



## Local Governments’ Guide to Tax Allocations

# County School Facility Occupation Tax

### What is the County School Facility Occupation Tax?

There may be imposed in each county, except Cook County, a tax upon all persons engaged in the business of selling tangible personal property at retail (Retailers’ Occupation Tax) and upon all persons engaged in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property in that county (Service Occupation Tax). This tax is referred to as the County School Facility Occupation Tax. The Illinois Department of Revenue (IDOR) is responsible for administering this tax.

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

Yes, the County School Facility Tax does not apply to the following:

- sales of items that must be titled or registered by an agency of Illinois state government (reported on Form ST-556 Sales Tax Transaction Return or Form ST-556-LSE, Transaction Return for Leases), or
- sales of qualifying food, drugs, and medical appliances\* (reported on Line 5a of Form ST-1 and Form ST-2).

**Note:** Certain candy (even though it may be consumed off the premises where it is sold) as well as grooming and hygiene products (even if they may be considered “medicines”) are subject to the County School Facility Occupation Tax. See 86 Ill. Admin. Code 130.310 for additional information.

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

The revenue generated is to be used exclusively for “school facility purposes” in that county as defined in the County School Facility Occupation Tax Law.

### Is voter approval required before implementation?

Yes. In order to be imposed, the County School Facility Occupation Tax must have voter approval.

### What steps must be taken to establish this tax?

Upon a resolution by school district boards that represent more than 50 percent of the student enrollment within the county, the Regional Superintendent of Schools must certify the question of whether the tax shall be imposed in the county 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 tax shall be imposed.

### What tax rate can be imposed?

The County School Facility Occupation Tax may be imposed in  $\frac{1}{4}$  percent increments and may not exceed 1 percent.

### What action is required after voter approval?

The County Clerk or Regional Superintendent of Schools must file certified election results with the Local Tax Allocation Division (LTAD) at IDOR. The filing must include an abstract of votes and a copy of the exact language of the ballot

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question proposed to the voters. This documentation must either be submitted by mail or through a confidential MyLocalTax account using the “Submit Certified Copy of Ordinance or Resolution” function.

### **What is the deadline for filing certified election results?**

The County Clerk or Regional Superintendent of Schools must file the certified election results, along with a copy of the exact language of the ballot question proposed to the voters, with LTAD on or before:

- May 1, for the tax to take effect July 1 of the same year, or
- October 1, for the tax to take effect January 1 of the following year.

### **Can this tax be discontinued or changed?**

Yes. The requirements for discontinuing or changing the rate of tax depend on whether the tax was initially imposed before August 23, 2011. Please consult the County School Facility Occupation Tax Law for more information.

### **How are the taxes distributed?**

Tax disbursements will be made to the Regional Superintendent of Schools. Within 30 days after receiving the disbursements, the Regional Superintendent of Schools must disburse the proceeds to each school district in the county, based upon the number of each school district’s resident pupils that reside within the county collecting the tax, divided by the total number of resident students within the county. For tax imposed effective:

- January 1, the first disbursement will be made during the following April, or
- July 1, the first disbursement will be made during the following October.

### **Is there other general information I should know?**

County School Facility Occupation Tax is disbursed separately from other taxes authorized for disbursement by the Illinois Department of Revenue.

Taxpayers are allowed to take a discount for timely filing and payment of these taxes. Any allowable discount that is taken is reflected in the distributions that are made to the Regional Superintendents of Schools.

An administration fee is retained by IDOR and the Regional Superintendents of Schools.

### **How do you contact us?**

You may contact LTAD electronically through your MyLocalTax account, or by using the contact information below.

**LOCAL TAX ALLOCATION DIVISION  
ILLINOIS DEPARTMENT OF REVENUE MC 3-500  
101 WEST JEFFERSON STREET  
SPRINGFIELD IL 62702**

217 785-6518  
217 785-6527 (Fax)  
rev.localtax@illinois.gov

### **Statutory reference**

[55 ILCS 5/5-1006.7](#)