



Local Governments’ Guide to Tax Allocations

Special County Retailers’ Occupation Tax for Public Safety or Transportation

What is the Special County Retailers’ Occupation Tax for Public Safety or Transportation?

The corporate authorities of a county may impose a tax upon all persons engaged in the business of selling tangible personal property at retail in that county. This tax is referred to as the Special County Retailers’ Occupation Tax For Public Safety or Transportation. The Illinois Department of Revenue is responsible for administering this tax.

Note: When a county imposes a Special County Retailers’ Occupation Tax for Public Safety or Transportation it must also impose a Special County Service Occupation Tax for Public Safety or Transportation.

Are there kinds of sales that are *not* subject to this tax and that will *not* generate additional revenue?

Yes, county public safety or transportation tax does not apply to the sales of

- tangible personal property that is titled or registered with an agency of this state’s government, (e.g., cars, trucks, boats, motorcycle, trailers, snowmobiles, aircraft), and
- food for human consumption that 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.

Do any restrictions exist on how counties can use the collections from this tax?

The revenue generated is to be used exclusively for public safety or transportation purposes in that county. “Public safety” includes, but is not limited to, crime prevention, detention, fire fighting, police, medical, ambulance, or other emergency services. “Transportation” includes, but is not limited to, the construction, maintenance, operation, and improvement of public highways, any other purpose for which a county may expend funds under the Illinois Highway Code, and passenger rail transportation. You may wish to discuss the use of these funds with your corporate council.

Is voter approval required before implementation?

Yes, the corporate authorities of the county must have voter approval in order to establish a Special County Retailers’ Occupation Tax for Public Safety or Transportation.

What steps must be taken to establish this tax?

The corporate authorities of the county may submit, by resolution, the question of whether the county shall impose this tax. The county clerk must certify the question to the proper election authority, who submits the proposition at an election in accordance with the general election law. If a majority of the electors voting on the proposition vote in favor of it, the county may impose the tax.

If the tax is for transportation purposes, the county board must also publish certain related transportation plan documents prior to approval of the ordinance or resolution imposing the tax.

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What tax rate can be imposed?	County Public Safety or Transportation Tax must be imposed in $\frac{1}{4}$ percent increments. There is no rate limit.
What action is required after voter approval?	The county must <ul style="list-style-type: none">• file certified election results with the Illinois Department of Revenue,• adopt a proper ordinance to impose the tax, and• file a certified copy of the ordinance that imposes the tax with the Illinois Department of Revenue.
Can this tax be discontinued or changed?	Yes, the county board may, by ordinance, discontinue or lower the rate of the tax. Note: If the county board discontinues or lowers the rate of tax, a referendum must be held in order to increase the rate of tax or reimpose the discontinued tax
What is the deadline for filing an ordinance?	If the county has filed a certified copy of a proper ordinance with the department on or before <ul style="list-style-type: none">• May 1, the tax rate will take effect July 1 of the same year• October 1, the tax rate will take effect January 1 of the following year.
When will the county receive its first tax collection?	For taxes imposed effective January 1, the first disbursement will be made to the local governments during the following April. For taxes imposed effective July 1, the first disbursement will be made to the local governments during the following October.
Is there other general information I should know?	Special County Retailers' Occupation Tax for Public Safety or Transportation will be disbursed separate from other taxes authorized for disbursement by IDOR. You will receive your disbursement in the same fashion you have chosen for your county sales tax disbursement. Taxpayers are allowed to take a 1.75 percent discount for timely filing and payment of these taxes. Any allowable discount that is taken is reflected in the local government distributions that are made.
Statutory reference	Special County Occupation Tax for Public Safety or Transportation Law, 55 ILCS 5/5-1006.5