

**VILLAGE OF OSWEGO**  
**KENDALL AND WILL COUNTY, ILLINOIS**

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**ORDINANCE NO. 17 - 49**

**AN ORDINANCE ADDING TITLE 3 CHAPTER 35 TO THE CODE OF ORDINANCES FOR  
THE VILLAGE OF OSWEGO, KENDALL AND WILL COUNTIES, ILLINOIS**

**(Locally Imposed and Administered Tax Rights and Responsibility)**

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**PASSED BY THE VILLAGE BOARD  
OF THE VILLAGE OF OSWEGO**

**This 5th day of September 2017**

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Published in pamphlet form by authority of the President and Board of Trustees  
of the Village of Oswego on September 6, 2017.

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**WHEREAS**, the Village of Oswego ("Village") has a population of more than 25,000 and is therefore a "Home Rule Unit" under the 1970 Illinois Constitution; and

**WHEREAS**, the Illinois Constitution of 1970 provides that a Home Rule Unit may exercise any power and perform any function pertaining to its government and affairs, including but not limited to the power to regulate for the protection of the public health, safety, morals and welfare; to license, to tax; and to incur debt; and

**WHEREAS**, the Village has in full force and effect a codified set of those ordinances of the Village which are of a general and permanent nature, which said codified set is known and designated as the Village Code of the Village of Oswego, as amended; and

**WHEREAS**, the Village Board finds it necessary and proper to amend said Code as follows, which this Board finds is in the best interests of the Village of Oswego.

**NOW, THEREFORE, BE IT ORDAINED BY THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF OSWEGO, KENDALL AND WILL COUNTIES, ILLINOIS IN THE EXERCISE OF THEIR HOME RULE, STATUTORY AND OTHER POWERS**, as follows:

**Section 1:** That provisions of Sections 3-35-1 through 3-35-16 of the Village Code are hereby added substantially in the form attached as Exhibit "A".

**Section 2: SEVERABILITY.**

This ordinance and every provision thereof shall be considered severable. If any section, paragraph, subdivision, clause, sentence or provision of this Ordinance shall be adjudged by any Court of competent jurisdiction to be invalid, such judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

**Section 3: REPEALER.**

All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

**Section 4: EFFECTIVE DATE.**

This Ordinance shall be in full force and effect immediately upon its passage, approval and Publication in pamphlet form which is hereby authorized, as provided by law.

**PASSED** by the Board of Trustees of the Village of Oswego, Kendall and Will Counties, Illinois this 5<sup>th</sup> day of September, 2017.

RYAN KAUFFMAN	<u>AYE</u>	LUIS PEREZ	<u>AYE</u>
KARIN MCCARTHY-LANGE	<u>AYE</u>	JUDY SOLLINGER	<u>AYE</u>
PAM PARR	<u>AYE</u>	JOE WEST	<u>AYE</u>

**APPROVED** by me, Gail E. Johnson, as Village President of Board of Trustees of the Village of Oswego, Kendall and Will Counties, Illinois this 5<sup>th</sup> day of September 2017.

  
GAIL E. JOHNSON, VILLAGE PRESIDENT

  
TINA TOUCHETTE, VILLAGE CLERK

STATE OF ILLINOIS        )  
  )  
COUNTIES OF KENDALL    )  
AND WILL

SS

**CLERK'S CERTIFICATE**  
**(ORDINANCE)**

I, Tina Touchette, the duly qualified and acting Village Clerk of the Village of Oswego, Kendall and Will County, Illinois, do hereby certify that I am the keeper of its books and records and that the attached hereto is a true and correct copy of an Ordinance entitled:

**AN ORDINANCE ADDING TITLE 3 CHAPTER 35 TO THE CODE OF ORDINANCES FOR THE VILLAGE OF OSWEGO, KENDALL AND WILL COUNTIES, ILLINOIS**

**(Locally Imposed and Administered Tax Rights and Responsibility)**

which Ordinance was duly adopted by said Board of Trustees at a regular meeting held on the 5<sup>th</sup> day of September 2017, approved by the Village President on the 5<sup>th</sup> day of September 2017 and thereafter published in pamphlet form.

I do further certify, in my official capacity, that a quorum of said Board of Trustees was present at said meeting and that the Board complied with all requirements of the Illinois Open Meetings Act.

IN WITNESS WHEREOF, I have hereunto set my hand this 6<sup>th</sup> day of September, 2017.



*Tina Touchette*  
\_\_\_\_\_  
Tina Touchette, Village Clerk  
Village of Oswego

## TITLE 3 CHAPTER 35

### LOCALLY IMPOSED AND ADMINISTERED TAX RIGHTS AND RESPONSIBILITY

This ordinance shall be known as, and may be cited as, the "Locally Imposed and Administered Tax Rights and Responsibility Ordinance." The provisions of this chapter shall apply to the village's procedures in connection with all of the village's locally imposed and administered taxes.

#### 3-35-1 DEFINITIONS

#### 3-35-2 NOTICES

#### 3-35-3 LATE PAYMENT

#### 3-35-4 PAYMENT

#### 3-35-5 CERTAIN CREDIT AND REFUNDS

#### 3-35-6 AUDIT PROCEDURE

#### 3-35-7 APPEAL

#### 3-35-8 HEARING

#### 3-35-9 INTEREST AND PENALTIES

#### 3-35-10 ABATEMENT

#### 3-35-11 INSTALLMENT CONTRACTS

#### 3-35-12 STATUTE OF LIMITATIONS

#### 3-35-13 VOLUNTARY DISCLOSURE

#### 3-35-14 PUBLICATION OF TAX ORDINANCES

#### 3-35-15 REVIEW PROCEDURES

#### 3-35-16 APPLICATION

#### 3-35-1 DEFINITIONS:

For purposes of this chapter, the following words and phrases shall have the following meanings:

ACT: The "Local Government Taxpayers' Bill of Rights Act."

CORPORATE AUTHORITIES; The Village President and Board of Trustees.

HEARING OFFICER; The Village Administrator or his/her designee.

LOCAL TAX ADMINISTRATOR; The Village Finance Director, charged with the administration and collection of the locally imposed and administered taxes, including staff, employees or agents to the extent they are authorized by the local tax administrator to act in the local tax administrator's stead. The local tax administrator shall have the authority to implement the terms of this subchapter to give full effect to this subchapter. The exercise of such authority by the local tax administrator shall not be inconsistent with this subchapter and the Act.

LOCALLY IMPOSED AND ADMINISTERED TAX or TAX; Each tax imposed by the village that is collected or administered by the village, not an agency or department of the state.

NOTICE; Each audit notice, collection notice or other similar notice or communication in connection with each of the village's locally imposed and administered taxes.

TAX ORDINANCE; Each ordinance adopted by the village that imposes or has imposed any locally imposed and administered tax.

TAXPAYER: Any person required to pay any locally imposed and administered tax and generally includes the person upon whom the legal incidence of such tax is placed and with respect to consumer taxes includes the business or entity required to collect and pay the locally imposed and administered tax to the village.

VILLAGE: The Village Oswego, Illinois.

**3-35-2 NOTICES;**

(A) Unless otherwise provided, whenever notice is required to be given, the notice is to be in writing, mailed not less than seven calendar days prior to the day fixed for any applicable hearing, audit or other scheduled act of the local tax administrator.

(B) The notice shall be sent by the local tax administrator as follows:

1. First class or express mail, or overnight mail, addressed to the persons concerned at the persons' last known address, or

2. Personal service or delivery.

**3-35-3 LATE PAYMENT;**

Any notice, payment, remittance or other filing required to be made to the village pursuant to any tax shall be considered late unless it is physically received by the village on or before the due date, or received in an envelope or other container displaying a valid, readable U.S. postmark dated on or before the due date, properly addressed to the village, with adequate postage prepaid.

**3-35-4 PAYMENT;**

Any payment or remittance received for a tax period shall be applied in the following order:

(A) First to the tax due for the applicable period;

(B) Second to the interest due for the applicable period; and

(C) Third to the penalty for the applicable period.

**3-35-5 CERTAIN CREDITS AND REFUNDS;**

(A) The village shall not refund or credit taxes voluntarily paid without written protest at the time of payment in the event that a locally imposed and administered tax is declared invalidly enacted or unconstitutional by a court of competent jurisdiction. However, a taxpayer shall not be deemed to have paid the tax voluntarily if the taxpayer lacked knowledge of the facts upon which to protest the taxes at the time of payment or if the taxpayer paid the taxes under duress.

(B) The statute of limitations on a claim for credit or refund shall be four years after the end of the calendar year in which payment in error was made. The village shall not grant a credit or refund of locally imposed and administered taxes, interest, or penalties to a person who has not paid the amounts directly to the village.

(C) The procedure for claiming a credit or refund of locally imposed and administered taxes, interest, or penalties paid in error shall be as follows:

1. The taxpayer shall submit to the local tax administrator in writing a claim for credit or refund together with a statement specifying:

(a) The name of the locally imposed and administered tax subject to the claim;

(b) The tax period for the locally imposed and administered tax subject to the claim;

(c) The date of the tax payment subject to the claim and the cancelled check or receipt for the payment;

(d) The taxpayer's recalculation, accompanied by an amended or revised tax return, in connection with the claim;

(e) A request for either a refund or a credit in connection with the claim to be applied to the amount of tax, interest and penalties overpaid, and as applicable, related interest on the amount overpaid; provided, however, that there shall be no refund and only a credit given in the event the taxpayer owes any monies to the village.

2. Within ten days of receipt by the local tax administrator of any claim for a refund or credit, the local tax administrator shall either:

(a) Grant the claim; or

(b) Deny the claim, in whole or in part, together with a statement as to the reason for the denial or the partial grant and denial.

3. In the event the local tax administrator grants, in whole or in part, a claim for refund or credit, the amount of the grant for refund or credit shall bear interest at the rate of 4% per annum, based on a year of 365 days and the number of days elapsed, from the date of the overpayment to the date of mailing of a refund check or the grant of a credit.

### **3-35-6 AUDIT PROCEDURE:**

(A) Any request for proposed audit pursuant to any local administered tax shall comply with the notice requirements of this subchapter. Each notice of audit shall contain the following information:

1. The tax;

2. The time period of the audit; and

3. A brief description of the books and records to be made available for the auditor.

4. The notice shall clearly state who will be conducting the audit.

(B) Any audit shall be conducted during normal business hours and if the date and time selected by the local tax administrator is not agreeable to the taxpayer, another date and time may be requested by the taxpayer within 30 days after the originally designated audit and during normal business hours.

(C) The taxpayer may request an extension of time to have an audit conducted. The audit shall be conducted not less than seven days nor more than 30 days from the date the notice is given, unless the taxpayer and the local tax administrator agreed to some other convenient time. In the event the taxpayer is unable to comply with the audit on the date in question, the taxpayer may request another date within 30 days, approved in writing, that is convenient to the taxpayer and the local tax administrator.

(D) Every taxpayer shall keep accurate books and records of the taxpayer's business or activities, including original source documents and books of entry denoting the transactions which had given rise or may have given rise to any tax liability, exemption or deduction. All books shall be kept in the English language and shall be subject to and available for inspection by the village.

(E) It is the duty and responsibility of every taxpayer to make available its books and records for inspection by the village. If the taxpayer or tax collector fails to provide the documents necessary for audit within the time provided, the local tax administrator may issue a tax determination and assessment based on the tax administrator's determination of the best estimate of the taxpayer's tax liability.

(F) If an audit determines that there has been an overpayment of a locally imposed and administered tax as a result of the audit, the written notice of the amount of overpayment shall be given to the taxpayer within 30 days of the village's determination of the amount of overpayment.

(G) If an overpayment is discovered which results from the application of some or all of the taxpayer's tax payment to an incorrect local government, then upon request by a unit of local government, the audit information must be given to any unit of local government that may be affected by an overpayment.

(H) If the audit is conducted by a third-party provider, such third-party provider must be provided with written authorization from the local tax administrator to review the books and records of the taxpayer and no contract with the taxpayer may be made until the written authorization is received by the taxpayer.

(I) Upon request by the taxpayer, the auditor must sign a confidentiality agreement with the taxpayer.

(J) Upon completion of the audit, the local tax administrator must provide an audit closure letter to the taxpayer with the result of the audit.

### **3-35-7 APPEAL:**

(A) The local tax administrator shall send written notice to a taxpayer upon the local tax administrator's issuance of a protestable notice of tax due, a claim denial, or a notice of claim reduction regarding any tax. The notice shall include the following information:

1. The reason for the assessment;
2. The amount of the tax liability proposed;
3. The procedure for appealing the assessment; and
4. The obligation of the village during the audit, appeal, refund and collection process.

(B) A taxpayer who receives written notice from the local tax administrator of a determination of tax due or assessment may file with the local tax administrator a written protest and petition for hearing, setting forth the basis of the taxpayer's request for a hearing. The written protest and petition for hearing must be filed with the local tax administrator within 45 days of receipt of the written notice of the tax determination and assessment.



(C) If a timely written notice and petition for hearing is filed, the local tax administrator shall fix the time and place for hearing and shall give written notice to the taxpayer. The hearing shall be scheduled for a date within 14 days of receipt of the written protest and petition for hearing, unless the taxpayer requests a later date convenient to all parties.

(D) If a written protest and petition for hearing is not filed within the 45 day period, the tax determination, audit or assessment shall become a final bill due and owing without further notice.

(E) Upon showing of reasonable cause by the taxpayer and the full payment of the contested tax liability along with the interest accrued as of the due date of the tax, the local tax administrator may reopen or extend the time for filing a written protest and petition for hearing. In no event shall the time for filing a written protest and petition for hearing be reopened or extended for more than 60 days after the expiration of the 45 day period.

### **3-35-8 HEARING:**

(A) Whenever a taxpayer or a tax collector has filed a timely written protest and petition for hearing, the local tax administrator shall conduct a hearing regarding any appeal. The taxpayer may request that a hearing officer conduct the hearing rather than the local tax administrator.

(B) No continuances shall be granted except in cases where a continuance is absolutely necessary to protect the rights of the taxpayer. Lack of preparation shall not be grounds for a continuance. Any continuance granted shall not exceed 14 days.

(C) At the hearing, the local tax administrator/ hearing officer shall preside and shall hear testimony and accept any evidence relevant to the tax determination, audit or assessment. The strict rules of evidence applicable to judicial proceedings shall not apply.

(D) At the conclusion of the hearing, the local tax administrator/hearing officer shall make a written determination on the basis of the evidence presented at the hearing. The taxpayer or tax collector shall be provided with a copy of the written decision.

### **3-35-9 INTEREST AND PENALTIES:**

In the event a determination has been made that a tax is due and owing, through audit, assessment or other bill sent, the tax must be paid within the time frame otherwise indicated.

(A) Interest. The village hereby provides for the amount of interest to be assessed on a late payment, underpayment, or nonpayment of the tax to be 5% per annum, based on a year of 365 days and the number of days elapsed.

(B) Late filing and payment penalties. If a tax return is not filed within the time and manner provided by the controlling tax ordinance, a late filing penalty of 5% of the amount of tax required to be shown as due on a return shall be imposed; and a late payment penalty of 5% of the tax due shall be imposed. If no return is filed within the time or manner provided by the controlling ordinance and prior to the village issuing a notice of tax delinquency or notice of tax liability, then a failure to file penalty shall be assessed equal to 25% of the total tax due for the applicable reporting period for which the return was required to be filed. A late filing or payment penalty shall not apply if a failure to file penalty is imposed by the controlling ordinance.

### **3-35-10 ABATEMENT:**

The local tax administrator shall have the authority to waive or abate any late filing penalty, late payment penalty or failure to file penalty if the local tax administrator shall determine reasonable cause exists for delay or failure to make a filing.

### **3-35-11 INSTALLMENT CONTRACTS:**

The village may enter into an installment contract with the taxpayer for the payment of taxes under the controlling ordinance. The local tax administrator may not cancel any installment contract so entered unless the taxpayer fails to pay any amount due and owing. Upon written notice by the local tax administrator that the payment is 30 days delinquent, the taxpayer shall have 14 working days to cure any delinquency. If the taxpayer fails to cure the delinquency within the 14 day period or fails to demonstrate good faith in restructuring the installment contract with the local tax administrator, the installment contract shall be cancelled without further notice to the taxpayer.

### **3-35-12 STATUTE OF LIMITATIONS:**

(A) The village, through the local tax administrator, shall review all tax returns in a prompt and timely manner and inform taxpayers of any amounts due and owing. The taxpayer shall have 45 days after receiving notice of the reviewed tax returns to make any request for refund or provide any tax still due and owing.

(B) No determination of tax due and owing may be issued more than four years maximum after the end of the calendar year for which the return for the applicable period was filed or for the calendar year in which the return for the applicable period was due, whichever occurs later.

(C) If any tax return is not filed or if during any four-year period for which a notice of tax determination or assessment may be issued by the village, the tax paid was less than 75% of the tax due, the statute of limitations shall be six years maximum after the end of the calendar year in which return for the applicable period was due or end of the calendar year in which the return for the applicable period was filed.

(D) No statute of limitations shall not apply if a fraudulent tax return was filed by the taxpayer.

### **3-35-13 VOLUNTARY DISCLOSURE:**

For any locally imposed and administered tax for which a taxpayer has not received a written notice of an audit, investigation, or assessment from the local tax administrator, a taxpayer is entitled to file an application with the local tax administrator for a voluntary disclosure of the tax due. A taxpayer filing a voluntary disclosure application must agree to pay the amount of tax due, along with interest of 1% per month, for all periods prior to the filing of the application but not more than four years before the date of filing the application. A taxpayer filing a valid voluntary disclosure application may not be liable for any additional tax, interest, or penalty for any period before the date the application was filed. However, if the taxpayer incorrectly determined and underpaid the amount of tax due, the taxpayer is liable for the underpaid tax along with applicable interest on the underpaid tax, unless the underpayment was the result of fraud on the part of the taxpayer, in which case the application shall be deemed invalid and void. The payment of tax and interest must be made by no later than 90 days after the filing of the voluntary disclosure application or the date agreed by the local tax administrator. However, any additional amounts owed as a result of an underpayment of tax and interest previously paid under this section must be paid

within 90 days after a final determination and the exhaustion of all appeals of the additional amount owed or the date agreed to by the local tax administrator, whichever is longer.

**3-35-14 PUBLICATION OF TAX ORDINANCES:**

Any locally administered tax shall be published via normal or standard publishing requirements. The posting of a tax ordinance on the Internet shall satisfy the publication requirements. Copies of all ordinances shall be made available to the public upon request at the Village Clerk's office.

**3-35-15 REVIEW PROCEDURES:**

The local tax administrator shall establish an internal review procedure regarding any liens against any taxpayers for unpaid taxes. Upon a determination by the local tax administrator that the lien is valid, the lien shall remain in full force and effect. If the lien is determined to be improper, the local tax administrator shall:

- (A) Timely remove the lien at the village's expense;
- (B) Correct the taxpayer's credit record; and
- (C) Correct any public disclosure of the improperly imposed lien.

**3-35-16 APPLICATION:**

This subchapter shall be liberally construed and administered to supplement all of the village's tax ordinances. To the extent that any tax ordinance is in conflict with or inconsistent with this subchapter, this subchapter shall be controlling.



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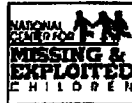
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## LOCAL GOVERNMENT

### (50 ILCS 45/) Local Government Taxpayers' Bill of Rights Act.

(50 ILCS 45/1)

Sec. 1. Short title. This Act may be cited as the Local Government Taxpayers' Bill of Rights Act.  
(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/5)

Sec. 5. Legislative declaration. It is the intent of the General Assembly that this legislation grant various rights and protections to taxpayers and tax collectors with respect to the administration and enforcement of local government tax laws. The provisions of this Act are designed to reduce the burden on both taxpayers and tax collectors by specifically providing that fair and consistent tax processes and procedures be adopted and disseminated to taxpayers at the local level while at the same time preserving local government's full authority to collect taxes lawfully due under their taxing ordinances.

This legislation also provides taxpayers a minimum level of consistency with regard to the assessment and collection of local taxes as they do business in multiple locations within this State.

The General Assembly further finds that tax systems are largely based on voluntary compliance and self-assessment and the development of understandable tax laws. Providing clear tax laws at the local level and providing all necessary due process rights in the collection and enforcement of local tax laws will only serve to improve voluntary compliance and self-assessment of local government taxes.

(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/10)

Sec. 10. Application and home rule preemption. The limitations provided by this Act shall take precedence over any provision of any tax ordinance imposed by a unit of local government, as defined in this Act, in Illinois, including without limitation any tax authorized under Section 8-11-2 of the Illinois Municipal Code.

Consistent with the limitations provided by this Act, a municipality, other than a municipality having a population greater than 1,000,000, may not impose any penalty with respect to a tax authorized by Section 8-11-2 of the Illinois

Municipal Code or with respect to an audit authorized by Section 8-11-2.5 of the Illinois Municipal Code, except as specified in Sections 50, 55, and 60 of this Act.

This Act is a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution.

(Source: P.A. 96-1422, eff. 8-3-10.)

(50 ILCS 45/15)

Sec. 15. Definitions. In this Act:

"Locally imposed and administered tax" means a tax imposed by a unit of local government that is collected or administered by a unit of local government and not an agency or Department of the State. A "locally imposed and administered tax" does not include a tax imposed upon real property under the Property Tax Code or fees collected by a unit of local government other than infrastructure maintenance fees.

"Local tax administrator" includes directors of local government departments of revenue or taxation, or other local government officers charged with the administration or collection of a locally imposed and administered tax, including their staffs, employees, or agents to the extent they are authorized by a local tax administrator to act in the local tax administrator's stead.

"Unit of local government" includes a municipality, a county, or a home rule unit of this State, but does not include (i) home rule municipalities with a population greater than 1,000,000 and (ii) home rule counties with a population greater than 3,000,000 that have locally administered departments or bureaus of revenue.

(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/20)

Sec. 20. Responsibilities of units of local government. Each unit of local government shall have the powers and obligations enumerated in the following Sections to protect the rights of the taxpayers.

(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/25)

Sec. 25. Application of payments. Taxpayers have the right to know how tax payments and remittances covered by this Act will be applied to the tax liability owed to units of local government. Each unit of local government must provide, by ordinance, for the order of application of tax payments to tax liability, penalty, and interest, provided that in no case may a payment be applied to penalties due before it is applied to tax or interest. In the event that a unit of local government does not provide for application of payments, any payment or remittance received for a tax period will be applied first to tax for the period, then to interest due for the period, and then to penalties due for the period.

(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/30)

Sec. 30. Statute of limitations. Units of local government have an obligation to review tax returns in a timely manner and issue any determination of tax due as promptly as possible so that taxpayers may make timely corrections of future returns and minimize any interest charges applied to tax underpayments. Each unit of local government must provide appropriate statutes of limitation for the determination and assessment of taxes covered by this Act, provided, however, that a statute of limitations may not exceed the following:

- (1) No notice of determination of tax due or

assessment may be issued more than 4 years after the end of the calendar year for which the return for the period was filed or the end of the calendar year in which the return for the period was due, whichever occurs later.

(2) If any tax return was not filed or if during any 4-year period for which a notice of tax determination or assessment may be issued by the unit of local government the tax paid or remitted was less than 75% of the tax due for that period, the statute of limitations shall be no more than 6 years after the end of the calendar year in which the return for the period was due or the end of the calendar year in which the return for the period was filed, whichever occurs later. In the event that a unit of local government fails to provide a statute of limitations, the maximum statutory period provided in this Section applies.

This Section does not place any limitation on a unit of local government if a fraudulent tax return is filed.

(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/35)

Sec. 35. Audit procedures. Taxpayers have the right to be treated by officers, employees, and agents of the local tax administrator with courtesy, fairness, uniformity, consistency, and common sense. This Section applies to any audit of a tax imposed by a unit of local government other than a municipality having a population greater than 1,000,000, except to the extent otherwise provided in Section 8-11-2.5 of the Illinois Municipal Code. Taxpayers must be notified in writing by the local jurisdiction of a proposed audit of the taxpayer's books and records clearly identifying who will be conducting the audit. For audits being conducted by third-party providers, the local jurisdiction must provide written authorization for the third-party provider to review the books and records of the taxpayer. No contact may be made by the third-party provider until the local-jurisdiction authorization is received by the taxpayer. The notice of audit must specify the tax and time period to be audited and must detail the minimum documentation or books and records to be made available to the auditor. Audits must be held only during reasonable times of the day and, unless impracticable, at times agreed to by the taxpayer. The auditor must sign a confidentiality agreement upon request by the taxpayer. Upon the completion of the audit, the local jurisdiction must issue an audit closure report to the taxpayer with the results of the audit. An auditor who determines that there has been an overpayment of tax during the course of the audit is obligated to identify the overpayment to the taxpayer so that the taxpayer can take the necessary steps to recover the overpayment. If the overpayment is the result of the application of some or all of the taxpayer's tax payment to an incorrect local government entity, then upon request by a unit of local government, the audit information must be given to any unit of local government that may be affected by an overpayment.

(Source: P.A. 96-1422, eff. 8-3-10.)

(50 ILCS 45/40)

Sec. 40. Appeals process. Units of local government have an obligation to provide, by ordinance, a procedure for appealing a determination of tax due or an assessment. Local governments must provide to taxpayers a written statement of rights whenever the local government issues a protestable notice of tax due, a bill, a claim denial, or a notice of claim reduction regarding any tax. The statement must explain the reason for the assessment, the amount of the tax liability proposed, the procedure for appealing the assessment, and the

obligations of the unit of local government during the audit, appeal, refund, and collection process. In no event may a taxpayer be provided a time period less than 45 days after the date the notice was served in which to protest a notice of tax determination or notice of tax liability. Any notice of tax assessment due must be sent by United States registered or certified mail. The unit of local government must also adopt procedures for opening up any closed protest period or extending the protest period upon the showing of reasonable cause by the taxpayer and full payment of the contested tax liability along with interest accrued as of the due date of the tax.

(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/45)

Sec. 45. Interest. Units of local government must provide, by ordinance, for the amount of interest, if any, to be assessed on a late payment, underpayment, or nonpayment of tax.

(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/50)

Sec. 50. Late filing penalties. Late filing penalties may not exceed 5% of the amount of tax required to be shown as due on a return. A late filing penalty may not apply if a failure to file penalty is imposed by the unit of local government. A local tax administrator may determine that the late filing was due to reasonable cause and abate the penalty.

(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/55)

Sec. 55. Late payment penalty. Late payment penalties may not exceed 5% of the tax due and not timely paid or remitted to the unit of local government. This penalty shall not apply if a failure to file penalty is imposed by the unit of local government. A local tax administrator may determine that the late payment was due to reasonable cause and abate the penalty.

(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/60)

Sec. 60. Failure to file penalty. If no return is filed before the issuance of a notice of tax deficiency or of tax liability to the taxpayer, any failure to file penalty may not exceed 25% of the total tax due for the applicable reporting period for which the return was required to have been filed. A local tax administrator may determine that the failure to file a return was due to reasonable cause and abate the penalty.

(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/65)

Sec. 65. Credits and refunds. Units of local government shall provide a procedure for claiming a credit or refund of taxes, interest, or penalties paid in error. No units of local government are required to refund or credit any taxes voluntarily paid without written protest at the time of payment in the event that a local government tax is declared invalidly enacted or unconstitutional by a court of competent jurisdiction. A taxpayer shall not be deemed to have paid a tax voluntarily if the taxpayer lacked knowledge of the facts upon which to protest the taxes at the time of payment or if the taxpayer paid the taxes under duress. Unless the corporate authorities of a unit of local government expressly adopt a shorter statute of limitations for a particular tax, a statute of limitations on a claim for credit or refund may not be less than 4 years after the end of the calendar year in which payment or remittance in error was made. No unit of local

government shall be required to grant a credit or refund of taxes, interest, or penalties to a person who has not paid or remitted the amounts directly to the unit of local government. Units of local government must provide, by ordinance, a rate of interest for overpayment of tax.  
(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/70)

Sec. 70. Installment contracts. If a local government tax ordinance or a local tax administrator allows installment payment agreements for delinquent tax amounts, the local tax administrator may not cancel any installment contract unless the taxpayer fails to pay any amount due on time and fails to cure the delinquency in the allowable time supplied by the local tax administrator, or fails to demonstrate good faith in restructuring any installment plan agreement or contract with the local tax administrator.  
(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/75)

Sec. 75. Voluntary disclosure. For any tax for which a taxpayer has not received a written notice of an audit, investigation, or assessment from the local tax administrator, a taxpayer is entitled to file an application with the local tax administrator for a voluntary disclosure of the tax due. A taxpayer filing a voluntary disclosure application must agree to pay the amount of tax due, along with interest of one percent per month, for all periods prior to the filing of the application but not more than 4 years before the date of filing the application. Except for the amount of tax and interest due under this Section, a taxpayer filing a valid voluntary disclosure application may not be liable for any additional tax, interest, or penalty for any period before the date the application was filed, provided, however, that if the taxpayer incorrectly determined and underpaid the amount of tax due as provided in this Section, the taxpayer is liable for the underpaid tax along with applicable interest on the underpaid tax, unless the underpayment was the result of fraud on the part of the taxpayer, in which case the application shall be deemed invalid and void. The payment of tax and interest required under this Section must be made within 90 days after the filing of the voluntary disclosure application or the date agreed to by the local tax administrator, whichever is longer, except that any additional amounts owed as a result of an underpayment of tax and interest previously paid under this Section must be paid within 90 days after a final determination and the exhaustion of all appeals of the additional amount owed or the date agreed to by the local tax administrator, whichever is longer.  
(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/80)

Sec. 80. Criminal penalties. Criminal penalties may not be imposed on taxpayers for non-compliance with the provisions of a locally administered tax unless the non-compliance is a result of willful or fraudulent disregard of the local tax laws.  
(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/85)

Sec. 85. Review of liens. The local tax administrator must establish an internal review process concerning liens against taxpayers. If the lien is determined to be improper, the local tax administrator must remove the lien at local government's own expense, correct the taxpayer's credit record, and correct any public disclosure of the improperly imposed lien.  
(Source: P.A. 91-920, eff. 1-1-01.)



(50 ILCS 45/90)

Sec. 90. Publication of tax ordinances. Each unit of local government that imposes one or more locally administered taxes by ordinance must publish and make copies of those taxing ordinances readily available to the public upon request. Posting of the tax ordinances on the Internet satisfies the publication requirement of this Section.

(Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/99)

Sec. 99. Effective date. This Act takes effect on January 1, 2001.

(Source: P.A. 91-920, eff. 1-1-01.)

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