

Prepared by:

City of Troy
116 E. Market Street
Troy, IL 62294



Ordinance No. 2025 - 17

AN ORDINANCE implementing a non-home rule municipal retailers' occupational tax and non-home rule municipal service occupational tax for the City of Troy, Illinois.

ADOPTED BY THE CITY COUNCIL
OF THE CITY OF TROY, ILLINOIS
THIS 17th DAY OF MARCH 2025

WHEREAS, the Illinois Municipal Code, 65 ILCS 5/1-2-1, provides that the corporate authorities of each municipality may pass all ordinances and make all rules and regulations proper or necessary, to carry into effect the powers granted to municipalities, with such fines or penalties as may be deemed proper; and,

WHEREAS, the City of Troy is a non-home rule Illinois municipality pursuant to the Constitution of the State of Illinois of 1970, as amended; and,

WHEREAS, Section 8-11-1.1 of the Illinois Municipal Code (65 ILCS 5/8-11-1.1) empowers non-home rule Illinois municipalities to impose certain Municipal Retailers' Occupation Taxes as outlined at Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3) (the "Non-Home Rule Municipal Retailers' Occupation Tax"); and,

WHEREAS, Section 8-11-1.1 of the Illinois Municipal Code (65 ILCS 5/8-11-1.1) empowers non-home rule Illinois municipalities to impose certain Municipal Service Occupation Taxes as outlined at Section 8-11-1.4 of the Illinois Municipal Code (65 ILCS 5/8-11-1.4) (the "Non-Home Rule Municipal Service Occupation Tax"); and,

WHEREAS, Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3) empowers a non-home rule municipality to "impose a tax upon all persons engaged in the business of selling tangible personal property, other than on an item of tangible personal property which is titled and registered by an agency of this State's Government, at retail in the municipality" based upon the "gross receipts from such sales made in the course of such business" for "expenditure on public infrastructure or for property tax relief or both" as defined in Section 8-11-1.2 (65 ILCS 5/8-11-1.2); and,

WHEREAS, Section 8-11-1.4 of the Illinois Municipal Code (65 ILCS 5/8-11-1.4) empowers a non-home rule municipality to "impose a tax upon all persons engaged, in such municipality, in the business of making sales of service . . . of the selling price of all tangible personal property transferred by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service;" and,

WHEREAS, Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3) and Section 8-11-1.4 of the Illinois Municipal Code (65 ILCS 5/8-11-1.4) empower the City to impose the Non-Home Rule Municipal Retailers' Occupation Tax and the Non-Home Rule Municipal Service Occupation Tax in 1/4% increments up to 1%; and,

WHEREAS, Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3) requires any municipality imposing a Non-Home Rule Municipal Retailers' Occupation Tax under Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3) to impose a Non-Home Rule Municipal Service Occupation Tax under Section 8-11-1.4 of the Illinois Municipal Code (65 ILCS 5/8-11-1.4) at "the same rate" as the rate imposed as the Non-Home Rule Municipal Retailers' Occupation Tax being imposed; and,

WHEREAS, any Non-Home Rule Municipal Retailers' Occupation Tax imposed by the City under Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3) shall be administered, collected and enforced by the Illinois Department of Revenue; and,

WHEREAS, any Non-Home Rule Municipal Service Occupation Tax imposed by the City under Section 8-11-1.4 of the Illinois Municipal Code (65 ILCS 5/8-11-1.4) shall be administered, collected and enforced by the Illinois Department of Revenue; and,

WHEREAS, proceeds generated from the imposition of any Non-Home Rule Municipal Retailers' Occupation Tax or Non-Home Rule Municipal Service Occupation Tax by the City must be used for "public infrastructure" or "property tax relief," as those terms are defined at Section 8-11-1.2 of the Illinois Municipal Code (65 ILCS 5/8-11-1.2); and,

WHEREAS, the City Council believe that it is appropriate, necessary, and in the best interests of the City and its residents, that the City levy a Non-Home Rule Municipal Retailers' Occupation Tax pursuant to Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3) and a Non-Home Rule Municipal Service Occupation Tax pursuant to Section 8-11-1.4 of the Illinois Municipal Code (65 ILCS 5/8-11-1.4) so that the City can provide property tax relief and invest in public infrastructure, as those terms are defined at Section 8-11-1.2 of the Illinois Municipal Code (65 ILCS 5/8-11-1.2).

NOW, THEREFORE, be it ordained, by the City Council of the City of Troy as follows:

Section 1. Incorporation of Recitals. The foregoing recitals shall be and are hereby incorporated as findings of fact as if said recitals were fully set forth herein.

Section 2. Non-Home Rule Municipal Retailers' Occupation Tax Imposed. 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 1.00% of the gross receipts from such sales made in the course of such business while this Ordinance is in effect. The imposition of this tax is in accordance with and subject to the provisions of Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3).

Section 3. Non-Home Rule Municipal Service Occupation Tax Imposed. A tax is hereby imposed upon all persons engaged in this municipality in the business of making sales of service, of the selling price of all tangible personal property transferred by such serviceman as an incident to a sale of service. The rate of this tax shall be the same rate identified in Section 2, above. The imposition of this tax is in accordance with and subject to the provisions of Section 8-11-1.4 of the Illinois Municipal Code (65 ILCS 5/8-11-1.4).

Section 4. Illinois Department of Revenue to Administer Both Taxes. 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 5. Clerk to file Ordinance with Illinois Department of Revenue. As required under Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3), the Clerk is hereby directed to file a certified copy of this Ordinance with the Illinois Department of Revenue on or before April 1, 2025.

Section 6. Effective Date. This Ordinance shall take effect on: (i) the first day of July next following the adoption and filing of this Ordinance with the Department of Revenue, if filed on or before the preceding April 1st; or, (ii) the first day of January next following the adoption and filing of this Ordinance with the Department of Revenue, if filed on or before the preceding October 1st.

Section 7. Limitation on Use of Proceeds. The City shall only expend the proceeds generated from any tax imposed by virtue of this Ordinance on: (a) expenditures related to “municipal roads and streets, access roads, bridges, and sidewalks; waste disposal systems; and water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities[;]” (b) efforts to “reduce the levy for real estate taxes or avoid an increase in the levy for real estate taxes that would otherwise have been required” by the City; or (c) any other or further permitted uses under Section 8-11-1 of the Illinois Municipal Code (65 ILCS 5/8-11-1) as may now or hereafter be authorized therein.

Section 8. Qualified Exemption of Aviation Fuel from Both Taxes. No provision of this Ordinance shall be interpreted to impose any tax on aviation fuel, as defined in Section 3 of the Retailers’ Occupation Tax Act (35 ILCS 120/3), unless the proceeds of said tax are expended for airport-related purposes, as that term is defined in Section 6z-20.2 of the State Finance Act (30 ILCS 105/6z-20.2), and said expenditures are made in compliance with the certification requirements for airport-related purposes under Section 2-22 of the Retailers’ Occupation Tax Act (35 ILCS 120/2–22).

Section 9. Repeal of Conflicting Provisions. All ordinances, resolutions and policies or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of the conflict, expressly repealed on the effective date of this Ordinance.

Section 10. Severability. If any provision of this Ordinance or application thereof to any person or circumstances is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Ordinance is severable.

Section 11. Headings/Captions. The headings/captions identifying the various sections and subsections of this Ordinance are for reference only and do not define, modify, expand or limit any of the terms or provisions of the Ordinance.

Section 12. Publication. The Clerk is directed by the corporate authorities to publish this Ordinance in pamphlet form. This Ordinance shall be in full force and effect after its passage and publication in accordance with 65 ILCS 5/1-2-4.

PASSED by the City Council of the City of Troy, Madison County, Illinois, approved by the Mayor, and deposited in the office of the City Clerk this 17th day of March 2025.

Aldermen Vote:

Dan Dawson	<u>✓</u>	Sam Italiano	<u>✓</u>	Ayes:	<u>7</u>
Tim Flint	<u>✓</u>	Debbie Knoll	<u>✓</u>	Nays:	<u>0</u>
Elizabeth Hellrung	<u>ABSTAIN</u>	Tony Manley	<u>✓</u>	Absent:	<u>0</u>
Nathan Henderson	<u>✓</u>	Troy Turner	<u>✓</u>	Abstain:	<u>1</u>



APPROVED:

A handwritten signature in blue ink, appearing to read 'David Nonn', written over a horizontal line.

DAVID NONN, Mayor
City of Troy, Illinois

ATTEST:

A handwritten signature in blue ink, appearing to read 'Kimberly Thomas', written over a horizontal line.

KIMBERLY THOMAS, Clerk
City of Troy, Illinois

CERTIFICATE

STATE OF ILLINOIS)
COUNTY OF MADISON) SS
CITY OF TROY)

I, Kimberly Thomas, being duly elected City Clerk of the City of Troy, Madison County, Illinois, and as such, the legal custodian of all records of said City, do hereby certify that the attached foregoing is a true, correct and complete copy of Ordinance 2025-17 of said City, the same being entitled

"AN ORDINANCE implementing a non-home rule municipal retailers' occupational tax and non-home rule municipal service occupational tax for the City of Troy, Illinois."

I FURTHER CERTIFY that said Ordinance was duly and regularly adopted by the City Council of the City of Troy, Madison County, Illinois, at a duly convened meeting of the Mayor and City Council of the City of Troy, Illinois, on the 17TH day of March, 2025.

I FURTHER CERTIFY that said Ordinance 2025-17 was approved by the Mayor of the City of Troy, Illinois and that he duly affixed his signature thereto, and that said Ordinance was duly signed and attested by me, as City Clerk of said City; and that said Ordinance was duly recorded and filed in the Office of the City Clerk and that the attached Ordinance is a true and correct copy of the original as the same appears of record in the minutes of said City Council meeting of March 17, 2025.

I FURTHER CERTIFY that the City Council of said City is composed of eight Aldermen and the Mayor; that on March 17, 2025, at the duly convened meeting of said City Council, when said Tax Levy Ordinance was adopted, that 8 Aldermen and the Mayor were present, and that said Ordinance was adopted by the vote of all members of the City Council who were present.

I FURTHER CERTIFY that a copy of this original Non-Home Rule Tax Ordinance is hereby certified by me to the Illinois Department of Revenue, by Order of the City Council as provided in said Ordinance.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Troy, Illinois, this 17TH day of March, 2025.



Kimberly Thomas, Clerk
City of Troy, Illinois



Kim Thomas

From: Allen, Aaron <Aaron.Allen@Illinois.gov>
Sent: Monday, April 21, 2025 1:25 PM
To: Jay Keeven
Cc: Kim Thomas
Subject: RE: Non-Home Rule Sales (Retailers' Occupation) Tax

Jay,

They have reviewed your ordinance, and everything is in order. They'll be sending you an official letter, but your tax will take effect 7/1.

Thank you.

Aaron Allen, Division Manager
Local Tax Allocation Division 3-500
Illinois Department of Revenue
101 W. Jefferson Street
Springfield, IL 62702
217-785-7116 phone
[LTAD Website](#)

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From: Jay Keeven <JKeeven@troyil.us>
Sent: Monday, April 21, 2025 12:36 PM
To: Allen, Aaron <Aaron.Allen@Illinois.gov>
Cc: Kim Thomas <KThomas@troyil.us>
Subject: [External] RE: Non-Home Rule Sales (Retailers' Occupation) Tax

Aaron,

I plan to present my final budget numbers to our City Council tonight. Would you be able to put me in contact with someone from your Legal Division to determine where they are at with our ordinance review?

Thanks

From: Allen, Aaron <Aaron.Allen@Illinois.gov>
Sent: Thursday, March 27, 2025 10:31 AM
To: Jay Keeven <JKeeven@troyil.us>
Cc: Kim Thomas <KThomas@troyil.us>
Subject: RE: Non-Home Rule Sales (Retailers' Occupation) Tax

Jay,

Yes, we've received the ordinance. After our Legal Division reviews the ordinance, you'll receive confirmation from them.

Thank you.

Aaron Allen, Division Manager
Local Tax Allocation Division 3-500
Illinois Department of Revenue
101 W. Jefferson Street
Springfield, IL 62702
217-785-7116 phone
[LTAD Website](#)

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From: Jay Keeven <JKeeven@troyil.us>
Sent: Thursday, March 27, 2025 10:24 AM
To: Allen, Aaron <Aaron.Allen@Illinois.gov>
Cc: Kim Thomas <KThomas@troyil.us>
Subject: [External] FW: Non-Home Rule Sales (Retailers' Occupation) Tax

Arron,

I wanted to double check to ensure you received the original document and the City of Troy will receive this sales tax before finalizing the City's budget for FY26, which begins May 1, 2025. Are you able to verify this for us?

Thanks

Jay Keeven
City Administrator
116 East Market Street
Troy, Illinois 62294
618.667.9924 ext. 501
618.791.8986 (mobile)

From: Kim Thomas <KThomas@troyil.us>
Sent: Tuesday, March 18, 2025 11:38 AM
To: Rev.Localtax@Illinois.gov
Cc: David Nonn <DNonn@troyil.us>; Jay Keeven <JKeeven@troyil.us>; Aaron.Allen@illinois.gov
Subject: RE: Non-Home Rule Sales (Retailers' Occupation) Tax

To: Illinois Department of Revenue
Attn: Mr. Aaron Allen, Division Manager, Local Tax Allocation Division 3-500

Mr. Allen,

The Troy City Council approved the attached ordinance last night:

"An Ordinance Implementing a Non-Home Rule Municipal Retailers' Occupational Tax and Non-Home Rule Municipal Service Occupational Tax for the City of Troy, Illinois"

A hard copy original of this document will be sent via certified mail tomorrow.

Thank you for your assistance in this matter.

Vr,

Kim Thomas

Kimberly Thomas, Clerk

City of Troy
116 E. Market Street
Troy, IL 62294
(618) 667-9924, ext 513

From: Kim Thomas
Sent: Thursday, February 27, 2025 3:45 PM
To: 'Rev.Localtax@Illinois.gov' <Rev.Localtax@Illinois.gov>
Cc: Jay Keeven <jkeeven@troyil.us>
Subject: FW: Non-Home Rule Sales (Retailers' Occupation) Tax

Thank you Mr. Allen.

From: REV.Localtax <Rev.Localtax@Illinois.gov>
Sent: Thursday, February 27, 2025 3:31 PM
To: Kim Thomas <KThomas@troyil.us>
Subject: RE: Non-Home Rule Sales (Retailers' Occupation) Tax

Kimberly,

Please send it to me using the address in my signature block.

Thank you.

Aaron Allen, Division Manager
Local Tax Allocation Division 3-500
Illinois Department of Revenue
101 W. Jefferson Street
Springfield, IL 62702
217-785-7116 phone
[LTAD Website](#)

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From: Kim Thomas <KThomas@troyil.us>
Sent: Thursday, February 27, 2025 3:22 PM

To: REV.Localtax <Rev.Localtax@Illinois.gov>

Subject: [External] Non-Home Rule Sales (Retailers' Occupation) Tax

Could you please provide the name and address of the individual or office who should receive our ordinance for 2025 Non-Home Rule Sales Tax?

Thank you.

Kimberly Thomas, Clerk

City of Troy

116 E. Market Street

Troy, IL 62294

(618) 667-9924, ext 513