

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda


 X Resolution or Ordinance (Blue) X *Waiver of First Requested*
 Recommendations of Boards, Commissions & Committees (Green)
 Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: Scott R. Niehaus, Village Manager

DATE: November 27, 2018 (B of T) Date: December 6, 2018

TITLE: Amending Village Code Title IX, Chapter 98
Places for Eating and Amusement Tax Collection Commission

SUBMITTED BY: Janet Downer, Business Administrator 
Village President

BACKGROUND/POLICY IMPLICATIONS:

Please find attached an ordinance amending Title IX, Chapter 98, Sections 98.111(D)(3) and 98.114(D)(3) of the Lombard Village Code clarifying the applicability of the 1% collection commission relative to the Places for Eating and Amusement Taxes.

Please place this item for consideration on the December 6, 2018 Board of Trustees agenda.

Staff is requesting a waiver of first reading.

Fiscal Impact/Funding Source:

Review (as necessary):


Village Attorney X _____	Date _____
Finance Director X _____	Date _____
Village Manager X _____	Date _____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



MEMORANDUM

TO: Scott Niehaus, Village Manager

FROM: Janet Downer, Business Administrator 

DATE: November 27, 2018

SUBJECT: **Places for Eating (PFE) and Amusement Taxes - Collection Commission
Title IX, Chapter 98, Sections 98.111(D)(3) and 98.114(D)(3)**

BACKGROUND

The Village of Lombard levies a 2% Places for Eating (PFE) Tax on the gross receipts of any premises located within the corporate limits of the Village of Lombard where prepared food is sold at retail for immediate consumption, with seating provided for consumption of prepared food on the premises, whether consumed on premises or not. The Village also levies a 5% Amusement Tax on the gross receipts of any premises that has "amusement" as defined under Section 98.114 of Village Code.

Places for Eating and Amusement taxes must be paid to the Village by the 20th day of the month following the businesses' reporting period (normally every month) unless their State of Illinois sales tax returns are filed on a quarterly or annual basis.

PRIOR AMENDMENTS TO VILLAGE CODE

Staff has been refining Village Code to reflect current procedures and circumstances required to maintaining the PFE and Amusement Tax programs. To date the following amendments have been requested by staff and approved by the Village Board:

- **Ordinance 7514** – approved on May 3, 2018
Added language to Village Code to clarify that penalties and interest applied to a late filing and late tax payment relative to the PFE program
- **Ordinance 7516** – approved on May 3, 2018
Added language to Village Code to clarify that penalties and interest applied to a late filing and late tax payment relative to the Amusement Tax program
- **Ordinance 7595** – approved November 1, 2018
Repealed a subsection of Village Code which deleted the late payment interest provision

CURRENT REQUEST TO AMEND VILLAGE CODE

Currently, any entity who is required to pay either the PFE and/or the Amusement tax and pays their tax on time, may keep a commission of one percent (1%) of the amount of the tax, to reimburse for expenses incurred in the administration of the tax. Village Code requires that a tax filing form as well as a tax payment be made to satisfy the remittance requirements of both programs but is silent about the applicability of the 1% collection commission should an entity submit their tax payment on time but not file the tax form on time or vice versa.

In order to clarify Village Code, Village staff has conferred with Village Counsel who has drafted the attached ordinance. This ordinance specifies that in order for an entity to keep the 1% collection commission, they must pay the tax on time **and** file the tax return form on time. If one or the other is not filed on time, then the entity is not entitled to keep the 1% collection commission.

Please place this item for consideration on the December 6, 2018 Village Board agenda. Village staff recommends approval of this request.

/jd

ORDINANCE NO. _____

**AN ORDINANCE AMENDING TITLE IX, CHAPTER 98,
SECTION 98.111(D)(3) OF THE LOMBARD VILLAGE CODE
IN REGARD TO THE COLLECTION COMMISSION
RELATIVE TO THE PLACES FOR EATING TAX**

BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: That Title IX, Chapter 98, Section 98.111(D)(3) of the Lombard Village Code is amended by revising the last sentence thereof to read in its entirety as follows:

“No commission may be claimed by an owner for taxes not timely remitted to the Village, or where the tax return is not timely filed with the Village.”

SECTION 2: That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form, as provided by law.

Passed on first reading this _____ day of _____, 2018.

First reading waived by action of the Board of Trustees this ___ day of _____, 2018.

Passed on second reading this _____ day of _____, 2018, pursuant to a roll call vote as follows.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by me this _____ day of _____, 2018.

Keith Giagnorio, Village President

ATTEST:

Sharon Kuderna, Village Clerk

Published by me in pamphlet form this _____ day of _____, 2018.

Sharon Kuderna, Village Clerk

ORDINANCE NO. _____

**AN ORDINANCE AMENDING TITLE IX, CHAPTER 98,
SECTION 98.114(D)(3) OF THE LOMBARD VILLAGE CODE
IN REGARD TO THE COLLECTION COMMISSION
RELATIVE TO THE AMUSEMENT TAX**

BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: That Title IX, Chapter 98, Section 98.114(D)(3) of the Lombard Village Code is amended by revising the last sentence thereof to read in its entirety as follows:

“No commission may be claimed by an owner for taxes not timely remitted to the Village, or where the tax return is not timely filed with the Village.”

SECTION 2: That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form, as provided by law.

Passed on first reading this _____ day of _____, 2018.

First reading waived by action of the Board of Trustees this ___ day of _____, 2018.

Passed on second reading this _____ day of _____, 2018, pursuant to a roll call vote as follows.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by me this _____ day of _____, 2018.

Keith Giagnorio, Village President

ATTEST:

Sharon Kuderna, Village Clerk

Published by me in pamphlet form this _____ day of _____, 2018.

Sharon Kuderna, Village Clerk