

**CHAPTER 34
OCCUPATION AND OTHER TAXES**

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34.01 MUNICIPAL RETAILERS OCCUPATION TAX

A. **REQUIRED TAX:** A tax is hereby imposed upon all persons engaged in this municipality in the business of selling tangible personal property at retail in this City at the rate of one percent of the gross receipts from such sales made in the course of such business while this Section 34.01 is in effect, in accordance with the provisions of 65 ILCS 5/8-11-1.3, as amended.

B. **REPORT TO STATE:** Every such person engaged in such business in the City shall file on or before the 15th day of each calendar month, the report to the Illinois Department of Revenue as required by 35 ILCS 120/3, "An Act in relation to a tax upon persons engaged in the business of selling tangible personal property."

C. **PAYMENT TO STATE:** At the time such report is filed, there shall be paid to the Illinois Department of Revenue the amount of tax hereby imposed on account of the receipts from sales of tangible personal property during the proceeding month, together with any penalties then due, if any, and such other information as may be required by 35 ILCS 120/3.

34.02 MUNICIPAL SERVICE OCCUPATION TAX

A. **REQUIRED TAX:** A tax is hereby imposed upon all persons engaged in this City in the business of making sales of service at the rate of one percent of the cost price of all tangible personal property transferred by said servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service, in accordance with the provisions of 65 ILCS 5/8-1-1.4, as amended.

B. **REPORT TO STATE:** Every supplier or serviceman required to account for Municipal Service Occupation Tax for the benefit of this City shall file, on or before the last day of each calendar month, the report to the Illinois Department of Revenue as required by 35 ILCS 115/9, "An Act to impose a tax upon persons engaged in the business of making sales of service."

C. **PAYMENT TO STATE:** At the time such report is filed, there shall be paid to the Illinois Department of Revenue the amount of tax hereby imposed together with any penalties then due and such other information as may be required.

34.03 MUNICIPAL USE TAX

A. **REQUIRED TAX:** A tax is hereby imposed upon the privilege of using, in the City, any item of tangible personal property which is purchased outside Illinois at retail from a retailer, and which is titled or registered with any agency of this state's government, at a rate of 1 percent of the selling price of such tangible personal property; "selling price" is defined in 35 ILCS 105/2, the Use Tax Act.

B. **REPORT TO STATE:** Such tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the City. Such tax shall be collected by the Illinois Department of Revenue.

34.04 POLICE PROTECTION TAX

A tax is hereby imposed for the purpose of police protection in this City at the rate of .05 percent of the value, as equalized or assessed by the Department of Revenue of all the taxable property therein for the first year in which the tax is levied, and at the rate of .075 percent of the value as equalized or assessed by the Department of Revenue for all taxable property therein, in all succeeding years, all in accordance with the provisions of 65 ILCS 5/11-1-3.

34.05 HOTEL/MOTEL TAX

A. **DEFINITIONS:** In addition to the definitions found in Appendix A of this Code, terms, whether capitalized or not, used in this Section 34.05 shall have the following meanings:

Bed and Breakfast: An operator-occupied residence providing accommodations for a charge to the public with no more than six guest rooms for rent, in operation for more than 10 nights in a 12-month period in which breakfast may be provided to the guests, but not the general public.

Hotel: Any building or buildings in which the public may, for a consideration, obtain living quarters, sleeping or housekeeping accommodations. The term includes inns, motels, tourist homes or courts, lodging houses, rooming houses and apartment houses with more than five guest units for rent.

Operator: Any person operating a hotel.

Occupancy: The use or possession, or a right to the use or possession, of any room or rooms in a hotel for any purpose, or the right to the use or possession of the furnishings or to the services and accommodations accompanying the use and possession of the room or rooms.

Room or Rooms: Any living quarters, sleeping or housekeeping accommodations.

Permanent Resident: Any person who occupied or has the right to occupy any room or rooms, regardless of whether or not it is the same room or rooms, in a hotel for at least 30 consecutive days.

Person: Any natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company or a receiver, executor, trustee, guardian or other representative appointed by order of any court.

Rent or Rental: The consideration received for occupancy, valued in money, whether received in money or otherwise, including all receipts, cash, credits and property or services of any kind or nature.

B. TAX: A tax is imposed upon persons engaged in the business of renting, leasing or letting rooms in a hotel at the rate of five percent of the gross rental receipts from such renting, leasing or letting, excluding, however, from gross rental receipts, the proceeds of such renting, leasing or letting to permanent residents of that hotel.

C. PAYMENT AND COLLECTION:

1. The tax levied herein shall be paid in addition to any and all other taxes. It shall be the duty of the operator of every hotel to collect said tax from the guest or lodger, and to pay over to the City said tax on a quarterly basis as provided herein.
2. Every person required to collect the tax levied by this Section 34.05 shall receive said tax from the guest or lodger at the time the room charge is paid. A receipt, invoice or other statement or memorandum showing the itemized rental and all taxes shall be issued to the user, lessee or tenant.

D. ADMINISTRATION AND ENFORCEMENT:

1. Inspections: The Administrator or his or her designee may enter the premises of any hotel for inspection and examination of books and records for the proper administration of this Section 32.05 and enforcement of the collection of the tax imposed. It shall be unlawful for any person to prevent, hinder or interfere with the Administrator or his or her designee in enforcing this Section 32.05.
2. Records Required: It shall be the duty of every person operating a hotel in the City to keep accurate and complete books and records to which the Administrator shall, at all times, have full access, which records shall include a daily sheet showing:
 - a. The number of hotel rooms rented during the 24-hour period, including multiple rentals of the same hotel when such occurs; and
 - b. The actual hotel room tax receipts collected for the date in question.
3. Quarterly Tax Returns: Every person operating a hotel shall file tax returns showing tax receipts received with respect to each hotel during each three month period ending on March 31, June 30, September 30 and December 31 of each year, within 30 days after the end of the respective date, upon forms prescribed by rules and regulations of the Administrator. At the time of filing

said tax returns, the operator shall pay to the City all taxes due for the period to which the tax return applies. Each return shall be accompanied by payment to the City of all taxes due and owing for the quarter covered by the return.

E. **FAILURE TO PAY TAX:**

1. **Interest and Penalty:** In the event any hotel owner, manager or operator fails to collect and pay to the City the tax required hereunder within 30 days after the same is due, interest shall accumulate and be due upon said tax at the rate of one percent per month commencing as of the first day of the month following the month for which the tax was to have been collected. In addition, a penalty of 10 percent of the tax and interest due shall be assessed and collected against any hotel owner, manager or operator.
2. **Suit for Collection:** Whenever any person fails to pay any tax required herein, the City Attorney shall, upon the request of the Administrator, bring or cause to be brought an action to enforce the payment of said tax in behalf of the City in any court of competent jurisdiction. Any legal fees incurred by the City in the cost of collection shall be paid by the operator.
3. **Revocation of City Licenses:** If the Mayor, after conducting a hearing, finds that any person has willfully avoided payment of the tax imposed herein, he may suspend or revoke all City licenses held by the hotel. The operator shall have an opportunity to be heard at a hearing held not less than five days after notice of the time and place of the hearing, with said notice addressed to the operator at the last known place of business, has been delivered to the operator.

F. **PENALTY:** Any person found guilty of violating any provision of this Section 34.05 shall, upon conviction, be fined not less than \$100 nor more than \$1,000 for each offense and be responsible for the City's cost of prosecution, including reasonable attorney fees. Each day that a violation continues shall be considered a separate offense.

34.06 TAXATION OF OCCUPATIONS OR PRIVILEGES *Amended, 10-4-1, 10-3-1*

A. **DEFINITIONS:** In addition to the terms defined in Appendix A of this Code, terms, whether capitalized or not, used in this Section 34.06 are defined pursuant to 65 ILCS 5/8-11-2(d).

B. In addition to all taxes, fees and other revenue measures imposed by the City, state or any other political subdivision of the state, a tax is imposed on all persons engaged in the following occupations or privileges:

1. Persons in the business of distributing, supplying, furnishing or selling gas for use or consumption within the corporate limits of the City and not for resale, at the rate of five percent of the gross receipts therefrom.

2. The privilege of using or consuming electricity acquired in a purchase at retail and used or consumed within the corporate limits of the City at rates not to exceed the following maximum rates, calculated on a monthly basis for each purchaser:
 1. For the first 2,000 Kilowatt-hours (“Kwh”) used or consumed in a month, .550 cents per Kwh;
 2. For the next 48,000 Kwh used or consumed in a month, .361 cents per Kwh;
 3. For the next 50,000 Kwh used or consumed in a month, .325 cents per Kwh;
 4. For the next 400,000 Kwh used or consumed in a month, .316 cents per Kwh;
 5. For the next 500,000 Kwh used or consumed in a month, .307 cents per Kwh;
 6. For the next 2,000,000 Kwh used or consumed in a month, .289 cents per Kwh;
 7. For the next 2,000,000 Kwh used or consumed in a month, .284 cents per Kwh;
 8. For the next 5,000,000 Kwh used or consumed in a month, .280 cents per Kwh;
 9. For the next 10,000,000 Kwh used or consumed in a month, .275 cents per Kwh; and
 10. For all electricity consumed or used in excess of 20,000,000 Kwh in a month, .271 cents per Kwh.

C. EXEMPTIONS: No tax is imposed by this Section 34.06 with respect to any transaction in interstate commerce or otherwise to the extent to which such business may not, under the constitution and statutes of the United States, be made subject to taxation by this state or any political subdivision thereof; nor shall any person engaged in the business of distributing, supplying, furnishing or selling gas or electricity, or engaged in the business of transmitting messages be subject to taxation under the provisions of this Section 34.06 for those transactions that may become subject to taxation under the provisions of the Section 34.01 herein.

D. APPLICATION: Such tax shall be in addition to the payment of money, or value of products or services furnished to this City by the taxpayer as compensation for the use of its streets, alleys or other public places, or installation and maintenance therein, thereon or there under of poles,

wire, pipes or other equipment used in the operation of the taxpayers' business.

E. **COLLECTION:** The tax imposed by Section 34.06-B2 shall be collected from the purchaser by the person maintaining a place of business in this State who delivers the electricity to the purchaser. The tax shall constitute a debt of the purchaser to the person who delivers the electricity to the purchaser. If the tax is unpaid it is recoverable in the same manner as the original charge for delivering the electricity. Any tax required to be collected pursuant to this Section 34.06 and any such tax collected by a person delivering electricity shall constitute a debt owed to the municipality by such person delivering the electricity, provided that the person delivering electricity shall be allowed credit for such tax related deliveries of electricity, the charges for which are written off as uncollectible, and provided further, that if such charges are thereafter collected, the delivering supplier shall be obligated to remit such tax to the City. Persons delivering electricity shall collect the tax from the purchaser by adding such tax to the gross charge for delivering the electricity. Persons delivering electricity shall be authorized to add to such gross charge an amount equal to three percent of the tax assessed pursuant to this Section 34.06 to reimburse the person delivering electricity for the expense incurred in keeping records, billing customers, preparing and filing returns, remitting tax and supplying data to the City. If the person delivering electricity fails to collect the tax from the purchaser, then the purchaser shall be required to pay the tax directly to the City in the manner prescribed herein. Persons delivering electricity who file returns pursuant to this Section 34.06 shall, at the time of filing such return, pay the City the amount of the tax collected pursuant to this Section 34.06.

F. **BOOKS AND RECORDS:**

1. Every person delivering electricity who is required to collect a tax pursuant to Section 34.06-B2 shall keep accurate books and records of all transactions which may affect the tax provided for herein including, but not limited to, records of the number of Kilowatt-hours (Kwh) used by each consumer within the City for each month, the charge imposed upon each consumer for the sale of the electricity and any related services, the amount of tax imposed by Section 34.06-B2 billed to each consumer of electricity and the amount of tax actually collected, the amount of the charge imposed and collected by the electric distributor as compensation for collecting the tax provided for in Section 34.07-D, and the total gross receipts received by the electricity deliverer for each month, not including the tax imposed by Section 34.06-B2.
2. Every person delivering electricity is required to collect a tax as set forth herein shall provide to the City, within seven days of written request, copies of all records, or any part thereof, which the City requests, which the electricity deliverer is required to keep pursuant to this Section.

G. **TAX REMITTANCE AND RETURN:**

1. Every person collecting a tax pursuant to Section 34.06-B2 shall, on a monthly basis, file a return with the City in a form prescribed by the City along with the total revenues collected. The return and accompanying remit-

tance shall be delivered to the City on or before the last day of the month following the month during which the tax is collected or is required to be collected under Section 34.07-D-5.

2. Each person who is required to pay a tax pursuant to Section 34.06-B-2 and who has not paid said tax to the electricity deliverer as provided for herein, shall file a return with the City, as provided in this Section, and pay directly to the City the tax on or before the last day of the month following the month during which the electricity was used or consumed.

H. **REPORTS TO THE CITY:** On or before the last day of each month each taxpayer subject to Section 34.06-B2 shall make a return to the Treasurer for the proceeding month stating:

1. Name;
2. Principal place of business;
3. Gross receipts and/or Kilowatt-hours during those months upon the basis of which the tax is imposed;
4. Amount of tax; and
5. Such other reasonable and related information as the City may require.

On or before the last day of every third month, each taxpayer shall make a like return to the Treasurer for a corresponding three-month period.

The taxpayer making the return herein provided for shall, at the time of making such return, pay to the Treasurer the amount of tax herein imposed; provided that in connection with any return the taxpayer may, if he so elects, report any pay an amount based upon his total billings of business subject to the tax during the period for which the return is made (exclusive of any amounts previously billed), with prompt adjustments of later payments based upon any difference between such billings and the taxable gross receipts.

I. **ERRORS:** If it appears that an amount of tax has been paid which was not due under the provisions of this Section 34.06, whether as the result of a mistake of fact or an error of law, then such amount shall be credited against any tax due, or to become due, under this Section 34.06 from the taxpayer who made the erroneous payment; provided that no amounts erroneously paid more than one year prior to the filing of a claim therefor shall be so credited.

J. **RECOVERY DEADLINE:** No action to recover any amount of tax due under the provisions of this Section shall be commenced more than one year after the due date of such amount.

K. **PENALTY:** Any taxpayer who fails to make a return, or who makes a fraudulent return, or who willfully violates any other provision of this Section 34.06 is guilty of a misdemeanor and upon conviction thereof shall be fined not less than \$100 nor more than \$200 and, in addition, shall be liable in a civil action for the amount of tax due.