



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 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 sale of:

- tangible personal property that is titled or registered with an agency of this state’s government, (*e.g.*, cars, trucks, boats, motorcycles, trailers, snowmobiles, aircraft), or
- 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 “school facility purposes” in that county as defined in the statute.

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.

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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 must file certified election results with the Illinois Department of Revenue. The filing must include an abstract of votes and a copy of the exact language of the ballot question proposed to the voters.
What is the deadline for filing certified election results?	If the county clerk files the certified election results with the Department on or before: <ul style="list-style-type: none">• May 1, the tax will take effect July 1 of the same year, or• October 1, the tax will 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?	For taxes imposed effective January 1, the first monthly disbursement will be made to the Regional Superintendent of Schools during the following April. For taxes imposed effective July 1, the first monthly disbursement will be made to the Regional Superintendent of Schools during the following October. 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.
Is there other general information I should know?	<ul style="list-style-type: none">• County School Facility Occupation Tax will be disbursed separately from other taxes authorized for disbursement by the Illinois Department of Revenue.• 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 distributions that are made to the Regional Superintendents of Schools.• A two percent administration fee is retained by the Illinois Department of Revenue.
Statutory reference	County School Facility Occupation Tax Law 55 ILCS 5/5-1006.7