Chapter 32

TAXATION

Article I. In General

Article II. Utility Taxes

Article III. Telecommunications Tax

Article IV. Interested Parties Registry

ARTICLE I. IN GENERAL

Sec. 32-1. Municipal retailer occupation tax.

(a) *Imposed.* A tax is imposed upon all persons engaged in the business of selling tangible personal property at retail in the village at the rate of one percent of the gross receipts from such sales made in the course of such business while this section is in effect, in accordance with the provisions of 65 ILCS 5/8-11-1.

(b) *Report.* Every such person engaged in such business in the village shall file on or before the last day of each calendar month the report to the state department of revenue required by 35 ILCS 120/3 and shall file a duplicate of such report with the clerk.

(c) *Payment to state.* At the time such report is filed there shall be paid to the state department of revenue the amount of tax imposed on account of the receipts from sales of tangible personal property during the preceding month.

(d) *Exclusions.* The exclusion contained in section 2(d) of the Retailers' Occupation Tax Act, approved June 28, 1922, as amended, shall not apply to property within the village.
(Code 1981, §§ 15-1-1—15-1-4)

Sec. 32-2. Municipal service occupation tax.

(a) *Imposed.* A tax is imposed upon all persons engaged in the village in the business of making sale of service at the rate of one percent of the cost price of all tangible personal property transferred by the serviceman 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 5/8-11-5.

(b) *Account.* Every supplier or serviceman required to account for the municipal service occupation tax for the benefit of the village shall file, on or before the last day of each calendar month, the report to the state department of revenue.

(c) *Payment.* At the time such report is filed, there shall be paid to the state department of revenue the amount of tax imposed.

(d) *Exclusions.* The exclusion contained in section 2(e) of the Service Occupation Tax Act, approved July 10, 1961, as amended, shall not apply to property within the village.
(Code 1981, §§ 15-2-1—15-2-4; Ord. of 1982)

Secs. 32-3—32-22. Reserved.

ARTICLE II. UTILITY TAXES

Sec. 32-23. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except when the context clearly indicates a different meaning:

Gross receipts means the consideration received for the transmission of messages, the consideration received for distributing, supplying, furnishing or selling gas for use or consumption and not for resale, the consideration received for distributing, supplying, forwarding or selling electricity for use or consumption and not for resale, and the consideration received for distributing, supplying, furnishing or selling water for use or consumption and not for resale, and for all services rendered in connection therewith valued in money, whether received in money or otherwise, including cash, credit, services and property of every kind and material and for all services rendered therewith; and shall be determined without any deduction on account of the cost of transmitting such messages without any deduction on account of the cost of the service, product or commodity supplied, the cost of material used, labor or service cost, or any other expenses whatsoever. The term "gross receipts" shall not include amounts paid by telecommunications retailers under the Telecommunications Municipal Infrastructure Fee Act, 35 ILCS 635/1 et seq.

Person means a natural individual, firm, trust, estate, partnership, association, joint stock company, joint adventure, corporation, limited liability company, municipal corporation or political subdivision of the state; or a receiver, trustee, conservator or other representative appointed by order of any court; and any state university created by statute.

Person maintaining a place of business in the state means any person having or maintaining within the state, directly or by a subsidiary or other affiliate, an office, generation facility, distribution facility, transmission facility, sales office or other place of business, or any employee, agent, or other representative operating within the state under the authority of the person or its subsidiary or other affiliate, irrespective of whether such place of business or agent or other representative is located in the state permanently or temporarily, or whether such person, subsidiary or other affiliate is licensed or qualified to do business in the state.

Public utility has the meaning ascribed to it in 220 ILCS 5/3-105 and shall include telecommunications carriers as defined in 220 ILCS 5/13-202 and alternative retail electric suppliers as defined in 220 ILCS 5/16-102.

Purchase at retail means acquisition of electricity by a purchaser for purposes of use or consumption, and not for resale, but shall not include the use of electricity by a public utility directly in the generation, production, transmission, delivery or sale of electricity.

Purchaser means a person who uses or consumes, within the corporate limits of the village, electricity acquired in a purchase at retail. In the case of persons engaged in the business of transmitting messages through the use of mobile equipment, such as cellular phones and paging systems, the gross receipts from the business shall be deemed to originate within the corporate limits of a village only if the address to which the bills for the service are sent is within those corporate limits. If, however, that address is not located within a village that imposes a tax under this article, then:

(1) If the party responsible for the bill is not an individual, the gross receipts from the business shall be deemed to originate within the corporate limits of the village where that party's principal place of business in the state is located; and

(2) If the party responsible for the bill is an individual, the gross receipts from the business shall be deemed to originate within the corporate limits of the village where that party's principal residence in the state is located.

Transmitting messages, in addition to the usual and popular meaning of person-to-person communication, means the furnishing, for a consideration, of services or facilities (whether owned or leased), or both, to persons in connection with the transmission of messages where such persons do not, in turn, receive any consideration in connection therewith, but shall not include such furnishing of services or facilities to persons for the transmission of messages to the extent that such services or facilities for the transmission of messages are furnished for a consideration, by such persons or to other persons, for the transmission of messages. (Code 1981, § 15-3-1; Ord. No. 677, 3-16-1999)

Sec. 32-24. Imposition of gas and electricity taxes.

(a) A tax is imposed on all persons engaged in the business of distributing, supplying, furnishing, or selling gas for use or consumption within the corporate limits of the village, and not for resale, at the rate of five percent of the gross receipts therefrom.

(b) A tax is imposed on the privilege of using or consuming electricity acquired in a purchase at retail and used or consumed within the corporate limits of the village at the following rates, calculated on a monthly basis for each purchaser:

(1) For the first 2,000 kilowatt-hours used or consumed in a month: 0.403 cents per kilowatt-hour;

(2) For the next 48,000 kilowatt-hours used or consumed in a month: 0.265 cents per kilowatt-hour;

(3) For the next 50,000 kilowatt-hours used or consumed in a month: 0.238 cents per kilowatt-hour;

(4) For the next 400,000 kilowatt-hours used or consumed in a month: 0.231 cents per kilowatt-hour;

(5) For the next 500,000 kilowatt-hours used or consumed in a month: 0.225 cents per kilowatt-hour;

(6) For the next 2,000,000 kilowatt-hours used or consumed in a month: 0.212 cents per kilowatt-hour;

(7) For the next 2,000,000 kilowatt-hours used or consumed in a month: 0.208 cents per kilowatt-hour;

(8) For the next 5,000,000 kilowatt-hours used or consumed in a month: 0.205 cents per kilowatt-hour;

(9) For the next 10,000,000 kilowatt-hours used or consumed in a month: 0.202 cents per kilowatt-hour; and

(10) For all electricity used or consumed in excess of 20,000,000 kilowatt-hours in a month: 0.198 cents per kilowatt-hour.

(Code 1981, § 15-3-2; Ord. No. 677, 3-16-1999)

Sec. 32-25. Exemptions.

No tax is imposed by this article with respect to any transaction in interstate commerce or otherwise to the extent to which such business may not, under federal law, be made subject to taxation by the state or any political subdivision thereof; nor shall any persons engaged in the business of distributing, supplying, furnishing or selling water, electricity or gas, or engaged in the business of transmitting messages, or using or consuming electricity acquired in a purchase at retail, nor shall any tax unchanged by this article be imposed upon any person engaged in a business or on any privilege unless the tax is imposed in like manner and at the same rate upon all persons engaged in businesses of the same class in the village, whether privately or municipally owned or operated, or exercising the same privilege in the village, be subject to taxation under the provisions of this article for such transactions as are or may become subject to taxation under the provisions of the Municipal Retailers' Occupation Tax Act, 65 ILCS 5/8-11-1.

(Code 1981, § 15-3-3; Ord. No. 677, 3-16-1999)

Sec. 32-26. Tax is in addition to other municipal taxes.

The tax under this article shall be in addition to the payment of money or value of products or services furnished to the village by the taxpayer as compensation for the use of its streets, alleys, or other public places; or installation and maintenance therein, thereon or thereunder of poles, wires, pipes or other equipment used in the operation of the taxpayer's business.

(Code 1981, § 15-3-4; Ord. No. 677, 3-16-1999)

Sec. 32-27. Collection.

(a) The tax authorized by this article shall be collected from the purchaser by the person maintaining a place of business in the state who delivers the electricity to the purchaser. This tax shall constitute a debt of the purchaser to the person who delivers the electricity to the purchaser and, if unpaid, is recoverable in the same manner as the original charge for delivering the electricity. Any tax required to be collected pursuant to this article and any such tax collected by a person delivering electricity shall constitute a debt owed to the village by such person delivering such electricity.

(b) 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 also be authorized to add to such gross charge an amount equal to three percent of the tax to reimburse the person delivering electricity for the expense incurred in keeping records, billing customers, preparing and filing returns, remitting the tax and supplying data to the village upon request.

(c) 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 village in the manner prescribed by the village. Persons delivering electricity who file returns pursuant to this section shall, at the time of filing such return, pay the village the amount of the tax collected pursuant to this article.
(Code 1981, § 15-3-5; Ord. No. 677, 3-16-1999)

Sec. 32-28. Taxpayer's report.

(a) On or before the last day of each month commencing April 1, 1999, each taxpayer shall make a return to the clerk for the preceding month, stating his or her name and principal place of business, the gross receipts or kilowatt-hour usage during that month upon the basis of which the tax is imposed, the amount of tax, and such other reasonable and related information as the corporate authorities may require.

(b) The taxpayer making the return herein provided for shall, at the time of making such return, pay to the clerk the amount of tax herein imposed, provided that, in connection with any return, the taxpayer may, if he or she so elects, report and pay an amount based upon his or her total billings of business subject to the tax during the period for which the return is made (exclusive of any amount previously billed) with prompt adjustments of later payments based upon any differences between such billings and the taxable gross receipts.
(Code 1981, § 15-3-6; Ord. No. 677, 3-16-1999)

Sec. 32-29. Overpayment.

If it shall appear that an amount of tax has been paid which was not due under the provisions of this article, 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 article from the taxpayer who made the erroneous payment, provided that no amounts erroneously paid more than three years prior to the filing of a claim therefor shall be so credited.
(Code 1981, § 15-3-7; Ord. No. 677, 3-16-1999)

Sec. 32-30. Action to recover taxes due.

No action to recover any amount of tax due under the provisions of this article shall be commenced more than three years after the due date of such amount.
(Code 1981, § 15-3-8; Ord. No. 677, 3-16-1999)

Sec. 32-31. Penalty for violation.

Any taxpayer who fails to make a return, or who makes a fraudulent return, or who willfully violates any other provision of this article is guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than $100.00 nor more than $200.00 and in addition shall be liable in a civil action for the amount of tax due.
(Code 1981, § 15-3-9; Ord. No. 677, 3-16-1999)

Sec. 32-32. Effective date.

The tax provided for in this article shall be based on the gross receipts actually paid to the taxpayer for services billed on or after April 1, 1999.
(Code 1981, § 15-3-10; Ord. No. 677, 3-16-1999)

Secs. 32-33—32-52. Reserved.

ARTICLE III. TELECOMMUNICATIONS TAX

Sec. 32-53. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Amount paid means the amount charged to the taxpayer's service address in the village regardless of where such amount is billed or paid.

Department means the state department of revenue.

Gross charge means the amount paid for the act or privilege of originating or receiving telecommunications in the village and for all services and equipment provided in connection therewith by a retailer, valued in money whether paid in money or otherwise, including cash, credits, services and property of every kind or nature, and shall be determined without any deduction on account of the cost of such telecommunications, the cost of the materials used, labor or service costs or any other expense whatsoever. In case credit is extended, the amount thereof shall be included only as and when paid. The term "gross charges" for private line service shall include charges imposed at each channel point within the village, charges for the channel mileage between each channel point within the village, and charges for that portion of the interstate interoffice channel provided within the state. However, the term "gross charge" shall not include:

(1) Any amounts added to a purchaser's bill because of a charge made pursuant to the tax imposed by this article, the tax imposed by the Telecommunications Excise Tax Act, the tax imposed by section 4251 of the Internal Revenue Code, 911 surcharges, or charges added to customers' bills pursuant to the provisions of 220 ILCS 5/9-221 or 220 ILCS 5/9-222 of or any similar charges added to customers' bills by retailers

who are not subject to rate regulation by the state commerce commission for the purpose of recovering any of the tax liabilities or other amounts specified in those provisions of the Public Utilities Act;

(2) Charges for a sent collect telecommunication received outside of such village;

(3) Charges for leased time on equipment or charges for the storage of data or information for subsequent retrieval or the processing of data or information intended to change its form or content; such equipment includes, but is not limited to, the use of calculators, computers, data processing equipment, tabulating equipment or accounting equipment and also includes the usage of computers under a time sharing agreement;

(4) Charges for customer equipment, including such equipment that is leased or rented by the customer from any source, wherein such charges are disaggregated and separately identified from other charges;

(5) Charges to business enterprises certified as exempt under 220 ILCS 5/9-222.1 to the extent of such exemption and during the period of time specified by the department of commerce and community affairs;

(6) Charges for telecommunications and all services and equipment provided in connection therewith between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries when the tax imposed under this article has already been paid to a retailer and only to the extent that the charges between the parent corporation and wholly owned subsidiaries or between wholly owned subsidiaries represent expense allocation between the corporations and not the generation of profit for the corporation rendering such service;

(7) Bad debts (debts that are related to a sale at retail for which gross charges are not otherwise deductible or excludable that has become worthless or uncollectible, as determined under applicable federal income tax standards; if the portion of the debt deemed to be bad is subsequently paid, the retailer shall report and pay the tax on that portion during the reporting period in which the payment is made);

(8) Charges paid by inserting coins in coin-operated telecommunications devices; or

(9) Amounts paid by telecommunications retailers under the Telecommunications Infrastructure Maintenance Fee Act, 35 ILCS 635/1 et seq.

Interstate telecommunications means telecommunications that either originate or terminate outside the state.

Intrastate telecommunications means telecommunications that originate and terminate within the state.

Person means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, or a receiver, trustee, guardian, or other representative appointed by order of any court, the federal and state governments, including state universities created by statute, or any city, town, county, or other political subdivision of the state.

Prepaid telephone calling arrangements has the meaning provided in 35 ILCS 110/3-27.

Private line means a dedicated nontraffic sensitive service for a single customer, that entitles the customer to exclusive or priority use of a communications channel or group of channels, from one or more specified locations to one or more other specified locations.

Purchase at retail means the acquisition, consumption or use of telecommunications through a sale at retail.

Retailer means and includes every person engaged in the business of making sales at retail as defined in this section. The department may, in its discretion, upon application, authorize the collection of the tax imposed by any retailer not maintaining a place of business within the state, who, to the satisfaction of the department, furnishes adequate security to ensure collection and payment of the tax. Such retailer shall be issued, without charge, a permit to collect such tax. When so authorized, it shall be the duty of such retailer to collect the tax upon all of the gross charges for telecommunications in the state in the same manner and subject to the same requirements as a retailer maintaining a place of business within the state. The permit may be revoked by the department at its discretion.

Retailer maintaining a place of business in the state (or any like term) means and includes any retailer having or maintaining within the state, directly or by a subsidiary, an office, distribution facilities, transmission facilities, sales office, warehouse or other place of business, or any agent or other representative operating within the state under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in the state.

Sale at retail means the transmitting, supplying or furnishing of telecommunications and all services and equipment provided in connection therewith for a consideration to persons other than the federal and state governments, and state universities created by statute and other than between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries for their use or consumption and not for resale.

Service address means the location of telecommunications equipment from which telecommunications services are originated or at which telecommunications services are received by a taxpayer. In the event this may not be a defined location, as in the case of mobile phones, paging systems, and maritime systems, the term "service address" means the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act. For air-to-ground systems and the like, the term "service address" shall mean the location of a taxpayer's primary use of the telecommunications equipment as defined by telephone number, authorization code, or location in the state where bills are sent.

Taxpayer means a person who individually or through his or her agents, employees, or permittees engages in the act or privilege of originating or receiving telecommunications in a village and who incurs a tax liability as authorized by this article.

Telecommunications, in addition to the meaning ordinarily and popularly ascribed to it, includes, without limitation, messages or information transmitted through use of local, toll, and wide area telephone service, private line services, channel services, telegraph services, teletypewriter, computer exchange services, cellular mobile telecommunications service, specialized mobile radio, stationary two-way radio, paging service, or any other form of mobile and portable one-way or two-way communications, or any other transmission of messages or information by electronic or similar means, between or among points by wire, cable, fiber optics, laser, microwave, radio, satellite, or similar facilities. The term "telecommunications" shall not include:

(1) Value-added services in which computer processing applications are used to act on the form, content, code, and protocol of the information for purposes other than transmission.

(2) Purchases of telecommunications by a telecommunications service provider for use as a component part of the service provided by such provider to the ultimate retail consumer who originates or terminates the taxable end-to-end communications.

(3) Carrier access charges, right of access charges, charges for use of intercompany facilities, and all telecommunications resold in the subsequent provision of, used as a component of, or integrated into, end-to-end telecommunications service.

(4) Prepaid telephone calling arrangements.

(Code 1981, § 15-4-1; Ord. No. 711, 9-26-2002)

Sec. 32-54. Tax imposed.

(a) A tax is imposed on the act or privilege of originating in the village or receiving in the village intrastate telecommunications by a person at a rate of six percent of the gross charge for such telecommunications purchased at retail from a retailer.

(b) A tax is imposed on the act or privilege of originating in the village or receiving in the village interstate telecommunications by a person at a rate of six percent of the gross charge for such telecommunications purchased at retail from a retailer. To prevent actual multistate taxation of the act or privilege that is subject to taxation under this subsection, any taxpayer, upon proof that the taxpayer has paid a tax in another state on such event, shall be allowed a credit against any tax enacted pursuant to or authorized by this section to the extent of the amount of such tax properly due and paid in such other state which was not previously allowed as a credit against any other state or local tax in the state.

(c) The tax imposed by this article is not imposed on such act or privilege to the extent such act or privilege may not, under the Constitution and statutes of the United States, be made the subject of taxation by the village.

(Code 1981, § 15-4-2; Ord. No. 711, 9-26-2002)

Sec. 32-55. Collection of tax by retailers.

(a) The tax authorized by this article shall be collected from the taxpayer by a retailer maintaining a place of business in the state and shall be remitted by such retailer to the department. Any tax required to be collected pursuant to or as authorized by this article and any such tax collected by such retailer and required to be remitted to the department shall constitute a debt owed by the retailer to the state.

(b) Retailers shall collect the tax from the taxpayer by adding the tax to the gross charge for the act or privilege of originating or receiving telecommunications when sold for use, in the manner prescribed by the department.

(c) The tax authorized by this article shall constitute a debt of the taxpayer to the retailer until paid and, if unpaid, is recoverable at law in the same manner as the original charge for such sale at retail.

(d) If the retailer fails to collect the tax from the taxpayer, then the taxpayer shall be required to pay the tax directly to the department in the manner provided by the department.

(e) When possible, the tax authorized by this article shall, when collected, be stated as a distinct item separate and apart from the gross charge for telecommunications.
(Code 1981, § 15-4-3; Ord. No. 711, 9-26-2002)

Sec. 32-56. Returns to department.

On or before the last day of February 2003, and on or before the last day of every month thereafter, the tax imposed under this article on telecommunications retailers shall be returned with appropriate forms and information as required by the department pursuant to the Simplified Municipal Telecommunications Tax Act, 35 ILCS 636/5-1 et seq., and any accompanying rules and regulations created by the department to implement the Act.
(Code 1981, § 15-4-4; Ord. No. 711, 9-26-2002)

Sec. 32-57. Resellers.

(a) If a person who originates or receives telecommunications claims to be a reseller of such telecommunications, such person shall apply to the department for a resale number. Such applicant shall state facts which will show the department why such applicant is not liable for the tax authorized by this article on any of such purchases and shall furnish such additional information as the department may reasonably require.

(b) Upon approval of the application, the department shall assign a resale number to the applicant and shall certify such number to the applicant. The department may cancel any number which is obtained through misrepresentation, or which is used to send or receive such telecommunication tax free when such actions in fact are not for resale, or which no longer applies because of the person's having discontinued the making of resales.

(c) Except as provided hereinabove in this section, the act or privilege of originating or receiving telecommunications in the state shall not be made tax-free on the grounds of being a sale for resale unless the person has an active resale number from the department and furnishes that number to the retailer in connection with certifying to the retailer that any sale to such person is nontaxable because of being a sale for resale.
(Code 1981, § 15-4-5; Ord. No. 711, 9-26-2002)

Secs. 32-58—32-87. Reserved.

ARTICLE IV. INTERESTED PARTIES REGISTRY

Sec. 32-88. Authorized.

The clerk, or his or her designee, is hereby authorized and directed to create an interested parties registry in accordance with section 11-74.4-4.2 of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., for each redevelopment project area created under the Act and not terminated by the village, whether now existing or created after the date of the adoption of the ordinance from which this article is derived.
(Ord. No. 888, § 2, 4-16-2024)

Sec. 32-89. Redevelopment project interested party registry.

Pursuant to section 11-74.4-4.2 of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., the village has established an interested parties registry for each redevelopment project area in the village now existing or created after April 16, 2024. Registration rules (Exhibit A to the ordinance from which this article is derived) are on file in the office of the village clerk.
(Ord. No. 888, § 3, 4-16-2024)