

ORDINANCE NO. 8990-126

AN ORDINANCE  
AMENDING CHAPTER 22 OF THE CODE OF ORDINANCES,  
CITY OF URBANA, ILLINOIS, TO ESTABLISH A HOME  
RULE MUNICIPAL RETAILERS' AND SERVICE OCCUPATION TAX

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF  
URBANA, ILLINOIS, as follows:

Section 1. That Chapter 22, entitled "Taxation", of the Code of Ordinances, City of Urbana, Illinois (the "Code") be and the same is hereby amended to establish a Home Rule Municipal Retailers' Occupation Tax and a Home Rule Municipal Service Occupation Tax pursuant to the Home Rule Municipal Retailers' Occupation Tax Act and the Home Rule Service Occupation Tax Act, respectively, Sections 8-11-1 and 8-11-5 of the Illinois Municipal Code, as amended, such provisions establishing such home rule taxes to be codified and contained in a new Article I, to be entitled "Home Rule Municipal Retailers' and Service Occupation Tax" to provide as follows:

ARTICLE I. HOME RULE MUNICIPAL  
RETAILERS' AND SERVICE OCCUPATION TAX

**Sec. 22-1. Imposition.**

A tax is hereby imposed upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of the government of the State of Illinois, at retail in this City at the rate of one percent (1%) of the gross receipts from such sales made in the course of such business (the "Home Rule Municipal Retailers' Occupation Tax"); and a tax is hereby imposed upon all persons engaged in the business of making sales of service in this City at the rate of one percent (1%) of the selling price of all tangible personal property transferred by such serviceman as an incident to a sale of service (the "Home Rule Municipal Service Occupation Tax"). Such Home Rule Municipal Retailers' Occupation Tax and such Home Rule Municipal Service Occupation Tax shall not be applicable to the sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption), prescription and non-prescription medicines, drugs, medical appliances and insulin, and urine testing materials, syringes and needles used by diabetics. The imposition of such home rule taxes are in accordance with the provisions of Sections 8-11-1 and 8-11-5, respectively, of the Illinois Municipal Code (Illinois Revised Statutes, ch. 24, pars. 8-11-1 and 8-11-5), as amended.

**Sec. 22-2. Collection and Enforcement.**

The taxes hereby imposed by this Article, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Department of Revenue of the State of Illinois. Such Department of Revenue shall have full power to administer and enforce the provisions of this Article.

Section 2. That the City Clerk is hereby directed to file a certified copy of this Ordinance with the Department of Revenue of the State of Illinois on or before the first day of June, 1990, and to print or publish this Ordinance in book or pamphlet form.

Section 3. That this Ordinance shall take effect on the first day of September next following its adoption, publication in accordance with the terms of Section 1-2-4 of the Illinois Municipal Code and the filing of this Ordinance with such Department of Revenue, and Article II, entitled "Municipal Retailers' Occupation Tax", Article III, entitled "Municipal Service Occupation Tax", and Article VIII, entitled "Tax Upon the Purchase at Retail of Tangible Personal Property", of Chapter 22 of the Code are hereby repealed from and after such date; provided, however, that neither the adoption of this amendment nor such repeal hereby of Articles II, III and VIII of Chapter 22 of the Code shall in any manner affect the prosecution for any violation of any such Article, which violations were committed prior to the effective date hereof, nor be construed as a waiver of any tax, penalty or interest thereon at the effective date due and unpaid under any such Article, nor be construed as affecting any of the provisions of any such Article relating to the collection of any such tax, interest or the penalty provisions applicable to any violation thereof, and all rights and obligations thereof appertaining shall continue in full force and effect.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the City Council of the City of Urbana, Illinois, at a regular meeting of said City Council.

PASSED by the City Council this 21st day of May, 1990.

  
Ruth S. Brookens  
Ruth S. Brookens, City Clerk

APPROVED by the Mayor this 25th day of May, 1990.

Jeffrey T. Markland  
Jeffrey T. Markland, Mayor

CERTIFICATE OF PUBLICATION

I, RUTH S. BROOKENS, City Clerk, City of Urbana, Illinois, do herewith certify that I caused the above Ordinance to be duly printed or published in book or pamphlet form on the ~~29th~~ day of May, 1990, by authority of the corporate authorities of the City of Urbana, Illinois.

Ruth S. Brookens  
Ruth S. Brookens, City Clerk





# Illinois Department of Revenue

Roger D. Sweet, Director  
101 W. Jefferson Street  
Springfield, Illinois 62794

May 9, 1990

Mr. Jeffrey T. Markland, Mayor  
City of Urbana  
Box 219, 400 South Vine Street  
Urbana, IL 61801

Dear Mayor:

As you know, under sales tax reform the Illinois Department of Revenue takes over the responsibility for collecting local sales taxes for home rule units on September 1, 1990. However, you must first file an ordinance with us by June 1, 1990 authorizing us to collect this tax for you. Our records show that we have not received such an ordinance from you.

Please know that it is extremely important that we receive such an ordinance, since the changes in the law mean that Urbana will not be able to collect its home rule sales tax for liability incurred on or after September 1, 1990.

A letter was sent to your municipal clerk in January 1990 outlining the requirements and giving sample ordinances. For your convenience, additional copies of sample ordinances are enclosed. A copy of this reminder is also being sent to your finance officer.

Under Sales Tax Reform, the following applies:

- o The home rule sales tax will be collected by the Illinois Department of Revenue. Collections will begin effective with September 1990 tax liabilities, which are due to us no later than October 31, 1990. These taxes will be distributed to home rule governments in December 1990.
- o The tax must be imposed by the home rule government in increments of 1/4%. There is no maximum rate limit.
- o Caps or ceilings may not be imposed on purchase prices.
- o Home rule Retailers' Occupation Tax may not be imposed on vehicles. Home rule Use Tax may be imposed on vehicles; however, this tax must be collected by the home rule unit. It will not be collected by the Department.
- o Home rule units may not impose the tax on sales of:
  - farm machinery and equipment
  - manufacturing machinery and equipment
  - graphic arts equipment
  - coal exploration equipment
  - oil field equipment
- o Home rule units which file ordinances with the Department by June 1, 1990 will continue to be responsible for collecting their own taxes for liability incurred prior to September 1, 1990.

If you have any questions or need assistance, you can call us at (217) 785-6518.

Completed ordinances should be sent to:  
Illinois Department of Revenue  
Local Tax Allocation Division  
ATTN: Diane Watson  
101 West Jefferson Street, Level 2 NW  
Springfield, IL 62794

Thank you for your attention to this matter.

Sincerely,

Roger D. Sweet,  
Director

cc: Mr. Ronald Eldridge, Comptroller  
City of Urbana  
Box 219, 400 South Vine Street  
Urbana, IL 61801

nis will confirm that the following taxes may be imposed and collected by a home rule unit even after September 1, 1990:

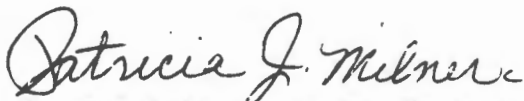
- Utilities
- Hotel/Motel
- Real Estate Transfers
- Restaurants
- Alcohol
- Cigarettes
- Use Tax On Automobiles

If you have questions or need assistance, you may telephone us at (217) 785-6518. We will make every effort to assist you. Your completed ordinance should be returned to:

Illinois Department of Revenue  
Local Tax Allocation Division  
ATTN: Diane Watson  
101 West Jefferson St., Level 2 N.W.  
Springfield, Illinois 62794

Very truly yours,

ROGER D. SWEET  
Director of Revenue



By: Patricia J. Milner, Manager  
Local Tax Allocation Division

RDS:PJM:cjs 375/2-3  
Attachments

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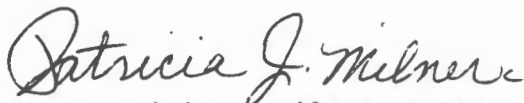
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Local Tax Allocation Division  
ATTN: Diane Watson  
101 West Jefferson St., Level 2 N.W.  
Springfield, Illinois 62794

Very truly yours,

ROGER D. SWEET  
Director of Revenue



By: Patricia J. Milner, Manager  
Local Tax Allocation Division

RDS:PJM:cjs 375/2-3  
Attachments

Home Rule Municipal and Service Occupation Tax

Section 1. A tax is hereby imposed upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in this municipality at the rate of (1/4% increments) of the gross receipts from such sales made in the course of such business while this ordinance is in effect; and a tax is hereby imposed upon all persons engaged in this municipality in the business of making sales of service, at the rate of (1/4% increments) of the selling price of all tangible personal property transferred by such serviceman as an incident to a sale of service.

The imposition of these home rule taxes are in accordance with the provisions of Section 8-11-1 and 8-11-5, respectively, of the "Illinois Municipal Code" (Ch. 24, pars. 8-11-1 and 8-11-5, of Ill. Rev. Stat., as amended).

Section 2. The taxes hereby imposed, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Department of Revenue of the State of Illinois. The Department of Revenue shall have full power to administer and enforce the provisions of this ordinance.

Section 3. The Municipal Clerk is hereby directed to file a certified copy of this ordinance on or before the first day of June.

Section 4. This ordinance shall take effect on the first day of September next following the adoption and filing of this ordinance with the Department of Revenue.

- NOTES: 1) The Municipal Retailers' Occupation Tax and Municipal Service Occupation Tax must be imposed at the same rate of tax.
- 2) Prior to September 1, 1991, such "Home Rule Municipal Retailers' Occupational Tax" and the "Home Rule Municipal Service Occupation Tax" shall be applicable on the sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics, unless the ordinance contains a provision specifically exempting such items.

Home Rule Municipal and Service Occupation Tax  
Exempting Certain Food and Drugs

Section 1. A tax is hereby imposed upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in this municipality at the rate of (1/4% increments) of the gross receipts from such sales made in the course of such business while this ordinance is in effect; and a tax is hereby imposed upon all persons engaged in this municipality in the business of making sales of service, at the rate of (1/4% increments) of the selling price of all tangible personal property transferred by such serviceman as an incident to a sale of service. Such "Home Rule Municipal Retailers' Occupational Tax" and the "Home Rule Municipal Service Occupation Tax" shall not be applicable on the sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics.

The imposition of these home rule taxes are in accordance with the provisions of Section 8-11-1 and 8-11-5, respectively, of the "Illinois Municipal Code" (Ch. 24, pars. 8-11-1 and 8-11-5, of Ill. Rev. Stat., as amended).

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NOTES: 1. The Municipal Retailers' Occupation Tax and Municipal Service Occupation Tax must be imposed at the same rate of tax.