

## ARTICLE XIII HOTEL/MOTEL USE TAX

### SECTION:

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### **8.1301: PURPOSE:**

A hotel/motel use tax is established for the purpose of providing a source of funding for events which benefit the entire community. (Ord. 4293, 4-16-1991, eff. 7-1-1991)

### **8.1302: IMPOSITION OF TAX:**

A hotel/motel use tax is hereby imposed upon all licensees, as provided in chapter 11, article XVII of this code, for the use and privilege of renting, leasing or letting of rooms in a hotel or motel in the village at a rate set forth in appendix A, division II of this code, on the gross rental receipts from such rental, leasing or letting. The ultimate incidence of any liability for payment of said tax shall be borne by the user, lessee or tenant of said rooms. The hotel/motel use tax shall be in addition to any and all other taxes imposed by the village, state of Illinois, or by any municipal corporation or political subdivision thereof. (Ord. 5189, 5-15-2001)

### **8.1303: PAYMENT AND COLLECTION:**

The owner and/or operator of each hotel and/or motel and the person to whom the license to operate shall have been issued, as required in chapter 11, article XVII of this code, shall bear jointly and severally the duty to collect the tax from each user, lessee or tenant of rooms in such hotel or motel. Every person required to collect the tax as provided herein shall secure said tax from the user, lessee or tenant of a room or rooms at the time he collects the price, charge or rent to which it applies. (Ord. 4293, 4-16-1991, eff. 7-1-1991)

### **8.1304: ADMINISTRATION AND ENFORCEMENT OFFICER:**

The finance director of the village is hereby designated as the administration and enforcement officer of this hotel/motel use tax on behalf of the village. It shall be the responsibility and duty of the finance director to collect all amounts due to the village from the owners, operators and/or licensees of hotels and motels in the village.

On a monthly basis a sworn hotel and motel occupancy tax return shall be filed by each owner, operator and/or licensee with the finance director of the village on forms provided by him, showing all receipts from each renting, leasing or letting of rooms during said month. The dates upon which said monthly returns are to be filed shall be established by the finance director.

Each such return shall be accompanied by payment to the village of all taxes due and owing for the month covered by the return; provided, however, that the person making said return may retain an amount of money equal to two percent (2%) of the tax due as compensation for services rendered in the collection and payment of said hotel/motel use tax.

The finance director, or any person designated by him as his agent or representative, may enter the premises of any hotel or motel for the purpose of inspecting and examining its books and records for the proper administration of this article and for the enforcement of collection of the hotel/motel use tax. It shall be unlawful for any person to prevent, hinder or interfere with the finance director or his duly authorized agent or representative in the discharge of his duties set forth herein. (Ord. 4293, 4-16-1991, eff. 7-1-1991)

**8.1305: INTEREST AND PENALTIES:**

If any tax imposed by this article is not paid when due, or any return is not filed when due, the interest and penalty provisions of sections 8.2009 and 8.2010 of this chapter shall be applied. (Ord. 5156-A, 12-19-2000)

**8.1306: TRANSMITTAL OF TAX COLLECTION:**

All monies collected as a result of the imposition of this hotel/motel use tax, including interest and penalties, shall be paid into the treasury of the village and shall be credited to and deposited in the general corporate fund of the village. (Ord. 4293, 4-16-1991, eff. 7-1-1991)

**8.1307: LICENSE SUSPENSION, REVOCATION:**

Collection and payment of said tax and any payment may be enforced by action in any court of competent jurisdiction and failure to collect, account for and pay over said tax and any payment penalty shall be cause for suspension or revocation of any license issued in conjunction with the operation of a hotel and/or motel, all in addition to any other penalties in this article. Such suspension or revocation shall be in accordance with chapter 10, article IV of this code. (Ord. 4293, 4-16-1991, eff. 7-1-1991)

**8.1308: VIOLATIONS:**

Any owner, operator and/or licensee found guilty of violating, disobeying, omitting, neglecting or refusing to comply with or resisting or opposing the enforcement of any provision of this article, except when otherwise specifically provided, shall be subject to a fine in the amount set forth in appendix A, division III of this code, for each offense. Each day a violation exists shall constitute a separate and distinct offense.

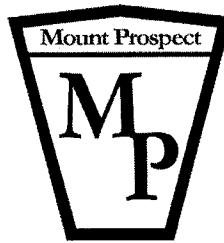
In addition to any fines and penalties provided in this article, the village manager may cause a hearing to consider revocation of business license, as provided in chapter 10, article IV of this code. (Ord. 4293, 4-16-1991, eff. 7-1-1991; amd. Ord. 5189, 5-15-2001; Ord. 5518, 11-1-2005)

**Section 8.1302: IMPOSITION OF TAX:**

Hotel/motel use tax	6% of gross rental receipts from rental, leasing or letting
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**MAYOR**  
Paul Wm. Hoefert

**TRUSTEES**  
Vincent J. Dante  
Agostino S. Filippone  
Terri Gens  
William A. Grossi  
John J. Matuszak  
Colleen E. Saccotelli



**VILLAGE MANAGER**  
Michael J. Cassady

**VILLAGE CLERK**  
Karen Agoranos

Phone: 847/392-6000  
Fax: 847/392-6022  
www.mountprospect.org

## Village of Mount Prospect

50 S. Emerson Street, Mount Prospect, Illinois 60056

### Hotel/Motel Tax Acknowledgment Form

I hereby acknowledge receipt of the Hotel/Motel Tax packet including:

- Letter from Director of Finance
- Taxpayer Bill of Rights
- Village Hotel/Motel Tax Code

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

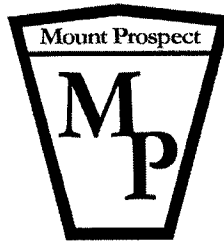
\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Name of Business

*Please sign, date, and return to the Community Development Department.*

**MAYOR**

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[www.mountprospect.org](http://www.mountprospect.org)**Village of Mount Prospect**

50 S. Emerson Street, Mount Prospect, Illinois 60056

Dear Business Owner:

A municipal hotel/motel tax of six percent (6%) of gross rental receipts from rental, leasing or letting of rooms in a hotel, motel in the Village of Mount Prospect. A copy of the Article from the Mount Prospect Village Code pertaining to the tax is enclosed.

As a retailer of a hotel/motel, you should immediately begin collecting the hotel/motel tax at a rate of six percent (6%) of gross rental receipts from rental, leasing or letting as provided in the ordinance. You may retain an amount of money equal to two percent (2%) of the tax due as compensation for services rendered in the collection and payment of hotel/motel use tax. A return and the tax due for each calendar month must be filed with the Village on or before the 15<sup>th</sup> of the following month.

Tax remittances should be submitted online using Localgov, a secure file and pay platform. Visit our website at <https://www.mountprospect.org/departments/finance-department/taxes-and-service-fees> for more information to set up your account today at: <https://lata.localgov>.

State law requires all municipalities to establish a Taxpayers' Bill of Rights. A copy of the Article from the Mount Prospect Village Code pertaining to the Bill of Rights is enclosed. The Taxpayers' Bill of Rights establishes the legal amount of interest and penalties that municipalities can impose for the late payment of taxes. This information is provided to inform you of the law provisions which could affect you, as the operator of a business in Mount Prospect.

While we know our business community makes every attempt to comply with established deadlines, if a hotel/motel tax return and payment are not remitted on time, the State has established certain rates for interest and penalties. Under the law, the Village is entitled to assess interest of one percent (1%) per month for any taxes that are not paid by the due date. In addition, a 5% penalty for failure to file a tax return and a five percent (5%) penalty for failure to pay the tax itself can also be assessed. The Village intends to impose and collect all interest and penalties provided by the law if the hotel/motel taxes are not paid on time.

If you have any questions concerning the hotel/motel tax, please contact the Finance Department at 847-392-6000.

Sincerely,

*Amit R. Thakkar*Amit R. Thakkar  
Director of Finance



VILLAGE OF MOUNT PROSPECT

50 South Emerson Street
Mount Prospect, IL 60056

HOTEL/MOTEL OCCUPANCY TAX RETURN

For Month Ending \_\_\_\_\_, 20\_\_

Statement of Tax Receipts under the Provision of Ordinance No. 4293 of the Municipal Code of the Village of Mount Prospect.

LEGAL BUSINESS NAME \_\_\_\_\_ DBA \_\_\_\_\_

ADDRESS \_\_\_\_\_

PHONE \_\_\_\_\_

COMPUTATION OF TAX

Table with 3 columns: Line number, Description, and Amount. Rows include Gross Room Rental Receipts, Gross Tax (6% of Line 1), Less Collection Fee (2% of Line 2), Net Tax to be Remitted, Interest (1% per month if late), Penalty (5% late return), Penalty (5% delinquent tax), and Total Tax Due.

Remittance Instructions

Please remit this form and the amount indicated on line 8 above. Checks should be made payable to: VILLAGE OF MOUNT PROSPECT.

The Village must receive your remittance by the 15th day of the month immediately following the month when the taxes were collected. If the 15th of the month falls on a Sunday or holiday when Village Hall is closed, payment must be received by the next business day.

If the return is filed late, interest of one-percent (1%) per month will be added to the tax liability. Also, you will be liable for a five-percent (5%) penalty for failure to file a return and an additional five-percent (5%) penalty will be assessed for failure to pay the tax by the due date.

Affirmation

Under penalties as provided by law, the undersigned attests that this tax return is true and accurate to the best of his/her knowledge and belief, and that the statements contained herein are taken from the books and records of the business for which this is filed.

Signature of Tax Payer \_\_\_\_\_

Name of Business Owner (Print/Type) \_\_\_\_\_

Title \_\_\_\_\_

IBT # \_\_\_\_\_

Phone \_\_\_\_\_

Date \_\_\_\_\_

PLEASE NOTIFY THE VILLAGE OF MOUNT PROSPECT OF ANY CHANGE IN OWNERSHIP.

**MAYOR**  
Paul Wm. Hoefert

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## **Village of Mount Prospect**

50 S. Emerson Street, Mount Prospect, Illinois 60056

### **Chapter 8, Article XX: Local Government Taxpayers' Bill of Rights**

#### **8.2001: DEFINITIONS:**

CODE: The village code.

TAX: Any pecuniary burden imposed by this village on individuals or entities to support village government (including the infrastructure maintenance fee) that is not a permit or other fee, is not collected or administered by a department or agency of the state of Illinois, or is not a tax on real property under the Illinois property tax code 12. This shall include, but not be limited to, any of the following taxes that may now, or in the future be collected or administered by this village:

Auto rental tax.	Municipal motor fuel tax.
Coin-operated games and devices tax.	Natural gas user tax.
Food and beverage tax.	Real estate transfer tax.
Foreign fire insurance tax.	Telecommunications tax.
Hotel/motel tax.	Utility tax (Ord. 5189, 5-15-2001)
Infrastructure maintenance fee.	

#### **8.2002: APPLICATION OF PAYMENTS:**

Notwithstanding any provision in this code to the contrary, any payment designated by a taxpayer as payment of a particular tax liability shall be applied to that taxpayer's liabilities pertaining to the particular tax as follows: a) first to the interest accrued on outstanding tax liabilities; b) second to the outstanding tax liability; c) third to any penalties due on outstanding tax liabilities; and d) fourth to current tax liabilities. (Ord. 5189, 5-15-2001)

#### **8.2003: INTEREST ON OVERDUE PAYMENTS:**

Notwithstanding any provision in this code to the contrary, any tax not paid on the date due shall accrue interest at a rate set forth in appendix A, division II of this code, on the amount due for each month or part of a month the tax remains unpaid. (Ord. 5189, 5-15-2001)

#### **8.2004: DETERMINATION OF TAX LIABILITY:**

A. To collect overdue taxes, a notice of determination of tax liability shall be sent to the taxpayer by registered or certified mail within six (6) years after the calendar year when the tax was due. However, if more than seventy five percent (75%) of the tax due has been paid, a determination notice must be sent within four (4) years after the end of the calendar year when the tax was due.

B. Any notice of determination of tax liability shall include the following:

1. Reason for tax liability.
2. The amount of tax, interest and penalty due on the date of the determination and information on how interest and penalties accrue.
3. Procedure for appeal.
4. Information regarding the right of the village to audit the taxpayer's books and records for a particular period and its obligation to refund overpayments. (Ord. 5189, 5-15-2001)

**8.2005: APPEALS:**

Any taxpayer may within forty five (45) days of the date of receipt of a notice of determination of tax liability or at any time before a current tax becomes due, seek a hearing before the director of finance to appeal the tax liability.

Upon full payment of the amount of tax protested plus accrued interest due, the director of finance shall extend the forty five (45) day period for appeal for up to an additional forty five (45) days for good cause upon the written request of the taxpayer. (Ord. 5189, 5-15-2001)

**8.2006: CREDITS AND REFUNDS:**

Notwithstanding any provision in this code to the contrary, a taxpayer may make a written claim for a credit or refund for payment of taxes, interest or penalties paid in error for up to four (4) years after the end of the calendar year in which the payment was made. Claims must include dates, amount paid, and an explanation of the error that occurred. The director of finance shall determine whether a credit or refund is justified and shall respond to the taxpayer in writing within thirty (30) days of receipt of the claim. Tax amounts paid in error shall be refunded along with a rate of simple interest per year that is set forth in appendix A, division I of this code. (Ord. 5189, 5-15-2001)

**8.2007: VOLUNTARY APPLICATION FOR THE DETERMINATION:**

A taxpayer who has not received a written notice of an audit or a notice of determination of a tax liability may make a written application to the director of finance for a determination of the taxpayer's liability pertaining to a particular tax. Such an applicant must agree to pay, within ninety (90) days of the date of the application, the tax due plus interest at a rate set forth in appendix A, division I of this code, per month for all periods within four (4) years prior to the filing of the application. The taxpayer shall be liable for any underpaid taxes and accrued interest during the four (4) year time period. (Ord. 5189, 5-15-2001)

**8.2008: LIENS:**

In the first month of each year the director of finance shall cause all liens against taxpayers to be reviewed. The village shall at its sole expense release improper liens, correct the taxpayer's credit record and correct any public disclosure of said lien. (Ord. 5189, 5-15-2001)

**8.2009: INTEREST:**

In the event of failure by any person to pay a required tax when due, interest shall accumulate and be due at the rate per month set forth in appendix A, division I of this code, commencing on the first day after the day on which the tax became due. (Ord. 5189, 5-15-2001)

**8.2010: PENALTIES:**

A. A penalty at a rate set forth in appendix A, division III of this code on the amount of tax due shall be charged against any taxpayer whose tax payment is not made on or before the date the tax is due.

B. A penalty at a rate set forth in appendix A, division III of this code of the amount of tax due for the period in which a report or return is required to be filed shall be charged against any taxpayer who fails to file, before the date that a determination of liability is issued, a report or return for that period.

C. Any penalty may be abated by the director of finance if reasonable cause for nonpayment or failure to file is shown. (Ord. 5189, 5-15-2001)