

VILLAGE OF CHATHAM, ILLINOIS

ORDINANCE NO. 04-15

AN ORDINANCE AMENDING THE VILLAGE OF CHATHAM CODE OF
ORDINANCES BY INCREASING THE SIMPLIFIED MUNICIPAL
TELECOMMUNICATIONS TAX FROM 2% TO 6%

ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES
OF THE VILLAGE OF CHATHAM, ILLINOIS
THIS 13 DAY OF APRIL, 2004

Published in pamphlet form by the authority of the President and
Board of Trustees of the Village of Chatham, Sangamon County,
Illinois, this 13 day of APRIL, 2004.

AN ORDINANCE AMENDING THE VILLAGE OF CHATHAM CODE OF ORDINANCES BY INCREASING THE SIMPLIFIED MUNICIPAL TELECOMMUNICATIONS TAX FROM 2% TO 6%

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHATHAM, ILLINOIS, AS FOLLOWS:

SECTION 1: Section 116.2 of the Code of Ordinances of the Village of Chatham, Illinois, which was enacted pursuant to Ordinance 03-___, "An Ordinance Imposing A Simplified Municipal Telecommunications Tax And Amending The Village Of Chatham Code Of Ordinances", is amended by changing the amount of tax imposed from 2% to 6%. The amended section shall state as follows:

116.2 Simplified municipal telecommunications tax imposed.

A tax is hereby imposed upon any and all the following acts or privileges:

(a) The act or privilege of originating in the municipality or receiving in the municipality intrastate telecommunications by a person at a rate of 6% of the gross charge for such telecommunications purchased at retail from a retailer.

(b) The act or privilege of originating in the municipality or receiving in the municipality interstate telecommunications by a person at a rate of 6% of the gross charge for such telecommunications purchased at retail from a retailer. To prevent actual multi-state taxation of the act or privilege that is subject to taxation under this subsection, any taxpayer, upon proof that the taxpayer has paid a tax in another state on such event, shall be allowed a credit against any tax enacted pursuant to or authorized by this Section to the extent of the amount of such tax properly due and paid in such other state which was not previously allowed as a credit against any other state or local tax in this State.

(c) The tax imposed by this Chapter is not imposed on such act or privilege to the extent such act or privilege may not, under the Constitution and statutes of the United States, be made the subject of taxation by the municipality.

SECTION 2: Other Provisions In Chapter 116

All other provisions in Chapter 116 of the Village Code of Ordinances relating to the Simplified Municipal Telecommunications Tax shall remain in full force and effect.

SECTION 3: Effective Date; Publication.

This Ordinance shall take effect upon its passage and publication. The additional taxes imposed pursuant to this Ordinance shall take effect on January 1, 2005. The Clerk shall publish this Ordinance in pamphlet form, and the Clerk shall see to its inclusion in the next update of the Village of Chatham Code of Ordinances. Copies of this Ordinance shall be certified and sent to the Illinois Department of Revenue prior to October 1, 2004.

PASSED this 13 day of APRIL, 2004.



VILLAGE PRESIDENT

ATTEST:



Village Clerk



AYES: 4 BOYLE MCCARTHY KAVANAUGH GRAY
NAYS: 3 HERK MCDAMMS MCLRATH
PASSED: 4-13-04
APPROVED: 4-13-04
ABSENT: 0

ORDINANCE CERTIFICATE

STATE OF ILLINOIS)
) SS.
COUNTY OF SANGAMON)

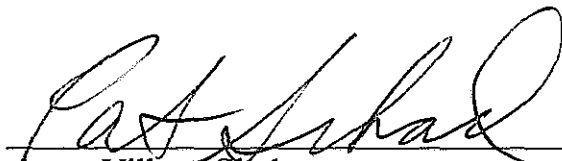
I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 04- 15 adopted by the President and Board of Trustees of said Village on the 13 day of APRIL, 2004, said Ordinance being entitled:

AN ORDINANCE AMENDING THE VILLAGE OF CHATHAM CODE OF ORDINANCES BY INCREASING THE SIMPLIFIED MUNICIPAL TELECOMMUNICATIONS TAX FROM 2% TO 6%

I do further certify that prior to the making of this certificate, the said Ordinance was spread at length upon the permanent records of said Village, where it now appears and remains.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this 13 day of APRIL, 2004.



Village Clerk



STATE OF ILLINOIS)
) ss.
COUNTY OF SANGAMON)

CERTIFICATE

I certify that I am the duly elected and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I further certify that on APRIL 13, 2004, the corporate authorities of such Village passed and approved Ordinance No. 04-15 entitled:

AN ORDINANCE AMENDING THE VILLAGE OF CHATHAM CODE OF ORDINANCES BY INCREASING THE SIMPLIFIED MUNICIPAL TELECOMMUNICATIONS TAX FROM 2% TO 6%

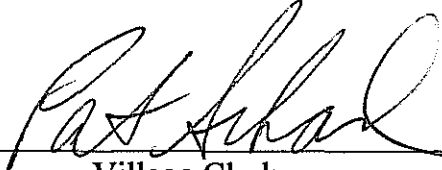
which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 04-15 including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the Village Hall, commencing on APRIL 13, 2004, to continue for at least ten days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the Village Clerk.

DATED at Chatham, Illinois, this 13 day of APRIL, 2004.

(SEAL)




Village Clerk



Illinois Department of Revenue

Legal Services Office 5-500
101 W. Jefferson St.
Springfield, IL 62794

July 22, 2004

Village of Chatham
116 East Mulberry
Chatham, Illinois 62629

Attention: Pat Schad
Village Clerk

Dear Mr. Schad:

This is to acknowledge receipt of the Village of Chatham's Ordinance No. 04-15 increasing the Simplified Municipal Telecommunications Tax to the rate of 6%.

Although this Ordinance only sets forth one Section of the Chapter, we note that the original ordinance adopted to impose the Simplified Municipal Telecommunications Tax appears to have been an attempt to mirror the language of the Simplified Municipal Telecommunications Tax Act (35 ILCS 636/5-1 et seq.). Section 116.2 of the Chapter indicates that the tax imposed by the Village does not reflect the current status of the law. Public Acts 92-878 and 93-286 have made changes to the Act.

The Village may bring its Code into compliance in one of two ways. Enclosed is a sample ordinance that the village may adopt that, rather than restate the language of the Act, imposes the tax "under the provisions of the Simplified Municipal Telecommunications Tax Act". This method has the advantage that, each time the Act is amended, the ordinance does not also need to be amended. In the alternative, the Village may amend the language of the Chapter to reflect the current language of the Act. Keep in mind that, if this method is used, as changes are made to the Act in the future, the Village must update its language to reflect those changes. In order for the Department to administer the tax, the tax imposed by the Village must be the same as the tax imposed under the Act. Please note that, if you use the enclosed ordinance, you will also want to repeal the existing language in the Village Code.

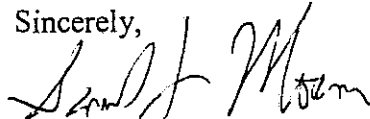
We urge you to make these changes to bring the ordinance into compliance with the Act within 30 days after the date of this letter in order for the Department to begin enforcement as provided below.

With the changes above, the Illinois Department of Revenue shall collect, administer, and enforce this Simplified Municipal Telecommunications Tax effective January 1, 2005, in

accordance with the provisions of the Simplified Municipal Telecommunications Tax Act (35 ILCS 636/5-1 et seq.).

If you have any questions regarding this matter or if I can be of any assistance, please feel free to contact me at the number listed below.

Sincerely,

A handwritten signature in cursive script, appearing to read "Samuel J. Moore".

Samuel J. Moore
Associate Counsel
(217) 782-2844

Enc.

Cc: Cecil Denton, Local Tax Allocation Division

04-15 TELECOM TAX
4-13-04 2% → 6%

4 yes

3 no

NOT ACCEPTED BY
IDR

04-53 REPEALED 04-15

5 YES

0 NO

1 ABSENT (BOYCE)

TOM VETOED 04-53 9-12-04
(BY MEMO)

04-54 2% → 5%

4 YES

2 NO

9-14-04