tax or 100% of its taxable income from the prior year. Although the prior year's return was unfinished the accountant estimated the taxpayer's liability for that year and instructed the taxpayer to pay $62,500 per quarter. The accountant determined that the taxpayer had an overpayment from the prior year greater than the first quarterly installment amount. As a result the taxpayer did not make the first installment payment and paid $62,500 on the second installment. By the time the third installment was due the prior year's return had been completed wherein the taxpayer realized a loss, the accountant then determined that the safe harbor did not apply and calculated the quarterly payment based on estimated taxes for the current year. An employee of the taxpayer mailed the third installment payment of taxes to an incorrect address. After the payment was retuned by the Post Office, the employee corrected his mistake and mailed the payment to the correct address several days after it was due. The Department penalized the taxpayer for underpayment of taxes on the first two installments and for late payment of the third installment. The Court determined, on administrative review, that reasonable cause applied to the circumstances. It found the taxpayer's reliance on the independent accountant reasonable and reversed the underpayment penalties for the first two installments. The Court also determined that the taxpayer exercised standard business care with the late payment and reversed those penalties as well.

Shakkour et al. v. Bower et al., 99 L 50548 (Cook County Circuit Court 03/26/04)
The taxpayer was a partner in a firm that developed equity-trading technology. She engaged in managing stocks and other equities from her office in New York and then in Connecticut. The partnership entered into a joint venture with Swiss Bank in late 1990. In July 1991, Swiss Bank sought unfettered control of the trading technology and made an offer to buy the partnership's assets. The partnership sold its assets to the Swiss Bank and distributed the sales proceeds to the partners. The Department sought to tax the taxpayer on her share of the proceeds. The Court concluded that the income was nonbusiness income because it was from a business liquidation; citing *Blessing/White v. Zehnder*, 329 Ill. App. 3d 714 (1st Dist 2002). As a result the Court concluded that there were no taxes due to Illinois from the taxpayer on the income at issue.

Wexler et al. v. Wirtz et al., 94127, 94128, 94171 (Illinois Supreme Court 04/01/04)
Taxpayer challenged the constitutionality of Public Act 91-38, which amended the Liquor Control Act, the State Finance Act and the School Construction Law. The Act created a single tax rate for wine manufactures and raised the state liquor tax, which is levied on manufacturers and importing distributors of alcoholic beverages. The taxpayer was an individual purchaser of alcoholic beverages and neither a manufacturer nor an importing distributor of alcoholic beverages. The Circuit Court found that the Act violated the three readings rule and the single subject clause of article IV, section 8(d), of the Illinois Constitution of 1970. The Illinois Supreme Court on direct appeal determined

that in order to have a standing to challenge the constitutionality of a statute one must have sustained or be in immediate danger of sustaining a direct injury as a result of enforcement of the challenged statute. The claimed injury must be (1) distinct and palpable; (2) fairly traceable to the defendant's actions: and (3) substantially likely to be prevented or redressed by the grant of the requested relief. The Court determined that the tax was levied on manufacturers and importing distributors of alcoholic beverages. As a consumer the plaintiff was not responsible for paying or remitting any part of the challenged tax and did not have standing to challenge the underlying tax or the Act.

Ogden Chrysler Plymouth, Inc. v. Bower, 2-03-0194 (2nd District Appellate Court 05/07/04)
The taxpayer, an automobile dealer, sold automobiles to employees and retirees of the manufacturer. The manufacturer created an incentive program that allowed its employees and retirees to purchase automobiles at a fixed price, which was lower than the sticker price. The dealer received the fixed price from the purchaser plus a payment of 6% of the fixed price and an additional $75 from the manufacturer. The Department sought to tax the entire amount the dealer received. The dealer sought to pay tax only on the amount received from the purchaser. On administrative review the Circuit Court agreed that the dealer was only required to pay ROT on the amount received from the purchaser. The Appellate Court reversed, determining that the manufacturer's payments also constituted gross receipts for ROT purposes.

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